



## AGENDA

**September 26, 2024, at 3:00 pm**

Council Chambers, Ojai City Hall

401 South Ventura Street, Ojai, CA 93023

**Phone:** 805.640.1207 **Web site:** obgma.com

**Email:** [obgma@aol.com](mailto:obgma@aol.com)

### Board of Directors

Richard Hajas, Casitas Municipal Water District

Jim Finch, Ojai Water Conservation District

Peter Thielke, Mutual Water Companies

Bob Daddi, Community Facilities District

Andrew Whitman, City of Ojai

### Zoom Teleconferencing for Public Call in Participation:

1. Zoom Dial in Information: 1-669-900-9128, Meeting ID: 827 5712 7464, Password: 218792.

### For Public Viewing

2. Zoom Meeting

Link: <https://us02web.zoom.us/j/82757127464?pwd=Rm5JenhNUDNvRVovaEUwMzdScnFRdz09>

3. [www.OBGMA.com](http://www.OBGMA.com)

4. City of Ojai YouTube Channel at:

<https://www.youtube.com/channel/UC3DhCB5Z1DynNC7n8qcNeDQ/live> (2 Minute delay of transmission)

5. In Ojai, CA: Spectrum Channel 10.

**Public Comments:** Members of the public may provide public comments under Item 6 or on each agenda item presented herein. Please wait until the Board Chair asks if any members of the public wish to comment. This will provide for orderly participation during the meeting.

Members of the public may also submit written public comments in advance via e-mail no later than 12:00 p.m. on the day of the meeting. Public comment e-mails should be sent to

[OBGMA@aol.com](mailto:OBGMA@aol.com) "Attention Board of Directors".

## 1. CALL TO ORDER AND ROLL CALL

## 2. PLEDGE OF ALLEGIANCE

## 3. DIRECTOR ANNOUNCEMENTS/REPORTS/COMMENTS

- Mutual Water Companies
- Ojai Water Conservation District
- City of Ojai
- Casitas Municipal Water District
- Community Facilities District – CMWD Ojai Service Area

#### **4. GENERAL MANAGER COMMENTS**

#### **5. BASIN STATUS REPORTS**

- Current Status of Basin: Input, Output, and Storage

#### **6. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

The Board will receive comments from the public at this time. Other than for emergency items, no action can be taken during this period. Matters raised at this time may be briefly discussed by the Board and will generally be referred to staff and/or placed on a subsequent agenda.

#### **7. CONSENT AGENDA**

- a) **Financial Reports for July 2024 and August 2024**
- b) **Minutes of the July 25, 2024, meeting**

#### **8. ACTION ITEMS**

- a) **Well Verification, APN 024-0-141-025, 300 Longhorn Lane**
  - Determine that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in the Groundwater Sustainability Plan adopted by OBGMA for the Ojai Valley Groundwater Basin;
  - Determine that groundwater extraction by the proposed well would not decrease the likelihood of achieving any sustainability goal for the Basin as covered by the Plan; and
  - Adopt Resolution No. 2024-03 Authorizing Written Verification of a Proposed New Well Located Within the Boundaries of the Agency of Assessor's Parcel No. 024-0-141-025, 300 Longhorn Lane
- b) **Financial Statements for Fiscal Years 2020-21, 2021-22, 2022-23, and 2023-24**
  - Review and Approve the Financial Statements for Fiscal Years ending September 30, 2023, 2022, 2021, and 2020, prepared by Farber, Hass, Hurley, LLP
- c) **Establishing an Updated Process and Criteria for Administering Water Well Registration and Verification Requests**
  - Adopt Resolution 2024-04 Establishing an Updated Process and Criteria for Administering Water Well Registration and Verification Requests
- d) **Authorize Access Database Consulting Services**
  - Authorize the General Manager to engage J Street Consulting for Access database support in an amount not to exceed \$5,000.00

**e) Reschedule October Board Meeting**

- Consider moving October 31, 2024, Board meeting to October 24, 2024.

**9. DISCUSSION ITEMS**

- a) **Draft Budget for Fiscal Year 2024-25**
- b) **Legislative Ad-Hoc Committee Update**
- c) **Meter Compliance Ad-Hoc Committee Update**

**10.ADJOURNMENT**

The regular meetings of the Ojai Basin Groundwater Management Agency are scheduled for the last Thursday of each month. The meeting agenda will be posted at Ojai City Hall and the OBGMA website 72 hours prior to the meeting.

The next regular meeting of the Ojai Basin Groundwater Management Agency is scheduled for October 31, 2024, at 3:00 p.m. to be held in the Council Chambers at Ojai City Hall and by Zoom Teleconferencing. Please contact OBGMA by email at [obgma@aol.com](mailto:obgma@aol.com) or by calling 805.640.1207 with any questions.



**OBGMA**

Budget Actuals FYTD 23/24

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	YTD
<b>Beginning Bank Balance</b>											
Checking	53,370.69	98,401.77	112,952.56	117,678.55	147,685.03	134,104.00	95,562.03	118,966.70	103,184.30	99,791.35	1,448,444.44
Savings	5,023.80	5,023.80	5,023.80	5,024.43	5,024.43	5,024.43	20,025.13	20,025.13	20,025.13	20,027.62	20,027.62
	<b>58,394.49</b>	<b>103,425.57</b>	<b>117,976.36</b>	<b>122,702.98</b>	<b>152,709.46</b>	<b>139,128.43</b>	<b>115,587.16</b>	<b>138,991.83</b>	<b>123,209.43</b>	<b>119,818.97</b>	
<b>Income</b>											
Returned Check Charges											
GSP Extraction Fees	34,707.16	11,041.73	4,340.84	30,138.87	6,032.76	1,975.46	24,290.11	4,441.10	2,577.67	48,530.60	168,076.30
Well Head Fee	4,915.57	6,914.71	2,871.00	8,471.44	3,830.39	1,365.00	6,370.00	4,615.00	328.70	7,405.88	47,087.69
Interest Charges	115.07	349.18		27.50	102.77	69.43	15.75	24.83		117.00	821.53
Recordation Fee	358.07	464.40	119.00	636.65	220.00	100.00	420.00	245.00	22.22	369.68	2,955.02
Extraction Charges	24,118.16	10,747.93	1,025.25	21,213.02	4,122.52	1,403.00	10,186.34	1,934.63	8,001.66	17,000.02	99,752.53
Savings Acct Interest			0.63			0.70			2.49		3.82
<b>Total Income</b>	<b>64,214.03</b>	<b>29,517.95</b>	<b>8,356.72</b>	<b>60,487.48</b>	<b>14,308.44</b>	<b>4,913.59</b>	<b>41,282.20</b>	<b>11,260.56</b>	<b>10,932.74</b>	<b>73,423.18</b>	<b>318,696.89</b>
<b>Total Income</b>	<b>64,214.03</b>	<b>29,517.95</b>	<b>8,356.72</b>	<b>60,487.48</b>	<b>14,308.44</b>	<b>4,913.59</b>	<b>41,282.20</b>	<b>11,260.56</b>	<b>10,932.74</b>	<b>73,423.18</b>	<b>318,696.89</b>
<b>Expense</b>											
Equipment Purchased											
Advertising	97.75		432.14								529.89
Computer Repairs											
Dues & Subscriptions					100.00		586.24			279.92	100.00
Printing and Reproduction											3,308.00
Liability Insurance						3,308.00					1,080.71
Postage and Delivery	367.99	19.99	119.99	89.98	19.99	19.99	198.05	14.46	128.66	101.61	1,080.71
Bank Service Charges											
Workers Comp Ins	(100.00)						530.24				430.24
Office Supplies	(254.07)	1,796.07	143.03	2,026.74	96.25	700.00	611.66		118.06		3,211.00
Payroll Expenses	2,806.88	2,614.83	2,393.34	3,388.87	2,526.55	1,856.46	2,175.79	1,953.98	2,320.87	2,320.87	24,064.31
Professional Fees	14,657.51	10,347.94		25,855.18	24,145.20	10,732.14	11,833.77	15,502.88	11,585.00	11,351.39	136,011.01
Website Expense											
Rent	923.00	923.00	923.00	1,046.00	800.00	923.00	923.00	923.00	923.00	917.00	9,224.00
Travel											
Telecommunications	68.52	77.97	77.97	77.97	77.97	79.98	79.98	79.98	79.98	79.98	780.30
<b>Total Expense</b>	<b>18,567.58</b>	<b>15,779.80</b>	<b>4,089.47</b>	<b>29,095.87</b>	<b>28,628.28</b>	<b>18,289.66</b>	<b>16,619.40</b>	<b>18,696.11</b>	<b>14,788.68</b>	<b>15,050.77</b>	<b>179,605.62</b>
<b>Net Ordinary Income</b>	<b>45,646.45</b>	<b>13,738.15</b>	<b>4,267.25</b>	<b>31,391.61</b>	<b>14,319.84</b>	<b>(13,376.07)</b>	<b>24,662.80</b>	<b>(7,435.55)</b>	<b>(3,855.94)</b>	<b>58,372.41</b>	<b>139,091.27</b>
<b>Grant Activity</b>											
WCB Grant Income											
WCB (WS) Expenses											
GSP Expenses						10,800.00		8,890.00			19,690.00
						(10,800.00)		(8,890.00)			(19,690.00)
<b>Net Income</b>	<b>45,646.45</b>	<b>13,738.15</b>	<b>4,267.25</b>	<b>31,391.61</b>	<b>(14,319.84)</b>	<b>(24,176.07)</b>	<b>24,662.80</b>	<b>(16,325.55)</b>	<b>(3,855.94)</b>	<b>58,372.41</b>	<b>119,403.56</b>
<b>Other Adjustments</b>											
Deposit Paid											
Transfer to Savings						15,000.00					
Transfer From Savings											
Deposit Adj from Bank							1,724.46				1,448.44
Payroll Tax Liab Payments	1,460.22			1,828.31			466.33	543.15	465.48		549.12
Payroll Liab on hold	516.76	543.89	459.37	443.18	738.81	634.80				111.50	
Customer Overpayments	328.09	268.75									
Nominal Over/Short											
Customer Credits Applied											
Refunds											
State Comp Fund Dividend											
Rent Reimbursement											
Customer Reimbursement											
<b>Ending Bank Balance</b>											
Checking	98,401.77	112,952.56	117,678.55	147,685.03	134,104.00	95,562.03	118,966.70	103,184.30	99,791.35	157,375.94	1,448,444.44
Savings	5,023.80	5,023.80	5,024.43	5,024.43	5,024.43	20,025.13	20,025.13	20,025.13	20,025.13	20,027.62	20,027.62
	<b>103,425.57</b>	<b>117,976.36</b>	<b>122,702.98</b>	<b>152,709.46</b>	<b>139,128.43</b>	<b>115,587.16</b>	<b>138,991.83</b>	<b>123,209.43</b>	<b>119,818.97</b>	<b>177,403.56</b>	

**OBGMA**  
**Cash Flow**  
As of July 31, 2024

**Beginning Balances as of June 30, 2024**

Bank of the Sierra-Checking	99,791.35
Bank of the Sierra-Savings	20,027.62
	<u>119,818.97</u>

**Inbounds**

GSP Extraction	48,530.60
Well Head Fee	7,405.88
Interest Charge On Extraction	117.00
Recordation Fee	369.68
Extraction Charges	17,000.02
Overpayments	111.50
	<u>73,534.68</u>

**Outbounds**

Postage and Delivery	101.61
Printing and Reproduction	279.92
Payroll Expenses	1,771.75
Payroll Taxes	1,448.44
Professional Fees	11,351.39
Rent	917.00
Telephone	79.98
	<u>15,950.09</u>

**Ending Cash Balances as of July 31, 2024**

Bank of the Sierra-Checking	137,375.94
Bank of the Sierra-Savings	40,027.62
	<u>177,403.56</u>

**Net Change in Financial Position** **57,584.59**

9:29 AM

08/05/24

# OBGMA Reconciliation Summary

Bank of the Sierra-Checking, Period Ending 07/31/2024

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	<u>Jul 31, 24</u>
<b>Beginning Balance</b>	113,586.10
<b>Cleared Transactions</b>	
Checks and Payments - 23 items	-44,375.09
Deposits and Credits - 8 items	73,534.68
<b>Total Cleared Transactions</b>	<u>29,159.59</u>
<b>Cleared Balance</b>	<u><b>142,745.69</b></u>
<b>Uncleared Transactions</b>	
Checks and Payments - 5 items	-5,369.75
<b>Total Uncleared Transactions</b>	<u>-5,369.75</u>
<b>Register Balance as of 07/31/2024</b>	<u><b>137,375.94</b></u>
<b>Ending Balance</b>	137,375.94

**OBGMA**  
**Disbursements**  
July 31, 2024

Date	Num	Name	Split	Amount
07/02/2024	ACH	Condor Self Storage	Rent	-117.00
07/15/2024	ACH	Transfer	Savings	-20,000.00
07/25/2024	ACH	Stamps.com	Postage and Delivery	-19.99
07/12/2024	ACH	USPS	Postage and Delivery	-12.30
07/17/2024	ACH	USPS	Postage and Delivery	-6.62
07/17/2024	ACH	Spectrum	Telecommunications	-79.98
07/25/2024	ACH	USPS	Postage and Delivery	-6.35
07/27/2024	ACH	Stamps.com	Postage and Delivery	-50.00
07/29/2024	ACH	USPS	Postage and Delivery	-6.35
07/03/2024	E-pay	Employment Development Department	Payroll Taxes	-60.28
07/03/2024	E-pay	Employment Development Department	Payroll Taxes	-70.72
07/03/2024	E-pay	IRS	Payroll Taxes	-1,317.44
07/25/2024	3603	417 Bryant Circle LLC	Rent	-800.00
07/25/2024	3604	Casitas Municipal Water District	Professional Fees	-1,785.00
07/25/2024	3605	Custom Printing	Printing and Reproduction	-279.92
07/25/2024	3606	Hollister & Brace, Attorneys at Law	Professional Fees	-2,356.25
07/25/2024	3607	Kear Groundwater	Professional Fees	-4,729.14
07/25/2024	3608	Michelle Gaston	Professional Fees	-1,075.00
07/25/2024	3609	Ventura River Watershed Council	Professional Fees	-1,406.00
07/25/2024	3610	Ransom, Tara R.	Payroll	-711.75
07/25/2024	3611	VanDerMeer, Cece A	Payroll	-1,060.00
				-35,950.09
				<b><u>-35,950.09</u></b>



9:31 AM

08/05/24

# OBGMA Reconciliation Summary

Bank of the Sierra-Savings, Period Ending 07/31/2024

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	<u>Jul 31, 24</u>
Beginning Balance	20,027.62
Cleared Transactions	
Deposits and Credits - 1 item	<u>20,000.00</u>
Total Cleared Transactions	<u>20,000.00</u>
Cleared Balance	<u><b>40,027.62</b></u>
Register Balance as of 07/31/2024	40,027.62
Ending Balance	40,027.62



**OBGMA**  
Budget Actuals FYTD 23/24

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	YTD
<b>Beginning Bank Balance</b>												
Checking	53,370.69	98,401.77	112,952.56	117,678.55	147,685.03	134,104.00	95,562.03	118,966.70	103,184.30	99,791.35	137,375.94	
Savings	5,023.80	5,023.80	5,023.80	5,024.43	5,024.43	5,024.43	20,025.13	20,025.13	20,025.13	20,027.62	40,027.62	
	<b>58,394.49</b>	<b>103,425.57</b>	<b>117,976.36</b>	<b>122,702.98</b>	<b>152,709.46</b>	<b>139,128.43</b>	<b>115,587.16</b>	<b>138,991.83</b>	<b>123,209.43</b>	<b>119,818.97</b>	<b>177,403.56</b>	
<b>Income</b>												
Returned Check Charges												
GSP Extraction Fees	34,707.16	11,041.73	4,340.84	30,138.87	6,032.76	1,975.46	24,290.11	4,441.10	2,577.67	48,530.60	8,420.44	176,496.74
Well Head Fee	4,915.57	6,914.71	2,871.00	8,471.44	3,830.39	1,365.00	6,370.00	4,615.00	328.70	7,405.88	4,058.16	51,145.85
Interest Charges	115.07	349.18		27.50	102.77	69.43	15.75	24.83		117.00	114.74	956.27
Recordation Fee	358.07	464.40	119.00	636.65	220.00	100.00	420.00	245.00	22.22	369.68	202.17	3,157.19
Extraction Charges	24,118.16	10,747.93	1,025.25	21,213.02	4,122.52	1,403.00	10,186.34	1,934.63	8,001.66	17,000.02	3,215.88	102,968.41
Savings Act Interest			0.63			0.70			2.49			3.82
<b>Total Income</b>	<b>64,214.03</b>	<b>29,517.95</b>	<b>8,356.72</b>	<b>60,487.48</b>	<b>14,308.44</b>	<b>4,913.59</b>	<b>41,282.20</b>	<b>11,260.56</b>	<b>10,932.74</b>	<b>73,423.18</b>	<b>16,011.39</b>	<b>334,708.28</b>
<b>Total Income</b>	<b>64,214.03</b>	<b>29,517.95</b>	<b>8,356.72</b>	<b>60,487.48</b>	<b>14,308.44</b>	<b>4,913.59</b>	<b>41,282.20</b>	<b>11,260.56</b>	<b>10,932.74</b>	<b>73,423.18</b>	<b>16,011.39</b>	<b>334,708.28</b>
<b>Expense</b>												
Equipment Purchased												
Advertising	97.75		432.14									529.89
Computer Repairs												100.00
Dues & Subscriptions					100.00		586.24			279.92		866.16
Printing and Reproduction												3,308.00
Liability Insurance						3,308.00						1,107.05
Postage and Delivery	367.99	19.99	119.99	89.98	19.99	19.99	198.05	14.46	128.66	101.61	26.34	1,107.05
Bank Service Charges												
Workers Comp Ins	(100.00)						530.24					430.24
Office Supplies	(254.07)	1,796.07	143.03		96.25	700.00	611.66		118.06			3,211.00
Payroll Expenses	2,806.88	2,614.83	2,393.34	2,026.74	3,388.87	2,526.55	1,856.46	2,175.79	1,953.98	2,320.87	3,002.59	27,066.90
Professional Fees	14,657.51	10,347.94		25,855.18	24,145.20	10,732.14	11,833.77	15,502.88	11,585.00	11,351.39	12,976.18	148,987.19
Website Expense												
Rent	923.00	923.00	923.00	1,046.00	800.00	923.00	923.00	923.00	923.00	917.00	917.00	10,141.00
Travel												
Telecommunications	68.52	77.97	77.97	77.97	77.97	79.98	79.98	79.98	79.98	79.98	101.23	881.53
<b>Total Expense</b>	<b>18,567.58</b>	<b>15,779.80</b>	<b>4,089.47</b>	<b>29,095.87</b>	<b>28,628.28</b>	<b>18,289.66</b>	<b>16,619.40</b>	<b>18,696.11</b>	<b>14,788.68</b>	<b>15,050.77</b>	<b>17,023.34</b>	<b>196,628.96</b>
<b>Net Ordinary Income</b>	<b>45,646.45</b>	<b>13,738.15</b>	<b>4,267.25</b>	<b>31,391.61</b>	<b>(4,319.84)</b>	<b>(13,376.07)</b>	<b>24,662.80</b>	<b>(7,435.55)</b>	<b>(3,855.94)</b>	<b>58,372.41</b>	<b>(1,011.95)</b>	<b>138,079.32</b>
<b>Grant Activity</b>												
WCB Grant Income												
WCB (WS) Expenses												
GSP Expenses						10,800.00		8,890.00				19,690.00
						(10,800.00)		(8,890.00)				(19,690.00)
<b>Net Income</b>	<b>45,646.45</b>	<b>13,738.15</b>	<b>4,267.25</b>	<b>31,391.61</b>	<b>(4,319.84)</b>	<b>(24,176.07)</b>	<b>24,662.80</b>	<b>(16,325.55)</b>	<b>(3,855.94)</b>	<b>58,372.41</b>	<b>(1,011.95)</b>	<b>118,389.32</b>
<b>Other Adjustments</b>												
Deposit Paid												
Transfer to Savings						15,000.00				20,000.00		
Transfer From Savings												
Customer Well Deposit												5,000.00
Payroll Tax Liab Payments	1,460.22			1,828.31			1,724.46			1,448.44		
Payroll Liab on hold	516.76	543.89	459.37	443.18	738.81	634.80	466.33	543.15	465.48	549.12	686.53	
Customer Overpayments	328.09	268.75								111.50	158.75	
Nominal Over/Short												
Customer Credits Applied												
Refunds												
State Comp Fund Dividend												
Rent Reimbursement												
Customer Reimbursement												
<b>Ending Bank Balance</b>												
Checking	98,401.77	112,952.56	117,678.55	147,685.03	134,104.00	95,562.03	118,966.70	103,184.30	99,791.35	137,375.94	142,209.27	
Savings	5,023.80	5,023.80	5,024.43	5,024.43	5,024.43	20,025.13	20,025.13	20,025.13	20,027.62	40,027.62	40,027.62	
	<b>103,425.57</b>	<b>117,976.36</b>	<b>122,702.98</b>	<b>152,709.46</b>	<b>139,128.43</b>	<b>115,587.16</b>	<b>138,991.83</b>	<b>123,209.43</b>	<b>119,818.97</b>	<b>177,403.56</b>	<b>182,236.89</b>	

**OBGMA**  
**Cash Flow**  
As of August 31, 2024

**Beginning Cash Balances as of July 31, 2024**

Bank of the Sierra-Checking	137,375.94
Bank of the Sierra-Savings	40,027.62
	<u>177,403.56</u>

**Inflows**

GSP Extraction	8,420.44
Well Head Fee	4,058.16
Interest Charge On Extraction	114.74
Recordation Fee	202.17
Extraction Charges	3,215.88
Customer overpayments	158.75
Well permit deposit	5,000.00
	<u>21,170.14</u>

**Outflows**

Postage and Delivery	26.34
Payroll Expenses	2,316.06
Professional Fees	12,976.18
Rent	917.00
Telephone	101.23
	<u>16,336.81</u>

**Checking/Savings**

Bank of the Sierra-Checking	137,209.27
Bank of the Sierra-Savings	45,027.62
	<u>182,236.89</u>

**Net Change in Financial Position**      \$      **4,833.33**

9:59 AM

09/09/24

# OBGMA Reconciliation Summary

Bank of the Sierra-Checking, Period Ending 08/31/2024

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	<u>Aug 31, 24</u>
<b>Beginning Balance</b>	142,745.69
<b>Cleared Transactions</b>	
Checks and Payments - 10 items	-12,266.57
Deposits and Credits - 7 items	21,170.14
<b>Total Cleared Transactions</b>	<u>8,903.57</u>
<b>Cleared Balance</b>	<u><u>151,649.26</u></u>
<b>Uncleared Transactions</b>	
Checks and Payments - 8 items	-14,439.99
<b>Total Uncleared Transactions</b>	<u>-14,439.99</u>
<b>Register Balance as of 08/31/2024</b>	<u><u>137,209.27</u></u>
<b>New Transactions</b>	
Checks and Payments - 2 items	-1,225.50
<b>Total New Transactions</b>	<u>-1,225.50</u>
<b>Ending Balance</b>	<u><u>135,983.77</u></u>

**OBGMA**  
**Disbursements**  
As of August 31, 2024

Date	Num	Name	Split	Amount
08/02/2024	ACH	Condor Self Storage	Rent	-117.00
08/05/2024	ACH	USPS	Postage and Delivery	-6.35
08/12/2024	ACH	JStreet Technology Inc	Professional Fees	-1,225.00
08/16/2024	ACH	Spectrum	Telecommunications	-101.23
08/25/2024	ACH	Stamps.com	Postage and Delivery	-19.99
08/19/2024	ACH		Transfer to Savings	-5,000.00
08/28/2024	3612	417 Bryant Circle LLC	Rent	-800.00
08/28/2024	3613	Casitas Municipal Water District	Professional Fees	-1,785.00
08/28/2024	3614	Hollister & Brace, Attorneys at Law	Professional Fees	-4,390.30
08/28/2024	3615	Kear Groundwater	Professional Fees	-4,550.88
08/28/2024	3616	Michelle Gaston	Professional Fees	-1,025.00
08/29/2024	3617	Ransom, Tara R.	Payroll	-1,081.31
08/29/2024	3618	VanDerMeer, Cece A	Payroll	-1,234.75
				-21,336.81
				<b>-21,336.81</b>

10:05 AM

09/09/24

# OBGMA Reconciliation Summary

Bank of the Sierra-Savings, Period Ending 08/31/2024

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	<u>Aug 31, 24</u>
Beginning Balance	20,027.62
Cleared Transactions	
Deposits and Credits - 2 items	<u>25,000.00</u>
Total Cleared Transactions	<u>25,000.00</u>
Cleared Balance	<u><b>45,027.62</b></u>
Register Balance as of 08/31/2024	45,027.62
Ending Balance	45,027.62

# OBGMA EXTRACTION CHARGES BY PERIOD

## 2023/2024 Water Year

Oct/Nov/Dec 2023 (1-2024) (\$25/acre for

	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture	411.08	\$10,305.59				
Dom/Land	56.27	\$1,480.00				
Muni/Indus	11.70	\$292.50				
CMWD	401.70	\$10,042.50				
<b>Totals</b>	<b>880.75</b>	<b>\$22,120.59</b>	<b>\$10,075.00</b>	<b>\$725.00</b>	<b>\$31,804.14</b>	<b>\$64,724.73</b>

Jan/Feb/Mar 2024 (2-2024) (\$25/acre for

	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture	105.82	\$3,021.59				
Dom/Land	50.28	\$1,554.75				
Muni/Indus	2.16	\$70.00				
CMWD	221.10	\$5,527.50				
<b>Totals</b>	<b>379.36</b>	<b>\$10,173.84</b>	<b>\$9,165.00</b>	<b>\$515.00</b>	<b>\$28,052.59</b>	<b>\$47,906.43</b>

April/May/June 2024 (3-2024) (\$25/acre for

	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture	383.45	\$9,779.05				
Dom/Land	58.94	\$845.16				
Muni/Indus	8.40	\$210.00				
CMWD	335.89	\$8,397.25				
<b>Totals</b>	<b>786.68</b>	<b>\$19,231.46</b>	<b>\$8,412.50</b>	<b>\$500.00</b>	<b>\$55,676.86</b>	<b>\$83,820.82</b>

Jul/Aug/Sept 2024 (4-2024) (\$25/acre for

	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture						
Dom/Land						
Muni/Indus						
CMWD						
<b>Totals</b>	<b>0.00</b>	<b>\$0.00</b>				<b>\$0.00</b>

**Total for water YTD 10/1/23- 9/30/24**

Acre Feet	Charges	Well Head Fee	Recordation F	GSP Fees	Total Rec'd
2046.79	\$ 51,525.89	\$27,652.50	\$1,740.00	\$115,533.59	\$196,451.98



OJAI BASIN GROUNDWATER MANAGEMENT AGENCY  
Minutes of the Regular Board Meeting of July 25, 2024

The Regular Meeting of July 25, 2024, of the Ojai Basin Groundwater Management Agency was called to order at 3:02 PM in the Council Chambers, Ojai City Hall, 401 S. Ventura Street, Ojai, CA 93023.

**Attendees were:** Board Members: Richard Hajas, Bob Daddi, Peter Thielke (via zoom) and Andrew Whitman (arrived at 3:45). General Manager Julia Aranda and Secretary/Treasurer Cece VanDerMeer.

Also in attendance: Peter Candy, Attorney and Jordan Kear, Consultant.

1. **Call to Order and Roll Call:** Chair Hajas called the meeting to order at 3:02pm. VanDerMeer called the roll.

2. **Pledge of Allegiance:** Led by Hajas.

3. **Director Announcements/Reports/Comments:**

Mutuals: None

Ojai Water Conservation District: None

City of Ojai: None

Casitas Municipal Water District: None

Community Facilities District Report: None

4. **GENERAL MANAGER COMMENTS:**

Aranda reported that it has been a busy month. There have been six well applications since she became General Manager, and out of the six, three wells have been completed and she received one well completion report. The OBGMA's website provider contacted Aranda regarding new Department of Justice requirements, mainly ADA compliance. The annual cost of maintaining our website will increase from \$1080.00 to \$1740.00 to become compliant. Aranda uploaded the Spring Groundwater Monitoring data to the SGMA portal. Aranda spoke with the auditor and they will have the 4 years of audit completed to be available for the next board meeting. Kear prepared a sampling analysis draft and Aranda provided her comments to Kear. Aranda created a brochure about the OBGMA to hand out. Aranda met with Keller Willams Realty Group to inform them about the OBGMA and left brochures with them.

**5. BASIN STATUS REPORT:**

Jordan Kear had a presentation “Hot but not bothered”. Kear reported the Key Well was 45.5’ below ground level and there was 73,600 acre-feet in the basin.

**6. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA:**

Tom Hicks, attorney and William Wierick.

**7. CONSENT AGENDA:**

a. Daddi motioned to approve the Consent Agenda Items. Thielke seconded. The minutes were approved unanimously.

Roll Call vote:

Ayes: Daddi, Thielke and Hajas

Noes: None

**8. DISCUSSION ITEMS:**

a. Delinquent Well Owners – Enforcement and Penalty Authority: Aranda prepared spreadsheets reflecting past due statements and amounts due for 12 delinquent well owners and received 2 back. The board discussed collection procedures: Impose penalties, small claims court suits and applying outstanding monies owed to their property tax bill.

b. Legislative Ad-Hoc Committee Update: Aranda stated that the Ad-Hoc Committee had not met since the last meeting. Aranda received an email from the Small GSA Coalition regarding the language that was going to be included in the climate bond, but unfortunately it was not included. Aranda will be attending the August meeting of the Coalition.

c. Meter Compliance Ad-Hoc Committee Update: The committee did not meet.

**9. Closed Session:** Since all of the Board members were not in attendance, Hajas stated that the Closed Session would be rescheduled.

**10. ADJOURNMENT**

The meeting was adjourned at 4:00 pm. The next regular scheduled meeting will be August 29, 2024, at 3:00 p.m. in the Council Chamber in Ojai City Hall, 401 S. Ventura Street, Ojai.

**ATTEST:** \_\_\_\_\_

# Ojai Basin Groundwater Management Agency

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## Memorandum

**To:** Board of Directors  
**From:** Julia Aranda, PE, General Manager  
**Subject:** Proposed New Well Located Within the Boundaries of the Agency on APN 024-0-141-025, 300 Longhorn Lane

September 26, 2024

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### **Recommendation**

- Determine that groundwater extraction by the proposed well would not be inconsistent with the sustainable groundwater management program established in the Groundwater Sustainability Plan adopted by OBGMA for the Ojai Valley Groundwater Basin;
- Determine that groundwater extraction by the proposed well would not decrease the likelihood of achieving any sustainability goal for the Basin as covered by the Plan; and
- Adopt Resolution No. 2024-03 Authorizing Written Verification of a Proposed New Well Located Within the Boundaries of the Agency of Assessor's Parcel No. 024-0-141-025, 300 Longhorn Lane

### **Background and Discussion**

The attached Well Application for 300 Longhorn Lane was submitted August 1, 2024, for a new domestic well with anticipated demand of 3 acre-feet per year (AFY). The property owner had previously shared a well on the neighbor's property, so there is no anticipated net increase in groundwater extraction as a result of the new well. The applicant had an evaluation prepared by Kear Groundwater to address compliance with Ventura County Ordinance No. 4468, which was submitted with the Well Verification Application and other required documents.

The applicant provided the deposit for OBGMA to engage Dudek, OBGMA's GSP consultant, to evaluate the proposed well's consistency with the approved Groundwater Sustainability Plan. Dudek's memorandum is attached herein.

Resolution No. 2024-03 is attached for adoption; the draft verification letter is also attached for information.

### **Budget Impact**

There is no budget impact related to well verification as the applicant paid for staff time, attorney review, and the evaluation by Dudek.

Attachments:

- Well Verification Application
- Kear Groundwater memorandum, New Water Well Permissibility & County Ordinance No. 4468 Compliance, 300 Longhorn Lane, APN 024-0-141-025, Ojai, Ventura County, California dated July 26, 2024
- Dudek memorandum, Assessment of GSP Consistency – Proposed New Well Located at 300 Longhorn Lane, dated September 18, 2024
- Resolution No. 2024-03
- Verification Letter with Conditions



**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY  
A STATE OF CALIFORNIA WATER AGENCY**

417 BRYANT CIRCLE, SUITE 112  
OJAI CA 93023

P.O. BOX 1779  
OJAI CA 93024

WWW.OBGMA.COM

**WATER WELL REGISTRATION AND VERIFICATION REQUEST**

**GENERAL INFORMATION**

Ojai Basin Groundwater Management Agency (OBGMA or Agency) requires all groundwater extraction facilities within its jurisdictional boundaries to be registered with the Agency. No extraction facility may be operated or otherwise utilized so as to extract groundwater within the boundaries of the Agency unless the facility is registered with the Agency, equipped with a water meter, and all extractions are reported to the Agency as required by OBGMA Ordinance No. 8. In addition, pursuant to Governor Newsom's Executive Order N-3-23, Paragraph 4a, all non-exempt proposed new or modified extraction facilities located within the boundaries of the Ojai Valley Groundwater Basin (DWR Bulletin 118 Basin No. 4-002) require written verification from the Agency prior to issuance of a well permit by the Ventura County Public Works Agency. The written verification must find that groundwater extraction by the proposed well would not be inconsistent with the Agency's Groundwater Sustainability Plan (GSP) for the Ojai Valley Groundwater Basin, and would not decrease the likelihood of achieving any of the sustainability goals the Agency has established for the Basin pursuant to the GSP.

**ALL WELLS MUST HAVE A METER INSTALLED PER OBGMA ORDINANCE NO. 8**

**A. PROPERTY OWNER INFORMATION**

NAME: GREG & SUZANNE COMBS  
 PROPERTY ADDRESS: 300 WINGHAM LANE, OJAI, CA 93023  
 ASSESSOR'S PARCEL NUMBER: 024-0-141-025  
 PHONE NO.: 805 798-7981  
 EMAIL: geombs28@gmail.com

**B. OPERATOR INFORMATION (IF DIFFERENT FROM OWNER)**

NAME: \_\_\_\_\_  
 ADDRESS: \_\_\_\_\_  
 PHONE NO.: \_\_\_\_\_  
 EMAIL: \_\_\_\_\_

**C. TYPE OF WELL**

NEW  
 REPLACEMENT  
 ALTERATION OF EXISTING WELL

EXISTING WELL NO.: \_\_\_\_\_  
 EXISTING WELL NO.: \_\_\_\_\_

**D. TYPE OF USE**

AGRICULTURAL IRRIGATION

<u>CROP TYPE</u>	<u>EXISTING OR NEW?</u>	<u>ACREAGE</u>	<u>TYPE OF IRRIGATION SYSTEM</u>
_____	_____	_____	_____
_____	_____	_____	_____

DOMESTIC NO. OF HOUSING UNITS: House & Guest house  
 MUNICIPAL  
 INDUSTRIAL TYPE OF INDUSTRY: \_\_\_\_\_  
 MONITORING



OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

**E. PROPOSED EXTRACTION**

ACRE-FEET PER YEAR: 3 Acre Feet

**F. EXISTING WATER SUPPLY**

NO OTHER SUPPLY  
 EXISTING WELL WELL NO.: \_\_\_\_\_  
 PUBLIC WATER SUPPLIER WATER AGENCY: Casitas

**G. WELL DRILLER**

NAME: Hansen Well-Do Service Inc.  
ADDRESS: 403 Bryant St. Ojai, CA 93023  
PHONE NO.: 805 207-1869  
EMAIL: brandon@welldo.com

**H. MAP REQUIREMENTS**

Attach a map accurately plotted and show the location of the proposed well. If a replacement well, show location of existing well and distance to proposed well. Provide dimensions of area to be irrigated, indicating crop type for each area, as applicable. For domestic, municipal, or industrial, show the water distribution system and location of structures to be served. Include a north arrow, the Assessor's Parcel Number, and the nearest streets. No permit applications will be accepted without an adequate map.

**I. APPLICANT SIGNATURE**

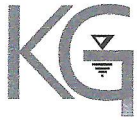
By signing in the space below, the Applicant declares under penalty of perjury under the laws of the State of California that (1) the information provided with this form is true and correct, and (2) the Applicant/Owner/Operator of the proposed extraction facility agrees to comply with all Agency rules and regulations governing extraction facilities located within the boundaries of the Agency.

[Signature] Applicant 8/1/2024 Date

**A WELL COMPLETION REPORT MUST BE PROVIDED TO OBGMA WITHIN 30 DAYS OF COMPLETION**

All Applications must be accompanied by:

- \_\_\_\_\_ Copy of VCPWA Well Permit Application
- \_\_\_\_\_ Acknowledgement Form
- \_\_\_\_\_ Indemnification Agreement
- \_\_\_\_\_ Deposit/Reimbursement Agreement
- \_\_\_\_\_ \$5,000 Deposit



TO: Greg Combs

FROM: Kear Groundwater  
P.O. Box 2601  
Santa Barbara, CA 93120-2601

DATE: July 26, 2024

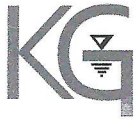
SUBJECT: *New Water Well Permissibility & County Ordinance No. 4468 Compliance  
300 Longhorn Lane, APN 024-0-141-025, Ojai, Ventura County, California*

Dear Mr. Combs,

Kear Groundwater (KG) provides this letter to demonstrate the regulatory compliance of the planned new groundwater well at the 300 Longhorn Lane parcel (Assessor Parcel Number [APN] 024-0-141-025). The property is subject to Ventura County Well Ordinance No. 4468, which now also incorporates the Governor's Drought Executive Order N-7-22 (then Action 9a/b) and its subsequent update Order N-3-23 (now Action 4a/b).

The 300 Longhorn Lane parcel is entirely within the Ojai Valley Groundwater Basin ("Ojai Basin," Number 4-2, DWR Bulletin 118) and under jurisdiction of the Ojai Basin Groundwater Management Agency (OBGMA). Groundwater in the Ojai Basin primarily occurs in unconfined aquifers within Holocene- and Pleistocene-aged alluvium. The basin's vertical extent, or bottom, is considered to be the contact between alluvium and the various Tertiary-aged bedrock formations. The planned new well is to be comprised of an 6-inch-diameter PVC casing reaching upwards of about 300 ft below ground surface (bgs) entirely through the basin alluvium.

**There will be no new net extraction from the Ojai Basin alluvium due to the planned well.** The property previously relied on an informal shared well agreement with the neighbor for *State Well Number (SWN) 04N/23W-12M01S* with reported usage of as high as 8 acre-feet per year (AFY) as recently as in 2019, of which the property typically accounted for about 3 AFY. The future cement sanitary seal around the new well will extend in its annulus from ground surface to below the shallow perched aquifer ('Southwest Upper Saturated Zone'), which is in hydraulic connection with the surface water of the lower San Antonio Creek reach, to ensure that future production occurs exclusively from the underlying aquifer(s).



Unless a *de minimus* extractor (<2 AFY), the additional Executive Order requirements for new well permit issuance stipulate that a qualified professional finds the well (1) is not likely to interfere with the production and functioning of existing nearby wells, and (2) is not likely to cause subsidence that would adversely impact or damage nearby infrastructure. Additionally, medium- or high-priority ranked basins (per the Department of Water Resources) such as Ojai require written verification from the local Groundwater Sustainability Agency (GSA) that future extraction by the planned new well is not inconsistent with any sustainable groundwater management program and does not decrease the likelihood of achieving a sustainability goal. The OBGMA's sustainability goal is to "preserve the quantity and quality of groundwater in the Ojai Basin in order to protect and maintain the long-term water supply for the common benefit of the water users in the Basin."

Ultimately, the planned well is compliant with the updated County and State regulations because:

1. Its location will be about 120 horizontal ft from the closest existing well (*SWN-12E02S*) on the neighboring parcel to the north per Ventura County Watershed Protection District (VCWPD) shapefiles and a KG field visit (see Figure 1). Assuming an alluvial aquifer transmissivity of  $10,139 \text{ ft}^2/\text{day}$  and a storativity of 0.0002 (after Dudek, 2022a), the modeled interference to this nearest well using Theis distance-drawdown equations by pumping the new well at the anticipated rates and durations (20 gpm for no more than 1 continuous day) is 0.26 ft. For one continuous year of pumping, this interference calculation increases to just 0.45 ft. Per its Well Completion Report, the southerly *-12M01S* well produced 28 gpm with 155ft of drawdown (representative specific capacity of 0.18 gpm per ft ddn for local aquifer); therefore, the projected impact from this 0.45 ft of unrealistic interference is <0.10 gpm or effectively negligible. Further, no minimum threshold exceedances project to any nearby representative monitoring points.
2. Land subsidence is currently not an undesirable result for the Ojai Basin per the submitted Groundwater Sustainability Plan by Dudek (2022b).
3. There will be no net extraction increase from the Ojai Basin as a result of the new well. Water previously supplied to 300 Longhorn via the shared neighbor's well is now





provided by Casitas Municipal Water District; per its Urban Water Management Plan (2020), the District's Ojai System is supplied by six groundwater wells in the Ojai Basin with a planned average supply of 1800 to 2300 AFY. Thus, the same volume of water for use at the property is derived from the Ojai Basin in all scenarios.

4. The recommended location is not in an area of impacted groundwater quality and no degradation of quality, which is closely linked to chronic groundwater level decline in the Ojai Basin per Dudek (2022b), is anticipated due to the similar lack of groundwater level minimum threshold exceedances.

In sum, construction and operation of the planned new well is not anticipated to cause undesirable results in the Ojai Basin or to the OBGMA's sustainability goals (in compliance with *N-3-23 Action 4a*), nor is the planned new well likely to interfere with the production and functioning of existing nearby wells or cause subsidence that would adversely impact or damage nearby infrastructure (in compliance with *N-3-23 Action 4b*).

Best Regards,

A handwritten signature in black ink, appearing to read 'Jordan Kear'.

Jordan Kear  
Principal Hydrogeologist  
Professional Geologist No. 6960  
Certified Hydrogeologist No. 749

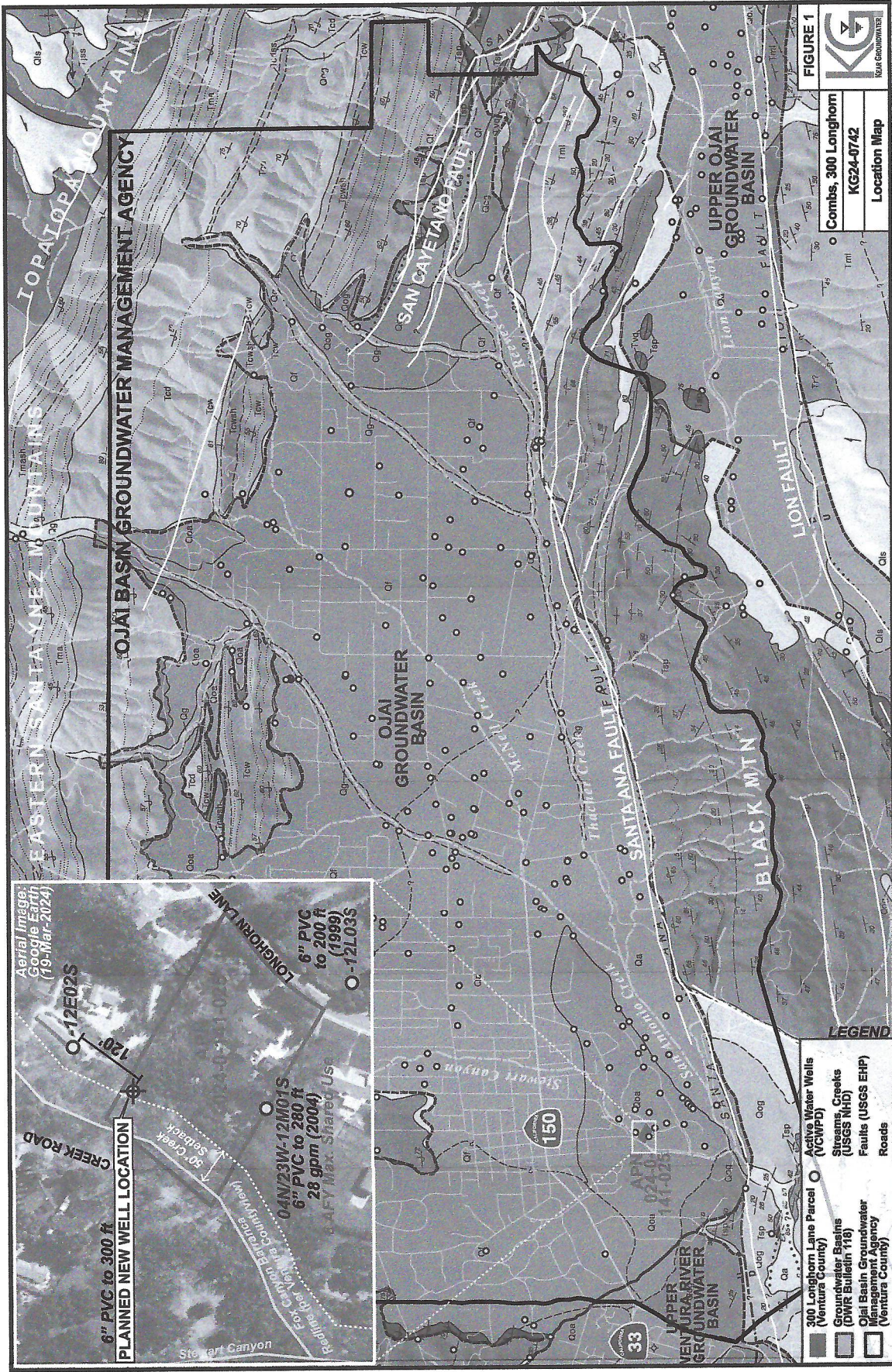
A handwritten signature in black ink, appearing to read 'Timothy Becker'.

Timothy Becker  
Professional Geologist No. 9589  
Certified Hydrogeologist No. 1109

### References

Dudek (2022a), Assessment of GSP Consistency – Proposed New Well Located at 4424 Thacher Road: Prepared for the Ojai Basin Groundwater Management Agency.

Dudek (2022b), Final Groundwater Sustainability Plan for Ojai Valley Groundwater Basin: Prepared for the Ojai Basin Groundwater Management Agency.



September 18, 2024

Julia Aranda  
Ojai Basin Groundwater Management Agency  
417 Bryant Circle, Suite 112  
Ojai, California 93023

**Subject: Assessment of GSP Consistency – Proposed New Well Located at 300 Longhorn Lane**

Dear Ms. Aranda:

On August 12, 2024, Dudek received a request from the Ojai Basin Groundwater Management Agency (OBGMA) to support the agency's compliance with Governor Newsom's Executive Order (EO) N-3-23 by providing a technical review of the proposed new well located at 300 Longhorn Lane, Ojai, California 93023 (assessor's parcel numbers 024-0-141-025). Dudek received notice-to-proceed on this assessment on August 21, 2024. This letter provides Dudek's assessment of the proposed well's consistency with the sustainability goal and components outlined in the Ojai Valley Groundwater Basin (OVGB) Groundwater Sustainability Plan (GSP), as required by EO N-3-23.

As stated in the application provided to the OBGMA, the applicant anticipates operating the well at an average rate of approximately 3 acre-feet per year (AFY). Dudek understands that the applicant anticipates using groundwater from this well for domestic water supply. Additionally, Dudek understands that the applicant will be operating this well in lieu of receiving groundwater pumped from a neighboring well. Therefore, operation of this well will not result in a net increase in groundwater extractions from the OVGB. To assess the consistency of the proposed use with the GSP, Dudek evaluate the proposed well use against the set of four evaluation criteria established in the OBGMA's Process and Criteria for Administering Water Well Registration and Verification Requests (see Section 2). The results of the analyses presented herein are intended to inform the OBGMA's final determination of the proposed new well's consistency with the GSP.

## 1 Executive Order N-3-23

Paragraph 4 of Governor's Executive Order N-3-23, which withdrew and replaced Paragraph 9 of Governor's Executive Order N-7-22, states:

*To protect health, safety, and the environment during this drought emergency, a county, city or other public agency shall not:*

*a) Approve a permit for a new groundwater well or for alteration of an existing well in a basin subject to the Sustainable Groundwater Management Act and classified as a medium- or high-priority without first obtaining written verification from a Groundwater Sustainability Agency managing the basin or area of the basin where the well is proposed to be located that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater*

*management program established in any applicable Groundwater Sustainability Plan adopted by that Groundwater Sustainability Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by such a plan; or*

*b) Issue a permit for a new groundwater well or for alteration of an existing well without first determining that extraction of groundwater from the proposed well is (1) not likely to interfere with the production and functioning of existing nearby wells, and (2) not likely to cause subsidence that would adversely impact or damage nearby infrastructure.*

*This paragraph shall not apply to permits for wells (i) that will provide less than two acre-feet per year of groundwater for individual domestic users, (ii) that will exclusively provide groundwater to public water supply systems as defined in section 116275 of the Health and Safety Code, or (iii) that are replacing existing, currently permitted wells with new wells that will produce an equivalent quantity of water as the well being replaced when the existing well is being replaced because it has been acquired by eminent domain or acquired while under the threat of condemnation.*

Under this executive order, the OBGMA is required to provide a determination as to whether the well or well modification:

- 1) is consistent with the groundwater management program established in the (GSP);
- 2) will not decrease the likelihood of achieving the sustainability goal for the basin.

## 2 Well Permit Review Approach

On April 25, 2024, the OBGMA established a *Process and Criteria for Administering Water Well Registration and Verification Requests*. In this, the OBGMA developed a set of criteria for evaluating the impacts of a proposed new or modified well that is consistent with the Sustainability Goal of the OVGB. The GSP adopted by the OBGMA on January 6, 2022, outlines the Sustainability Goal for the basin:

*The OBGMA's sustainability goal is to preserve the quantity and quality of groundwater in the Ojai Basin in order to protect and maintain the long-term water supply for the common benefit of the water users in the Basin. (p. 3-3, OVGB GSP)*

The data presented in the GSP indicates that conditions in the basin have historically been, and are currently, sustainable (p. 3-3; OVGB GSP). To maintain sustainability in the OVGB, the GSP states that conditions in the basin will be (p. 3-3, OVGB GSP),

*Considered sustainable so long as the following sustainability goal components continue to be met:*

- *Long-term, aggregate groundwater use is less than or equal to the OVGB's estimated sustainable yield, as defined by SGMA;*
- *Groundwater levels are maintained at elevations necessary to avoid undesirable results. Lowering of groundwater levels potentially leading to significant and unreasonable depletions of available*

*water supply for beneficial use could occur if groundwater levels fall below minimum thresholds set at representative monitoring points (RMPs);*

- *Groundwater quality, as measured in municipal and domestic water wells, generally exhibits a stable and/or improving trend for identified contaminants of concern (COCs): total dissolved solids (TDS), sulfate, chloride, boron, nitrate, iron, and manganese; and*
- *Groundwater quality is suitable for existing beneficial uses.*

Based on the sustainability goal components outlined in the GSP, the four criteria developed by OBGMA to evaluate the consistency of the proposed new well with the Sustainability Goal for the OVGB are:

1. Will the projected drawdown cause groundwater level minimum threshold exceedances at the nearest representative monitoring points?
2. Is the projected production likely to cause long-term exceedance of the sustainable yield of the OVGB?
3. Is the project likely to cause exceedance of the minimum thresholds for groundwater quality at the nearest representative monitoring points?
4. Will the projected drawdown impact ongoing or future projects aimed at maintaining sustainability or addressing critical data gaps in the OVGB?

While impacts to ongoing or future projects are not explicitly identified as a sustainability goal component in the GSP, significant data gaps were identified in the GSP that limit understanding of the hydrogeologic conceptual model and characterization of all beneficial uses and users of groundwater in the OVGB. The GSP identifies projects that support additional data collection and field investigations to reduce these data gaps. As such, criteria 4 was added to the evaluation to ensure that these projects are not significantly impacted by a proposed well or well modification.

## 3 Technical Review of Proposed Well Located at 300 Longhorn Road

### 3.1 Evaluation Criteria No. 1 – Groundwater Level Minimum Threshold Exceedance

When water is extracted from a well, groundwater levels around the well decline creating a cone of depression. The cone of depression is deepest at the well and extends radially to a distance away from the well where water-level decline (or drawdown) is effectively zero. Groundwater extraction from the proposed well located at 300 Longhorn Lane would result in localized groundwater level drawdown in the OVGB.

As defined in the GSP, conditions in the OVGB are considered sustainable if groundwater levels at the representative monitoring points (RMPs) in the OVGB remain above their established minimum threshold groundwater elevations. To evaluate whether the proposed new well may induce conditions that cause minimum threshold exceedances at the RMPs, Dudek quantified the anticipated groundwater elevation drawdown at each RMP associated with operation of the proposed new well. The drawdown associated with operation of the proposed new well was quantified using the Cooper-Jacob approximation of the Theis non-equilibrium flow equation (Cooper and Jacob 1946):

$$s = \frac{2.3Q}{4\pi T} \log_{10} \frac{2.25Tt}{r^2S}$$

Where:

- s = predicted drawdown (ft)
- Q = average pumping rate (ft<sup>3</sup>/d)
- T = Transmissivity (ft<sup>2</sup>/d)
- t = time since pumping started (days)
- R = distance from pumping well (ft)
- S = coefficient of storage (dimensionless)

The Cooper-Jacob provides a close approximation to the Theis equation when the dimensionless time (u) is sufficiently small (i.e., u < 0.05) (Driscoll 1986), where:

$$u = \frac{r^2S}{4Tt}$$

Where:

- u = time (dimensionless)
- r = distance from pumping well (ft)
- S = coefficient of storage (dimensionless)
- T = transmissivity (ft<sup>2</sup>/d)
- t = time since pumping started

The dimensionless time parameter, u, that represents drawdown associated with operation of the proposed new well after 1-year of steady-state operation ranged from 0.0001 to 0.0088, from nearest to farthest RMP.

Table 1 provides estimated groundwater level decline at RMPs after one year of pumping 3 acre-feet (AF) from the proposed new well. Aquifer transmissivity and storativity values used in the calculations were obtained from the Ojai Basin Groundwater Model (OBGM) and represent weighted average values for the model layers of the grid cell where the proposed well is to be located. Saturated aquifer thickness was calculated by subtracting the bottom elevation of the lowermost model layer of the grid cell where the proposed well is to be located from the most recent groundwater elevation recorded at the groundwater level monitoring well closest in land surface elevation and distance to the proposed new well. The transmissivity value used in the calculations was 3,169 square feet per day and the storativity value used was 0.0001.

**Table 1. Estimated Drawdown at RMPs**

Representative Monitoring Point SWN	Distance from Proposed New Well (feet / miles)	Drawdown after One Year of Pumping (feet)	Most Recent Groundwater Elevation (feet MSL) <sup>1</sup>	Groundwater Elevation Minimum Threshold (feet MSL)
04N22W04Q001S	19,003 / 3.60	0.04	964.40	915.90
05N22W32P003S	14,409 / 2.73	0.04	804.24	771.60
04N22W05L003S	12,596 / 2.39	0.04	792.03	576.30
04N22W06K003S	8,592 / 1.63	0.05	785.6	556.50

**Table 1. Estimated Drawdown at RMPs**

Representative Monitoring Point SWN	Distance from Proposed New Well (feet / miles)	Drawdown after One Year of Pumping (feet)	Most Recent Groundwater Elevation (feet MSL) <sup>1</sup>	Groundwater Elevation Minimum Threshold (feet MSL)
04N23W01J003S	5,839 / 1.11	0.06	751.71	567.50
04N22W06E06S	8,504 / 1.61	0.05	674.46	NA
NA "South Central DDMW"	2,700 / 0.51	0.07	720.01	NA
04N22W05L008S	13,182 / 2.50	0.04	820.89	576.28

**Note:** SWN = state well identification number; MSL = mean sea level.

<sup>1</sup> Groundwater elevation measured Fall 2023 (mostly September 2023).

As shown in Table 1, groundwater elevations currently range from approximately 30-feet to 230-feet above the established minimum threshold groundwater elevations. Estimates of pumping-induced drawdown at these RMPs range from approximately 0.07-feet to 0.04-feet (Table 1). Based on this, the proposed new well is not anticipated to cause groundwater level minimum threshold exceedances at RMPs. Therefore, operation of the proposed new well is not anticipated to cause undesirable results associated with chronic lowering of groundwater levels or reduction of groundwater in storage.

### 3.2 Evaluation Criteria No. 2 – Sustainable Yield Exceedance

The estimated sustainable yield of the OVGB is between 4,100 and 5,000 AFY (p. 3-2, OBGMA 2022). Groundwater extractions since 2019 have averaged approximately 4,035 AFY (OBGMA 2024), which is less than the estimated sustainable yield of the OVGB. The Proposed well plans to pump 3 AFY. But this production will replace pumping from an existing well, and therefore, will not result in an increase in groundwater withdrawal from the OVGB. Because of this, operation of the proposed well is not likely to cause an exceedance of the sustainable yield.

### 3.3 Evaluation Criteria No. 3 – Degradation of Water Quality

The primary potential constituents of concern (COCs) in the OVGB include total dissolved solids, sulfate, chloride, boron, nitrate, iron, and manganese. Figures 1 through 7 show maximum concentrations of these constituents in wells sampled in the OVGB from 2010 to 2020. As shown in the figures, the concentrations of COCs are generally below State and Federal primary and secondary maximum contaminant levels (MCLs) for drinking water, although there is high variation between individual wells sampled. Where concentrations of COCs exceed MCLs, the exceedances are largely due to naturally occurring elevated concentrations and not degradation of water quality due to groundwater extraction.

The proposed new well is to be located in the southwestern portion of the OVGB. There are limited groundwater quality measurements in the vicinity of the proposed well.

As noted in the GSP, undesirable results associated with chronic lowering of groundwater levels may be closely linked to undesirable results associated with degradation of water quality because groundwater levels below historical lows may increasingly limit the efficacy of existing mitigation strategies (e.g. blending of groundwater with other water sources). Because the proposed operation of the new well is not anticipated to cause groundwater level

minimum threshold exceedances, the proposed new well is similarly not anticipated to cause minimum threshold exceedances associated with the degradation of water quality. Additionally, the projected drawdown associated with operation of the proposed new well is not anticipated to significantly alter existing groundwater elevation gradients and flow directions, which would potentially lead to the migration of low-quality groundwater.

### 3.4 Evaluation Criteria No. 4 - Impacts to Ongoing and Future Projects

The GSP includes projects and management actions (PMAs) that will be implemented to maintain sustainability in the OVGB. Of the PMAs outlined in the GSP, the following have been implemented to date:

- Conduct Groundwater Level, Groundwater Quality, and Streamflow Monitoring
- Conduct Groundwater Extraction Monitoring
- Implement Public Outreach and Engagement Plan
- Complete Groundwater Sustainability Plan Annual Reports and 5-Year Updates
- Explore Grant Funding Opportunities

The proposed new well is consistent with the PMAs listed above and is anticipated to be consistent with the other PMAs outlined in the GSP.

## 4 Conclusion

The above provides a technical assessment of the groundwater extraction well planned for construction at 300 Longhorn Lane. The assessment quantifies the potential impacts that operation of the proposed well may have on the sustainable management program and sustainability goal components outlined in the GSP for the OVGB. Dudek has identified four screening criteria to assess consistency with the GSP and sustainability goal for the OVGB (see Section 2). Based on the analysis completed and described above, Dudek has made the following evaluation:

<p>Will the projected drawdown cause groundwater level minimum threshold exceedances at the nearest representative monitoring points?</p>	<p>YES <input type="checkbox"/></p> <p>NO <input checked="" type="checkbox"/></p>	<p>Note:</p>	<p>Groundwater levels are currently 30 to 230 feet higher than minimum threshold groundwater elevations; the proposed well is anticipated to induce drawdowns that range from 0.07 to 0.04 feet at RMPs</p> <hr/> <p>Pumping is currently lower than the sustainable yield. Operation of the proposed new well is not anticipated to result in a net increase in groundwater withdrawals from the OVGB.</p> <hr/> <p>Proposed well is not anticipated to significantly alter groundwater elevation gradients or flow directions</p> <hr/>
<p>Is the projected production rate likely to cause long-term groundwater usage to exceed the estimated sustainable yield?</p>	<p>YES <input type="checkbox"/></p> <p>NO <input checked="" type="checkbox"/></p>	<p>Note:</p>	<p>Proposed well is not anticipated to significantly alter groundwater elevation gradients or flow directions</p> <hr/>
<p>Is the project likely to cause exceedance of the minimum thresholds for groundwater quality at the nearest representative monitoring points?</p>	<p>YES <input type="checkbox"/></p> <p>NO <input checked="" type="checkbox"/></p>	<p>Note:</p>	<p>Proposed well is not anticipated to significantly alter groundwater elevation gradients or flow directions</p> <hr/>



Will the projected drawdown impact ongoing or future projects aimed at addressing critical data gaps in the OVGB?

YES

NO

Note:

---

No ongoing or future projects are anticipated to be impacted by operation of the proposed well.

---

This analysis is being provided to the OBGMA to assist in their final determination of the proposed well's consistency with the GSP. Based on the criteria evaluated above, operation of the proposed new well is not anticipated to cause undesirable results in the OVGB.

## 5 References

Cooper, H.H., Jr and C.E. Jacob. 1946. A Generalized Graphical Method for Evaluating Formation Constraints and Summarizing Well Field History. Transactions, American Geophysical Union 27:526-34.

Driscoll, F.G. 1986. Groundwater and Wells. 2nd edition, Johnson Screens, St. Paul, Minnesota.

Ojai Basin Groundwater Management Agency (OBGMA). 2022. Draft Final Groundwater Sustainability Plan for the Ojai Valley Groundwater Basin. Prepared by Dudek. January 2022.

Ojai Basin Groundwater Management Agency (OBGMA). 2024. Annual Report Covering Water Year 2023: Ojai Valley Groundwater Basin. Prepared by Dudek. February 2024.

Sincerely,



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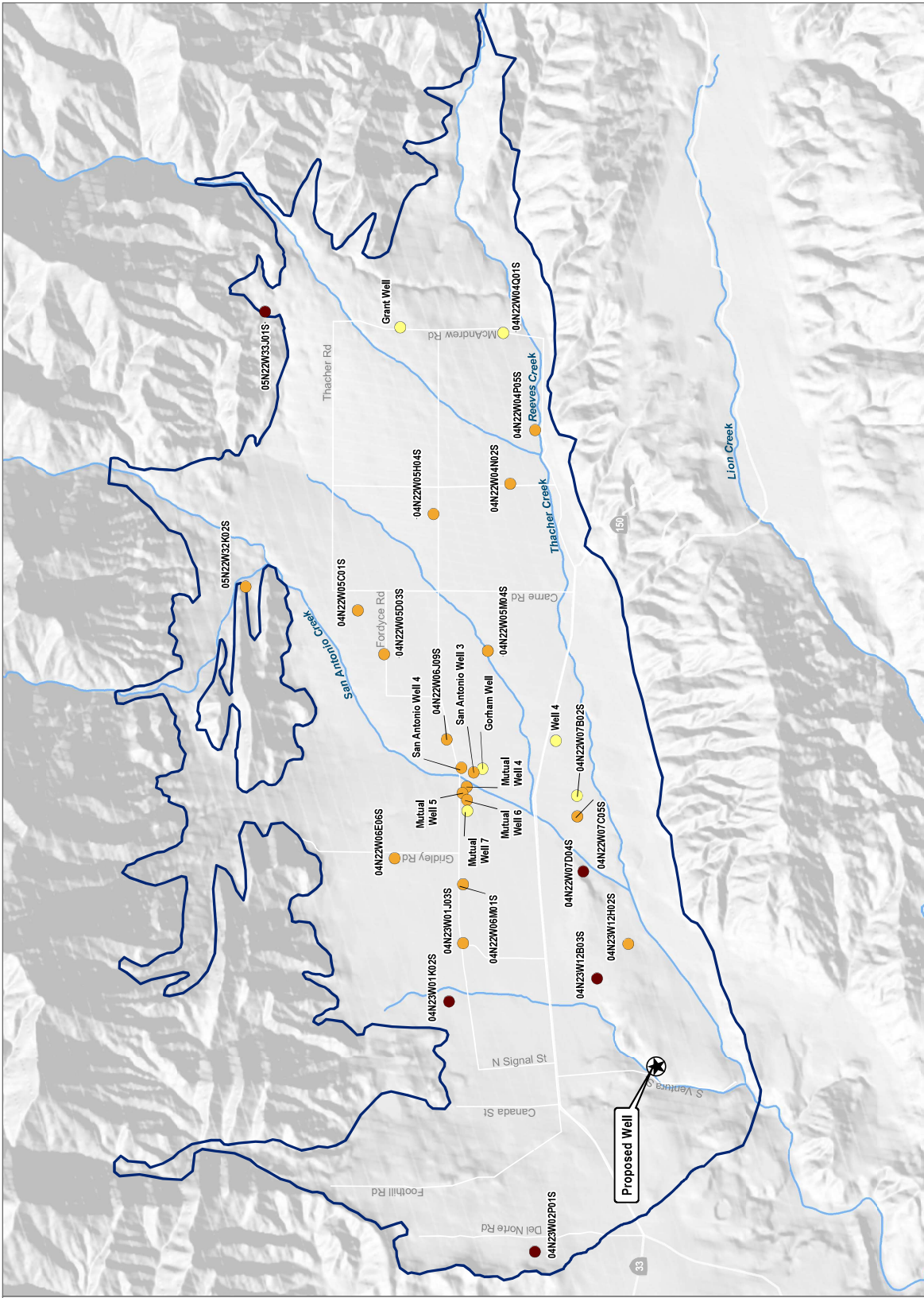
**Trevor Jones, PhD**  
Senior Hydrogeologist



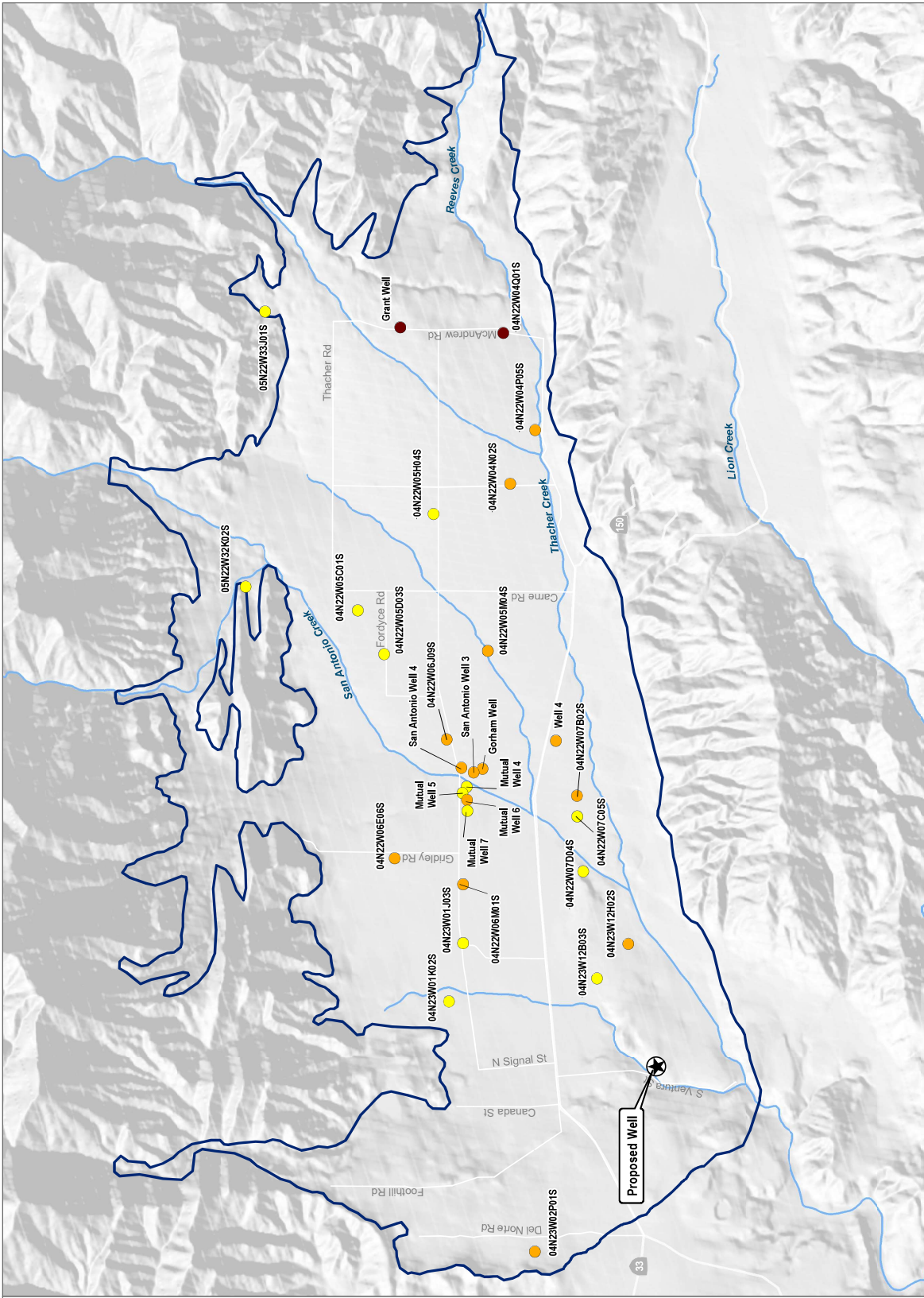
---

**Devin Pritchard-Peterson, PG**  
Senior Hydrogeologist

Attachments: Figures 1-7



**FIGURE 1**  
Maximum Total Dissolved Solids Concentrations 2010-2020  
300 Longhorn Ln Well Permit Review

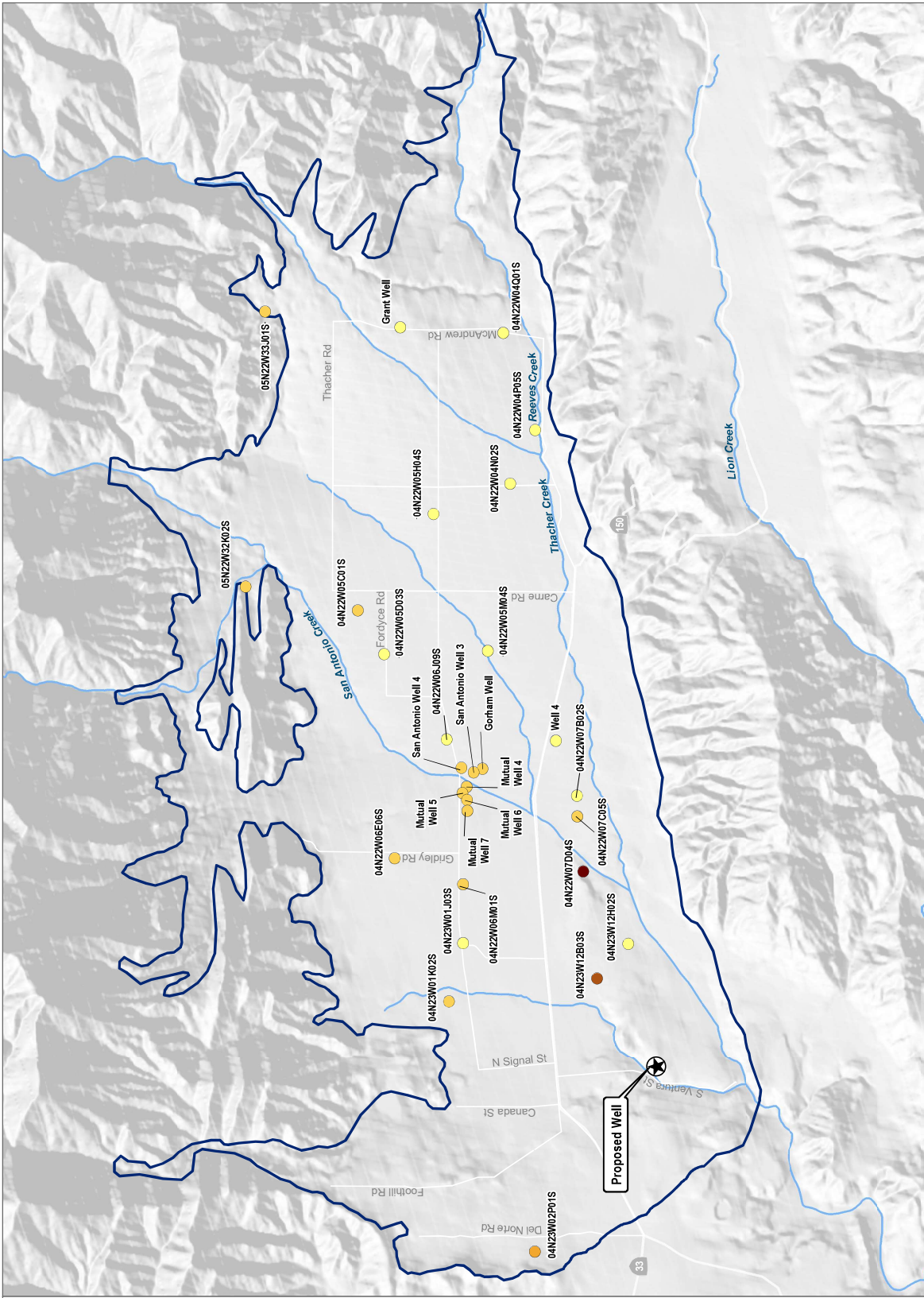


**Legend**

- Proposed Well Location
- Ojai Valley Groundwater Basin (4-002)
- Nitrate as Nitrogen Concentration (mg/L)**
- 0.0 - 5.0
- 5.1 - 10.0
- > 10.0

Nitrate MCL = 10 mg/L

**FIGURE 2**  
Maximum Nitrate as Nitrogen Concentrations 2010-2020  
300 Longhorn Ln Well Permit Review



**Legend**

- Proposed Well Location
- Ojai Valley Groundwater Basin (4-002)
- Chloride Concentration (mg/L)**
  - 0 - 50
  - 51 - 200
  - 201 - 250
  - 251 - 500
  - > 500

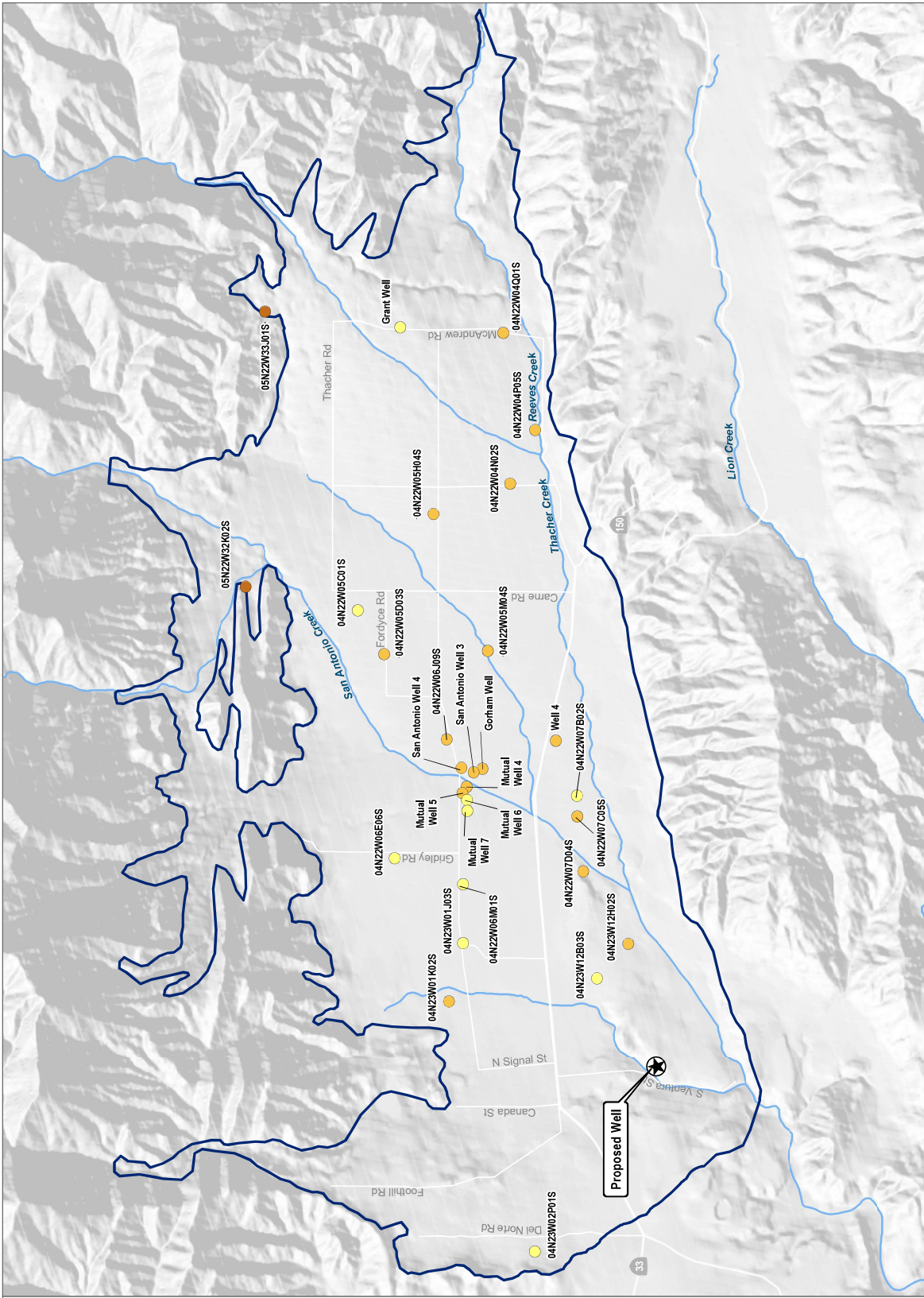
Chloride SMCL = 500 mg/L

DRAFT

DATUM: NAD 1983 DATA SOURCE: VOWPD, SWRCB



**FIGURE 3**  
**Maximum Chloride Concentrations 2010-2020**  
 300 Longhorn Ln Well Permit Review

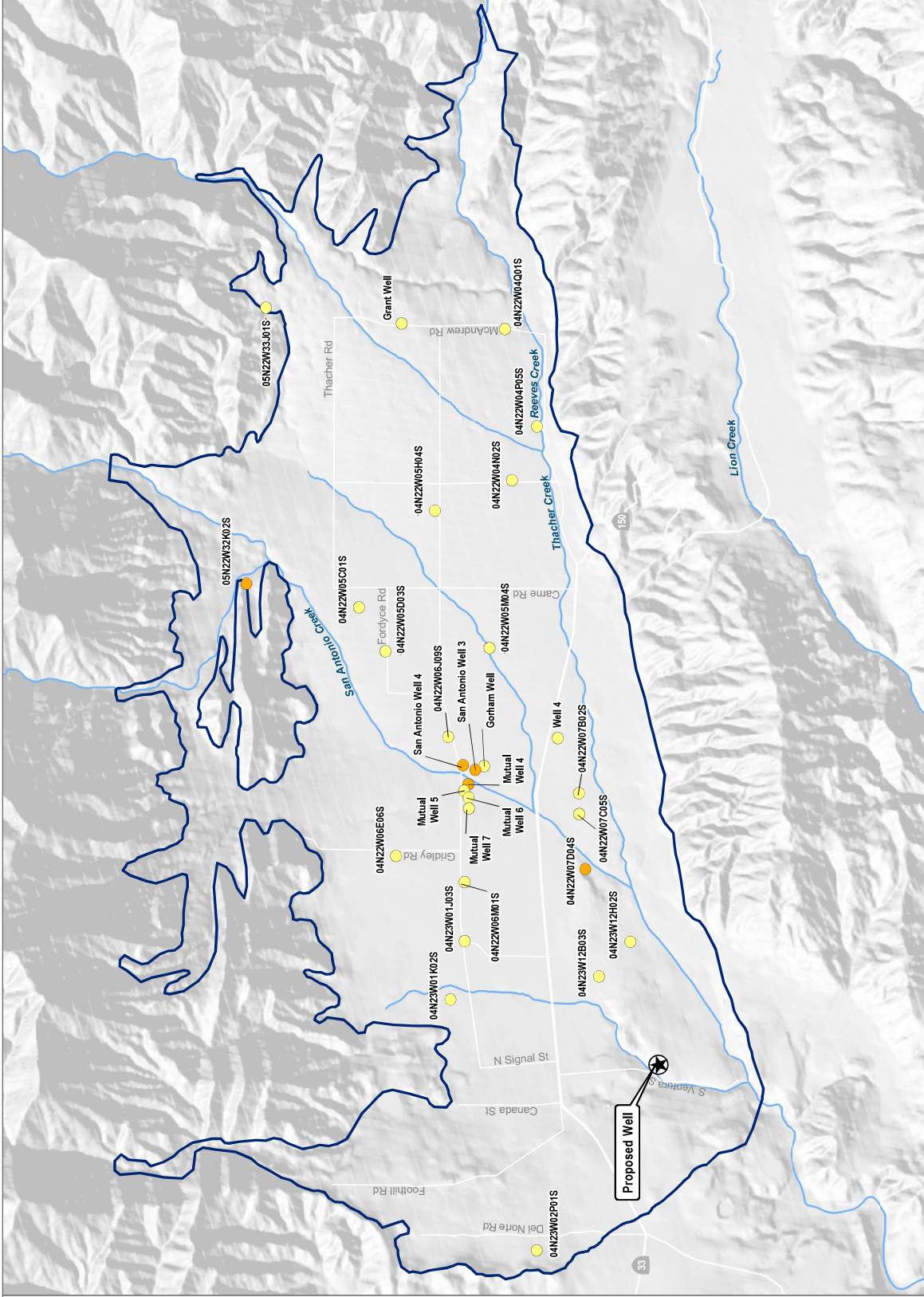


**Legend**

- Proposed Well Location
- Ojai Valley Groundwater Basin (4-002)
- Sulfate Concentration (mg/L)**
- 0 - 200
- 201 - 300
- > 300

Sulfate SMCL = 500 mg/L

**FIGURE 4**  
Maximum Sulfate Concentrations 2010-2020  
300 Longhorn Ln Well Permit Review



**Legend**

- Proposed Well Location
- Ojai Valley Groundwater Basin (4-002)
- Boron Concentration (mg/L)**
- 0.000 - 0.250
- 0.251 - 0.500

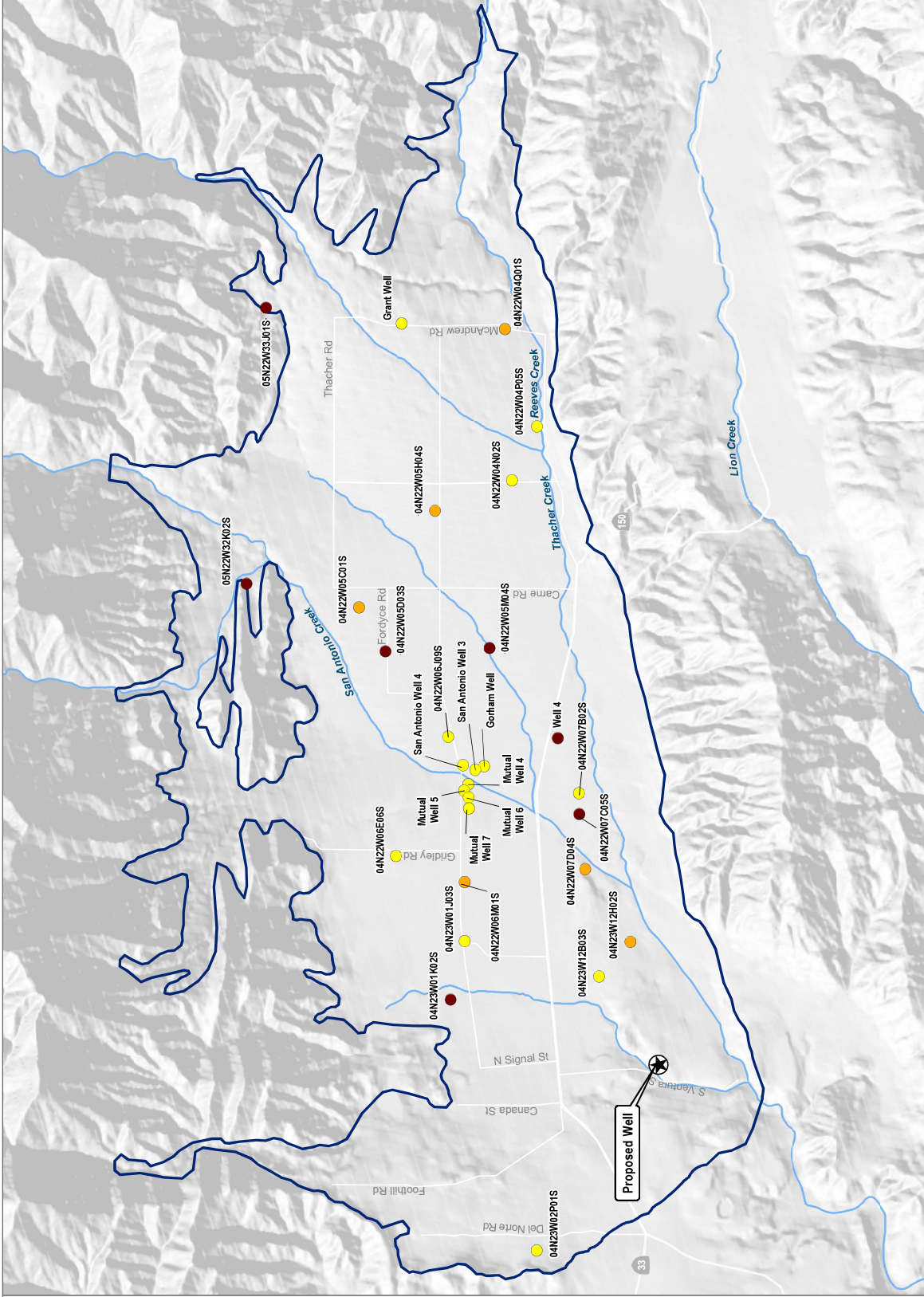
Boron NL = 1 mg/L

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DATUM: NAD 1983 DATA SOURCE: VOWPD, SWRCB



**FIGURE 5**  
Maximum Boron Concentrations 2010-2020  
300 Longhorn Ln Well Permit Review



**Legend**

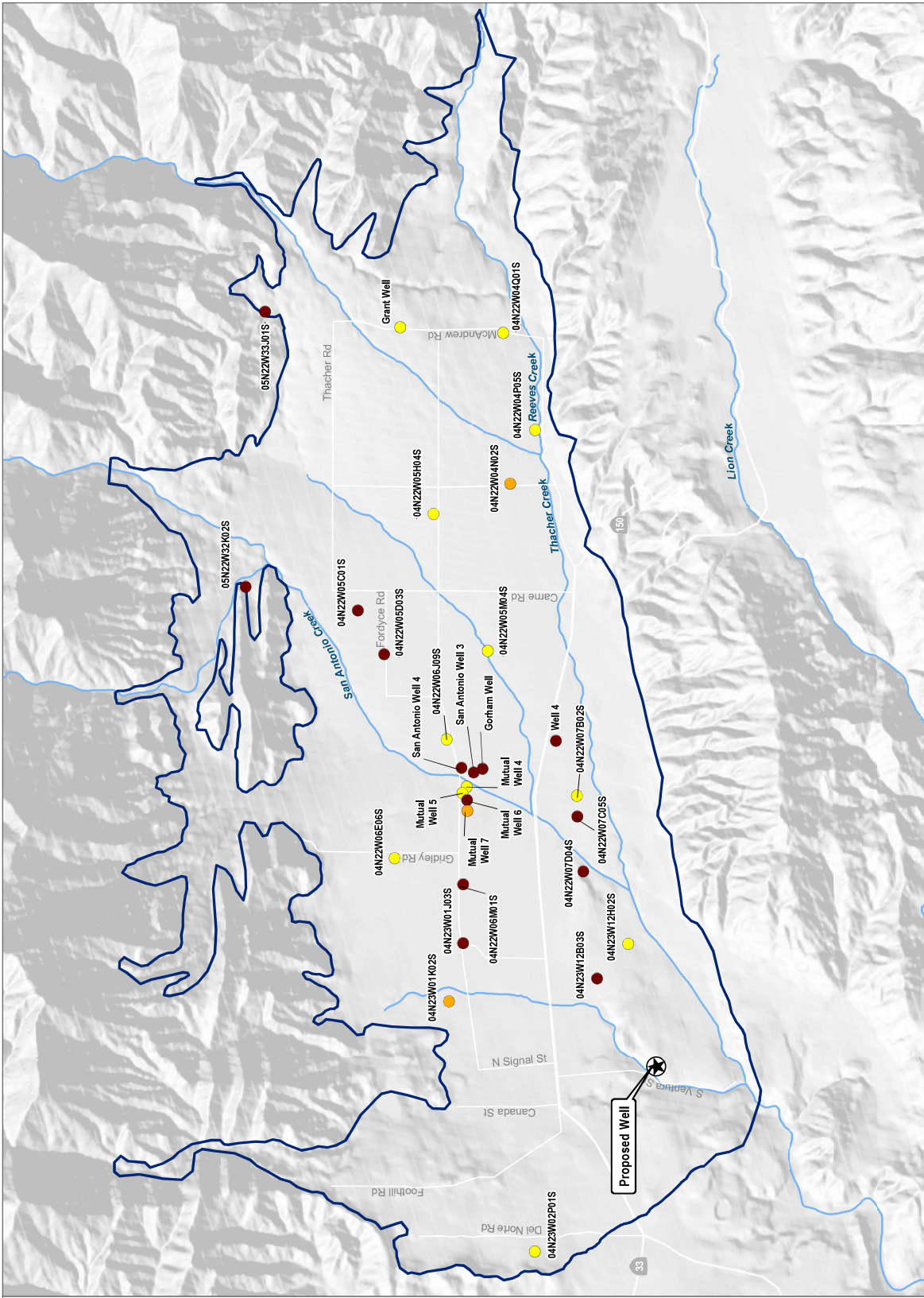
- Proposed Well Location
- Ojai Valley Groundwater Basin (4-002)

**Iron Concentration (mg/L)**

- 0.00 - 0.10
- 0.11 - 0.30
- > 0.30

Iron SMCL = 0.3 mg/L

**FIGURE 6**  
 Maximum Iron Concentrations 2010-2020  
 300 Longhorn Ln Well Permit Review



**Legend**

- Proposed Well Location
- Ojai Valley Groundwater Basin (4-002)
- Manganese Concentration (mg/L)**
- 0.0000 - 0.0250
- 0.0251 - 0.0500
- > 0.0500

Manganese SMCL = 0.05 mg/L

DRAFT

DATUM: NAD 1983 DATA SOURCE: VOWPD, SWRCB



**FIGURE 7**  
Maximum Manganese Concentrations 2010-2020  
300 Longhorn Ln Well Permit Review



## RESOLUTION NO. 2024-03

### A RESOLUTION OF THE OJAI BASIN GROUNDWATER MANAGEMENT AGENCY AUTHORIZING WRITTEN VERIFICATION FOR A PROPOSED WELL LOCATED WITHIN THE BOUNDARIES OF THE AGENCY ON ASSESSOR'S PARCEL NO. 024-0-141-025

WHEREAS, by its enabling legislation, the Ojai Basin Groundwater Management Agency (OBGMA) is responsible for managing the groundwater resource within its jurisdictional boundaries.

WHEREAS, the OBGMA jurisdictional boundaries contain the Ojai Valley Groundwater Basin (Ojai Basin), as defined by the Department of Water Resources (DWR), as well as some, but not all, of the larger watershed area containing the Ojai Basin.

WHEREAS, the Ojai Basin is subject to the Sustainable Groundwater Management Act of 2014 (California Water Code § 10720 et. seq.) and has been designated by DWR as a high priority basin.

WHEREAS, pursuant to California Water Code § 10723(c)(1), OBGMA is designated as the Groundwater Sustainability Agency (GSA) for the Ojai Basin and has adopted a Groundwater Sustainability Plan (GSP) for the Ojai Basin.

WHEREAS, by its Ordinance No. 8, the OBGMA requires all water wells constructed within the OBGMA boundary to be registered with the Agency, to have a meter installed, and for all groundwater extractions to be reported to the Agency.

WHEREAS, in compliance with its statutory obligation to ensure sustainable groundwater management of the Ojai Basin, OBGMA must determine, prior to issuing written verification for a permit to construct a new well or for replacement of an existing well, that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in the GSP adopted by OBGMA for the Ojai Basin, and would not decrease the likelihood of achieving a sustainability goal for the Basin covered by the GSP.

**NOW, THEREFORE, BE IT RESOLVED**, the OBGMA Board of Directors finds as follows in consideration of the Well Verification Application of Greg and Suzanne Combs (APN 024-0-141-025) dated August 1, 2024:

1. A well verification analysis was completed by Dudek dated September 18, 2024, and substantial evidence supports a finding that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in the GSP adopted by OBGMA for the Ojai Basin and would not decrease the likelihood of achieving a sustainability goal for the Basin covered by the GSP.
2. The proposed well must be constructed and operated pursuant to the standards of Ventura County Ordinance 4468, Section 4814, which incorporates California Well Standards, Bulletin 74-81; the draft supplemental, Bulletin 74-90; Ventura County Water Well Standards Bulletin No. 74-9 and compliance with all other County permitting requirements.
3. The proposed well must meet OBGMA's requirements for new wells including metering, registration, monitoring, reporting, and any other special conditions of approval.

4. The following standard OBGMA permit conditions are also made a part of this water well authorization to proceed:
- a. OBGMA staff or consultants shall be provided an opportunity to confirm the drilling location prior to drilling
  - b. OBGMA staff or consultants shall be provided an opportunity to observe drilling operations as they are occurring
  - c. OBGMA staff or consultants shall be provided an opportunity to review all drill cuttings, and any geophysical logs following drilling
  - d. The well owner shall comply with all applicable OBGMA Ordinances and Resolutions requiring metering of the well, extraction reporting, and fee payment to OBGMA now in effect or as may hereafter be adopted
  - e. Well contractor to provide OBGMA with the completion Report and State Well Number within 30 days of well completion

**WHEREFORE**, the Application of Greg and Suzanne Combs (APN 024-0-141-025) for a Well Verification dated August 1, 2024, is hereby **APPROVED** by the Board of Directors of the Ojai Basin Groundwater Management Agency on September 26, 2024.

\_\_\_\_\_  
Richard Hajas, President

Attest: \_\_\_\_\_  
Peter Thielke, Secretary

Vote:

Richard Hajas, Casitas Municipal Water District	[Yes / No / Abstain / Absent]
Peter Thielke, Mutual Water Companies	[Yes / No / Abstain / Absent]
Jim Finch, Ojai Water Conservation District	[Yes / No / Abstain / Absent]
Andrew Whitman, City of Ojai	[Yes / No / Abstain / Absent]
Bob Daddi, Community Facilities District	[Yes / No / Abstain / Absent]



**Member Agencies**

- Ojai Water Conservation District
- Casitas Municipal Water District
- City of Ojai
- Community Facilities District
- Ojai Basin Mutual Water Companies:
  - Senior Canyon MWC
  - Siete Robles MWC
  - Hermitage MWC

September 26, 2024

Greg and Suzanne Combs  
300 Longhorn Lane  
Ojai CA 93023

**Subject: Well Application for APN 024-0-141-025, 300 Longhorn Lane, Ojai CA**

Dear Property Owner:

The Ojai Basin Groundwater Management Agency (OBGMA) is responsible for managing the groundwater resource within its jurisdictional boundaries. The OBGMA jurisdictional boundaries contain the Ojai Valley Groundwater Basin (Ojai Basin), as defined by the Department of Water Resources (DWR), as well as some, but not all, of the larger watershed area containing the Ojai Basin.

The Ojai Basin is subject to the Sustainable Groundwater Management Act of 2014 (California Water Code § 10720 et. seq.) and has been designated by DWR as a high priority basin. Pursuant to California Water Code § 10723(c)(1), OBGMA is designated as the Groundwater Sustainability Agency (GSA) for the Ojai Basin and has adopted a Groundwater Sustainability Plan (GSP) for the Ojai Basin.

In compliance with its statutory obligation to ensure sustainable groundwater management of the Ojai Basin, OBGMA must determine, prior to issuing written verification for a permit to construct a new well or for replacement of an existing well, that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in the GSP adopted by OBGMA for the Ojai Basin, and would not decrease the likelihood of achieving a sustainability goal for the Basin covered by the GSP.

You have applied to OBGMA for written verification regarding construction of a new well located on APN 024-0-141-025. With regard to your application, OBGMA finds as follows:

<u>OBGMA Verification of Water Well Application.</u>	
<u>Your application is:</u>	
<b>Approved:</b>	<input checked="" type="checkbox"/> based on:
	<del>1. Water use is intended for domestic use and extraction will be under 2 acre-feet each water year (October 1 through September 30 of each year)</del>
	<input type="checkbox"/>
	<input checked="" type="checkbox"/> 2. A verification analysis has been completed and the water well is not inconsistent with OBGMA's Groundwater Sustainability Plan (GSP) and would not decrease the likelihood of achieving a sustainability goal for the basin covered by the GSP. This verification is approved by the OBGMA Board of Directors and this is your authorization to

Office Address:  
Mailing Address:

417 Bryant Circle Drive, Suite 112, Ojai CA 93023  
P.O. Box 1779, Ojai CA 93024  
[www.obgma.com](http://www.obgma.com)

805.640.1207  
[obgma@aol.com](mailto:obgma@aol.com)

proceed with application to the County of Ventura, subject to the General and Standard permit conditions contained herein.

**Any approval shall be valid for one year from the date of this verification unless changes in law make this approval invalid.**

**Not Approved:** \_\_\_\_\_ based on:

1. Needing the following additional information or clarification on your water well application (see attached):
2. A verification analysis has been completed and the water well is not consistent with OBGMA's Groundwater Sustainability Plan (GSP) and may decrease the likelihood of achieving a sustainability goal for the basin covered by the GSP.

The following general conditions are to be followed for the proposed water well:

1. The proposed well must be constructed and operated pursuant to the standards of Ventura County Ordinance 4468, Section 4814, which incorporates California Well Standards, Bulletin 74-81; the draft supplemental, Bulletin 74-90; Ventura County Water Well Standards Bulletin No. 74-9 and compliance with all other County permitting requirements.
2. The proposed well must meet OBGMA's requirements of new wells including registration, monitoring, reporting, and any other special conditions of approval.
3. The proposed well is not located near a source of contamination nor other environmental concern requiring the OBGMA or the County of Ventura to exercise their discretion in order to mitigate potential adverse environmental effects of the proposed well. (See *Protecting Our Water & Env'tl. Res. v. Stanislaus Cnty.*, S251709 (Cal. May 29, 2020).)
4. If the proposed well is located in an area overlying the Southwestern Uppermost Saturated Zone (SWUSZ) of the Ojai Basin as determined by OBGMA, the well shall be equipped with a seal of adequate depth to preclude communication between the well's production zones and the SWUSZ. In most cases this condition will be met with a 50-foot seal around the conductor casing or production casing. **The proposed well is not located within the SWUSZ of the OBGMA jurisdiction.**
5. The following standard OBGMA permit conditions are also made a part of this water well authorization to proceed:
  - a. OBGMA staff or consultants shall be provided an opportunity to confirm the drilling location prior to drilling
  - b. OBGMA staff or consultants shall be provided an opportunity to observe drilling operations as they are occurring
  - c. OBGMA staff or consultants shall be provided an opportunity to review all drill cuttings, and any geophysical logs following drilling
  - d. The well owner shall comply with all applicable OBGMA Ordinances and Resolutions requiring metering of the well, extraction reporting, and fee payment to OBGMA now in effect or as may hereafter be adopted
  - e. Well contractor to provide OBGMA with the completion Report and State Well Number within 30 days of well completion

The following forms are attached for your information and use:

- Water Well Registration and Verification Request
- Well Registration Form
- Sample Quarterly Extraction Statement
- First Notice of Groundwater Extraction

Please contact us at [obgmagm@gmail.com](mailto:obgmagm@gmail.com) if you have any questions.

Very truly yours,

Julia Aranda, PE  
General Manager

c: County of Ventura

Attachments: Water Well Registration and Verification Request  
Well Registration Form  
Sample Quarterly Extraction Statement  
First Notice of Groundwater Extraction



# Ojai Basin Groundwater Management Agency

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## Memorandum

**To:** Board of Directors  
**From:** Julia Aranda, PE, General Manager  
**Subject:** Financial Statements for Fiscal Years Ending September 30, 2023, 2022, 2021, and 2020

September 26, 2024

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### **Recommendation:**

- Review and approve the Financial Statements for the Years Ended September 30, 2023, 2022, 2021, and 2020, prepared by Farber, Hass, Hurley, LLP

### **Background and Discussion**

The Board approved the preparation of financial statements by Farber, Hass, Hurley, LLP, at the meeting of January 25, 2024. The Financial Statements are attached for review and approval. The audits show OBGMA has no instances of noncompliance or other matters required to be reported under Government Auditing Standards.

### Attachments:

- Draft Financial Statement for the Years Ended September 30, 2023, and 2022 prepared by Farber, Hass, Hurley, LLP dated August 15, 2024
- Draft Financial Statement for the Years Ended September 30, 2021, and 2020 prepared by Farber, Hass, Hurley, LLP dated August 15, 2024





OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

DRAFT

Ojai Basin Groundwater Management Agency  
Audited Financial Statements  
September 30, 2021 and 2020

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**FARBER HASS HURLEY LLP**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and General Manager Julia Aranda  
Ojai Basin Groundwater Management Agency  
Ojai, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Ojai Basin Groundwater Management Agency (Agency) as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Agency, as of September 30, 2021 and 2020, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Report on Other Legal and Regulatory Requirements***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Oxnard, California

August 15, 2024

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**GOVERNING BOARD OF DIRECTORS**

<b><u>Name</u></b>	<b><u>Position</u></b>
Richard Hajas	President of the Board
Russ Baggerly	Vice President
Jim Finch	Board Member
Peter Thielke	Board Member
Johnny Johnston	Board Member

**AGENCY PERSONNEL**

John Mundy	General Manager
Roberta Barbee	Administrative Assistant

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The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Ojai Basin Groundwater Management Agency (Agency) provide an introduction to the financial statements of the Agency for the fiscal years ended September 30, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

### **Financial Highlights**

In fiscal year 2021, total assets increased by \$87,408 or 31.8% due to a grant receivable for reimbursement of well construction costs and an increase in construction in-progress (CIP). In comparison, total assets increased by \$104,135 or 61.0% during fiscal year 2020 due to increased cash resulting from the adoption of a new extraction fee implemented to defray costs for development of the Groundwater Sustainability Plan (GSP) required by the Sustainable Groundwater Management Act (SGMA) approved by the State of California in 2017.

In fiscal year 2021, total liabilities increased \$54,387 or 91.6% due to increased accounts payable for professional services procured for the two projects in progress (the GSP and construction of a new groundwater monitoring well). In comparison, the prior year total liabilities increased proportionally for the same reason.

In fiscal year 2021, net position increased by \$33,021 or 15.3%. The change was also due to the two projects in progress. In comparison, the Agency's net position increased by \$52,526 or 32.2% during fiscal year 2020.

In fiscal year 2021, total operating revenues increased by \$48,355 or 18.8%. In comparison, total operating revenues increased by \$113,580 or 79.2% during fiscal year 2020. The increase both years was due to the new GSP extraction fee which took effect July 1, 2020.

In fiscal year 2021, total operating expenses increased by \$129,291 or 60.7%. In comparison, total expenses increased by \$106,585 or 100.2% during fiscal year 2020. The increase both years was due to professional services procured for the two projects in process.

### **Basic Financial Statements**

This biennial report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies. The notes that follow the financial statements provide additional information essential to a full understanding of the data provided in the financial statements.

The Statements of Net Position presents information on the Agency's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

While the Statements of Net Position provides information about the nature and amount of resources and obligations at year-end, the Statements of Revenues, Expenses, and Changes in Net Position presents the results of the Agency's operations over the course of the fiscal year and information as to how the net position changed during the year. This statement can be used as an indicator of the extent to which the Agency has successfully recovered its costs through extraction fees and other charges.

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

All changes in net position are reported during the period in which the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as delayed collection of extraction fees.

The Statements of Cash Flows presents changes in cash resulting from operational, capital financing, and investing activities. This statement summarizes the annual flow of cash receipts, cash payments, and net changes in cash, and excludes noncash transactions such as depreciation of assets.

The following is a condensed Statements of Net Position summarizing assets, liabilities, and net position for the years ended September 30, 2021, 2020, and 2019.

	2021	2020	As Restated 2019
Assets			
Current assets	\$ 255,048	\$ 259,765	\$ 169,013
Noncurrent assets	107,133	15,008	1,625
Total assets	<u>362,181</u>	<u>274,773</u>	<u>170,638</u>
Liabilities	113,748	59,361	7,752
Net position	<u>248,433</u>	<u>215,412</u>	<u>162,886</u>
Total liabilities and net position	<u>\$ 362,181</u>	<u>\$ 274,773</u>	<u>\$ 170,638</u>

The Agency's net position increased by \$33,021 or 15.3% during the year ended September 30, 2021 and increased by \$52,526 or 32.2% during fiscal year 2020. Total assets increased by \$87,408 or 31.8% during the year ended September 30, 2021 and increased by \$104,135 or 61.0% during fiscal year 2020.

The following condensed information reflects the actual revenues and expenses for the years ended September 30, 2021, 2020, and 2019 and the change in net position.

	2021	2020	As Restated 2019
Operating revenues			
Extraction fees and other revenues	\$ 305,379	\$ 257,024	\$ 143,444
Operating expenses			
Professional fees	303,317	164,490	61,358
Payroll expenses	19,001	30,607	34,602
Other expenses	19,907	17,837	10,389
Total operating expenses	342,225	212,934	106,349
Non-operating revenues, net	69,867	8,436	106
Change in net position	<u>\$ 33,021</u>	<u>\$ 52,526</u>	<u>\$ 37,201</u>



OJAI BASIN GROUNDWATER MANAGEMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Agency's revenues increased year-over-year due to an increase in extraction fee rates adopted to cover the costs of developing the new groundwater sustainability plan. Professional fees also increased due to the development of the groundwater sustainability plan. Lastly, non-operating revenues increased due to the unanticipated grant contract.

**Budget-to-Actual Analysis**

The Board of Directors adopts an annual budget each year. Performance is monitored throughout the year, comparing actual performance results to the budget. The following is a summary of actual results in comparison to the budget for the years ended September 30, 2021 and 2020.

Year ended September 30, 2021

	Actual	Budget	% Change Fav/(Unfav)
Operating revenues			
Extraction fees and other revenue	\$ 305,379	\$ 328,378	(7%)
Operating expenses			
Professional fees	303,317	320,400	5%
Payroll expenses	19,001	18,500	(3%)
Other expenses	19,907	15,560	(28%)
Total operating expenses	342,225	354,460	3%
Nonoperating revenue – interest income	60	105	(43%)
Capital contributions, net	69,807	-	100%
Change in net position	\$ 33,021	\$ (25,977)	227%

Year ended September 30, 2020

	Actual	Budget	% Change Fav/(Unfav)
Operating revenues			
Extraction fees and other revenue	\$ 257,024	\$ 146,000	76%
Operating expenses			
Professional fees	164,490	132,100	(25%)
Payroll expenses	30,607	41,800	27%
Other expenses	17,837	21,200	16%
Total operating expenses	212,934	195,100	(9%)
Nonoperating revenue – interest income	91	500	(82%)
Capital contributions, net	8,345	-	100%
Change in net position	\$ 52,526	\$ (48,600)	208%

**Conditions Affecting Current Financial Position**

Operating revenues are highly dependent on groundwater extractions in the basin, which in turn, are dependent on the climate (precipitation or drought, for example). Management is unaware of any other facts, decisions, or conditions which could have a significant effect on the Agency's current financial position or results of operations.

**Requests for Information**

This financial report is designed to provide a general overview of the Agency's financial operations and financial condition. Questions concerning any information in this report or requests for additional financial information should be addressed to the General Manager, Ojai Basin Groundwater Management Agency, P.O. Box 1779, Ojai, California 93024.

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**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY**  
**Statements of Net Position**  
**September 30, 2021 and 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
<b>Current assets:</b>		
Cash	\$ 77,795	\$ 151,964
Accounts receivable, net	96,492	105,063
Grant receivable	80,761	2,738
<b>Total current assets</b>	<u>255,048</u>	<u>259,765</u>
<b>Noncurrent assets:</b>		
Capital assets, not depreciated, net	106,183	14,058
Capital assets, depreciated, net	-	-
Deposits	950	950
<b>Total non-current assets</b>	<u>107,133</u>	<u>15,008</u>
<b>TOTAL ASSETS</b>	<u>\$ 362,181</u>	<u>\$ 274,773</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 112,934	\$ 58,608
Payroll liabilities	814	753
<b>Total liabilities</b>	<u>113,748</u>	<u>59,361</u>
<b>NET POSITION</b>		
Investment in capital assets	106,183	14,058
Unrestricted	142,250	201,354
<b>Total net position</b>	<u>248,433</u>	<u>215,412</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 362,181</u>	<u>\$ 274,773</u>

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended September 30, 2021 and 2020**

	2021	2020
<b>Operating revenues:</b>		
Extraction charges	\$ 102,539	\$ 116,000
Extraction charges - GSP	159,566	96,978
Well head fees	40,867	39,677
Other	2,407	4,369
<b>Total operating revenues</b>	<u>305,379</u>	<u>257,024</u>
<b>Operating expenses:</b>		
Bad debt expense	4,070	1,367
Insurance	2,131	2,134
Other	3,841	1,857
Office expense	1,292	2,879
Payroll expense	19,001	30,607
Professional expense	303,317	164,490
Rent	8,573	9,600
<b>Total operating expenses</b>	<u>342,225</u>	<u>212,934</u>
<b>Operating income (loss)</b>	<u>(36,846)</u>	<u>44,090</u>
<b>Non-operating revenues (expenses):</b>		
Interest income	60	91
Capital contributions	78,023	8,345
Grant expense	(8,216)	-
<b>Total non-operating revenues</b>	<u>69,867</u>	<u>8,436</u>
<b>Increase in net position</b>	33,021	52,526
<b>Net position - beginning of period</b>	215,412	169,352
<b>Prior period adjustments</b>	-	(6,466)
<b>Net position - beginning of period, as restated</b>	<u>215,412</u>	<u>162,886</u>
<b>Net position - end of period</b>	<u>\$ 248,433</u>	<u>\$ 215,412</u>

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Receipts from well owners/operators	\$ 313,950	\$ 203,397
Payments for payroll expenses	(18,940)	(31,450)
Payments for operating expenses	<u>(268,898)</u>	<u>(129,875)</u>
<b>Net cash provided by operating activities</b>	<u>26,112</u>	<u>42,072</u>
<b>Cash flows from capital financing activities</b>		
Capital contributions	-	(2,647)
Construction in-process, capital asset	<u>(178,304)</u>	<u>(13,333)</u>
<b>Net cash used for capital financing activities</b>	<u>(178,304)</u>	<u>(15,980)</u>
<b>Cash flows from investing activities</b>		
Interest income	78,023	8,345
Rent deposit	<u>-</u>	<u>(50)</u>
<b>Net cash provided by investing activities</b>	<u>78,023</u>	<u>8,295</u>
<b>Net increase (decrease) in cash</b>	(74,169)	34,387
<b>Cash - beginning of period</b>	<u>151,964</u>	<u>117,577</u>
<b>Cash - end of period</b>	<u><u>\$ 77,795</u></u>	<u><u>\$ 151,964</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ (36,846)	\$ 44,090
Change in operating assets and liabilities:		
Accounts receivable, net	8,571	(53,627)
Accounts payable	54,326	52,452
Payroll liabilities	<u>61</u>	<u>(843)</u>
Total adjustments	<u>62,958</u>	<u>(2,018)</u>
<i>Net cash provided by operating activities</i>	<u><u>\$ 26,112</u></u>	<u><u>\$ 42,072</u></u>

# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Organization and Operations of the Reporting Entity**

The Ojai Basin Groundwater Management Agency (Agency or OBGMA), a special district of the State of California, was formed in 1991 pursuant to the Ojai Basin Groundwater Management Agency Act (Senate Bill 534). The Agency is responsible for managing the supply and demand and preserving the quantity and quality of groundwater in the Ojai basin for the protection and common benefit of all water users of the basin.

The Agency is governed by a five-member Board of Directors. The Board of Directors are appointed by their respective organization; one from each to represent the City of Ojai, Casitas Municipal Water District, Ojai Water Conservation District, Communities Facilities District, and one chosen to represent three mutual water companies. The Board is charged with exercising the powers of the agency which include, for example: decision-making, designation of management, approval of contracts, development of rates and fees and the Agency's policies.

#### **Basis of Accounting and Measurement Focus**

The accounting methods and procedures adopted by the Agency conform to U.S. generally accepted accounting principles as applied to governmental enterprise funds. Accordingly, the financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments" as it specifically relates to enterprise funds.

The Agency reports its activities as an enterprise fund, which means that it operates in a manner similar to a private business enterprise, where the intent of the Agency is that costs of monitoring water conditions on a continuing basis be financed or recovered primarily through extraction charges, capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses, such as extraction fees and rent expense, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Professional services, office supplies, and depreciation are also considered operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Agency's primary source of revenue is groundwater extraction charges. Extraction charges are billed quarterly, in arrears, which means that charges for water extracted during the final quarter of each fiscal year are billed during the subsequent billing cycle. As such, the majority of accounts receivable reported on the Statements of Net Position is the accrual of the fourth quarter extraction fees received after year-end. Extraction rates are established by the Board on an as-needed basis, after notice and hearing, and are subject to the terms stipulated in governing document Senate Bill 534.

# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. OBGMA is a limited-purpose government engaged solely in business-type activities; accordingly, activities are reported as an enterprise fund.

#### **Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America necessarily requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

The Agency's cash is in a single financial institution and at year-end was covered by Federal depository insurance. The Agency defines cash equivalents as highly liquid investments with original maturities of three months or less at the time of purchase. The Agency does not have any cash equivalents.

#### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable include both billed and unbilled extraction fees charged to well operators in the Ojai basin. An allowance for doubtful accounts is provided for uncollectible accounts based on OBGMA's bad debt experience and on management's estimate. The Agency charges doubtful accounts arising from receivables to bad debt expense when it is probable that the accounts will be uncollectible. As of September 30, 2021 and 2020, the Agency's allowance for doubtful accounts was \$5,432 and \$1,367, respectively.

#### **Capital Assets**

All property, plant, and equipment acquired and/or constructed are capitalized at historical cost. Depreciation is recorded on a straight-line basis over the estimated useful life. As of the date of this report, a formal capitalization policy has not been established.

#### **Net Position**

The Agency is required to report the difference between assets and liabilities as net position. Net position is classified in the following categories:

- Investment in capital assets – This category consists of capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. As of September 30, 2021 and 2020, the Agency did not have any capital-related debt.
- Restricted – This category consists of net assets that have external constraints placed on them by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions of constitutional law or enabling legislation. As of September 30, 2021 and 2020, the Agency did not have restricted net position.

# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Net Position (continued)

- Unrestricted – This category consists of net assets that do not meet the definition of “restricted” or “investment in capital assets”.

#### Capital Contributions

Capital contributions represent costs of capital asset additions funded by grants.

#### Capital Grants

Capital grant funds are comprised of federal, state, and local government grants. These grants are typically of a cost reimbursement nature. The Agency first pays for the subject costs and then the granting agency reimburses the Agency for eligible expenses.

On October 18, 2019, the Agency entered into a grant agreement with the Ventura County Resource Conservation District (VCRCD) in which the VCRCD agreed to reimburse the Agency up to \$150,600 for services performed on the Ventura Watershed Flow Enhancement and Water Resiliency Regional Framework Project, which includes the construction of a groundwater monitoring well. Please consult the grant agreement for all terms and conditions of the grant.

#### Compensated Absences

The Agency’s staff are employed on a part-time basis and do not receive compensated absences; therefore, no liability for compensated absences exists.

#### Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statements of Net Position will sometimes report separate sections for deferred outflows or inflows of resources, respectively. These separate financial statement elements represent either a consumption or acquisition of net position that applies to future periods and will not be recognized as an outflow or inflow of resources until that time. The Agency has no items that qualify for reporting in this category.

#### Income Taxes

The Agency’s income is exempt from taxation under the provisions of the Internal Revenue Code and related California provisions; accordingly, no income tax provision is required.

#### Subsequent Events

Subsequent events have been evaluated through August 15, 2024, the date the financial statements were available to be issued.

Effective October 1, 2023, the Board entered into a staffing agreement between Casitas Municipal Water District (“CMWD”; a related party) and the OBGMA. OBGMA agreed to pay CMWD for management services (one shared-staff member with independent contractor status) in exchange for a monthly fee, as outlined in the agreement. The staffing agreement is cancelable upon 30-days written notice by either party. Please refer to the agreement for additional details.



# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Subsequent Events (continued)

Effective November 30, 2023, the Board adopted Resolution 2023-05 to increase the groundwater extraction fee required to fund the costs of its groundwater sustainability program in compliance with the requirements of the Sustainable Groundwater Management Act of 2014. The groundwater extraction fee will increase as follows:

- January 1, 2024 through September 30, 2024 from \$37 to \$75/acre-foot
- October 1, 2024 from \$75 to \$100/acre-foot

#### Government Accounting Standards Board Statements, Not Yet Effective

##### GASB Statement No. 87, Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

This Statement is effective for fiscal years beginning after June 15, 2021 and is not expected to have a material impact on the Agency's financial statements.

### NOTE 2 - CASH

The carrying amount of cash in banks was \$77,795 and \$151,964 as of September 30, 2021 and 2020, respectively. Corresponding bank balances were \$87,829 and \$161,401 as of September 30, 2021 and 2020, respectively. The net difference represents outstanding checks, deposits-in-transit, and/or other reconciling items between the financial institution's balance and the Agency's balance for each year.

The Agency does not have a policy for custodial credit risk for deposits. Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions.

### NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable, net of allowance for doubtful accounts as of September 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Accounts receivable – extraction fees	\$ 101,924	\$ 106,430
Less allowance for doubtful accounts	5,432	1,367
Accounts receivable, net	<u>\$ 96,492</u>	<u>\$ 105,063</u>

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended September 30, 2021 was as follows:

	Balance September 30, 2020	Additions	Disposals	Balance September 30, 2021
<b>Non-depreciable assets:</b>				
Construction in-process	\$ 14,058	\$ 92,125	\$ -	\$ 106,183
Total non-depreciable assets	<u>14,058</u>	<u>92,125</u>	<u>-</u>	<u>106,183</u>
<b>Depreciable assets:</b>				
Office Equipment	2,490	-	-	2,490
Total depreciable assets	<u>2,490</u>	<u>-</u>	<u>-</u>	<u>2,490</u>
Less Accumulated depreciation	(2,490)	-	-	(2,490)
Total depreciable assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, net	<u>\$ 14,058</u>	<u>\$ 92,125</u>	<u>\$ -</u>	<u>\$ 106,183</u>

Capital asset activity for the year ended September 30, 2020 was as follows:

	Balance September 30, 2019	Additions	Disposals	Balance September 30, 2020
<b>Non-depreciable assets:</b>				
Construction in-process	\$ -	\$ 14,058	\$ -	\$ 14,058
Total non-depreciable assets	<u>-</u>	<u>14,058</u>	<u>-</u>	<u>14,058</u>
<b>Depreciable assets:</b>				
Office Equipment	2,490	-	-	2,490
Total depreciable assets	<u>2,490</u>	<u>-</u>	<u>-</u>	<u>2,490</u>
Less Accumulated depreciation	(2,490)	-	-	(2,490)
Total depreciable assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ 14,058</u>	<u>\$ -</u>	<u>\$ 14,058</u>

Additions to Non-depreciable assets consists of construction in-process (CIP) for a groundwater monitoring well.

**NOTE 5 - RISK MANAGEMENT**

The Agency is exposed to potential losses from claims arising from its business operations. The Agency maintains insurance coverage through an independent carrier with limits of \$1,000,000 per occurrence. There have been no significant reductions in insurance coverage from coverage in the prior year.

# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6 – SUSTAINABLE GROUNDWATER MANAGEMENT ACT

The Sustainable Groundwater Management Act (SGMA) was approved by the State of California in 2017 to provide a framework to help protect groundwater resources. Under the requirements of the law, the Agency is required to develop and adopt a groundwater sustainability plan (GSP). The Agency's GSP was approved by the California Department of Water Resources in October 2023. The Agency continues to work on compliance with the SGMA and has engaged outside consultants to assist in that endeavor.

### NOTE 7 – CONCENTRATIONS

#### Major Customers

The Agency has one major customer, Casitas Municipal Water District, whose water extraction charges represent a significant portion of total operating revenue. Revenue from this well operator represented approximately 24% and 25% of total operating revenue during the years ended September 30, 2021 and 2020, respectively.

### NOTE 8 - RELATED PARTIES

During the years ended September 30, 2021 and 2020, the Agency provided water to several members of the Agency's Board of Directors. The extraction rates and fees paid by the members of the Board of Directors are the same extraction rates and fees paid by all customers of the Agency.

### NOTE 9 – LEASES

The Agency entered into a month-to-month, short-term lease for commercial office space in May 2018. Rent has remained fixed at \$800 per month, or \$9,600 per year, since inception of the lease.

#### Sublease Arrangements

The Agency entered into an informal office and storage space sharing agreement with related-party Ojai Water Conservation District (OWCD) effective January 2021. Per this verbal, "short-term", and cancelable agreement, the OWCD will pay the Agency \$1,200 once-annually for shared office space and \$630 once-annually for shared storage space. Sublease income is included in Rent expense on the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

### NOTE 10 - COMMITMENTS & CONTINGENCIES

#### Grant Funds

Grant funds received by the Agency are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

#### Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the outcome of such matters, if any, will not materially affect its financial condition.

# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10 - COMMITMENTS & CONTINGENCIES (CONTINUED)

#### Asset Retirement Obligations

A groundwater monitoring well, with an expected useful service life of approximately 30 years, was constructed during 2021 to expand monitoring of water conditions in the Ojai basin. The County of Ventura Well Permit No. GWP-08557 requires destruction of the well upon completion of the monitoring program. The County's requirement to deconstruct the well triggers recognition of an asset retirement obligation. An asset retirement obligation (ARO) is a legally enforceable liability associated with the future retirement of a tangible capital asset. The process to deconstruct the well and restore the land requires the OBGMA to obtain a separate well destruction permit, remove the concrete lid encasement, withdraw the pvc, and refill the hole with soil. The Agency has determined that the estimated cost to deconstruct the well and restore the land to its original condition is insignificant and has elected not to recognize an ARO liability and corresponding deferred outflow of resources.

### NOTE 11 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to restate the opening net position balance to decrease accounts receivable for an erroneous overstatement and increase construction in-process as of October 1, 2019. Accordingly, the restatement has been made to adjust the following balances:

Net position at September 30, 2019	\$	169,352
Effect of adjustment to Accounts receivable		(7,191)
Effect of adjustment to Construction in-process		725
Net position at September 30, 2019, as restated		<u>162,886</u>
Change in net position, at September 30, 2020		<u>52,526</u>
Net position at September 30, 2020	\$	<u>215,412</u>



**FARBER HASS HURLEY LLP**

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Ojai Basin Groundwater Management Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Ojai Basin Groundwater Management Agency (Agency) as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated August 15, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

300 E. Esplanade Drive, Suite 1400 Oxnard, CA 93036

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**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Oxnard, California

August 15, 2024

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OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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Ojai Basin Groundwater Management Agency  
Audited Financial Statements  
September 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and General Manager Julia Aranda  
Ojai Basin Groundwater Management Agency  
Ojai, California

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Ojai Basin Groundwater Management Agency (Agency) as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Agency, as of September 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Report on Other Legal and Regulatory Requirements***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance.

Oxnard, California

August 15, 2024

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**GOVERNING BOARD OF DIRECTORS**

<b><u>Name</u></b>	<b><u>Position</u></b>
Richard Hajas	President of the Board
Peter Thielke	Board Member
Jim Finch	Board Member
Andrew Whitman	Board Member
Bob Daddi	Board Member

**AGENCY PERSONNEL**

Julia Aranda	General Manager
Cece VanDerMeer	Administrative Assistant

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The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Ojai Basin Groundwater Management Agency (Agency) provide an introduction to the financial statements of the Agency for the fiscal years ended September 30, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

### **Financial Highlights**

In fiscal year 2023, total assets increased by \$37,451 or 15.0% due to a grant receivable for reimbursable well construction costs. In comparison, total assets decreased by \$112,550 or 31.1% during fiscal year 2022 due to cash paid for professional services procured toward development of the Groundwater Sustainability Plan (GSP) required by the Sustainable Groundwater Management Act (SGMA) approved by the State of California in 2017.

In fiscal year 2023, total liabilities increased \$8,746 or 74.6% due to increased accounts payable for professional services procured for continued development of the GSP. In comparison, the prior year total liabilities decreased significantly due to completed construction of the groundwater monitoring well during fiscal year 2021.

In fiscal year 2023, net position increased by \$28,705 or 12.1% over prior year. The change was due to reduced professional services expense as the GSP project progressed from development to implementation phase. In comparison, the Agency's net position decreased by \$10,525 or 4.2% during fiscal year 2022.

During fiscal years 2023 and 2022, total operating revenues decreased each year approximately \$18,000 or 6.3%. The decrease both years was due to reduced extraction amounts reported by well operators.

In fiscal year 2023, total operating expenses decreased by \$64,807 or 21.3%. In comparison, total expenses decreased by \$38,567 or 11.3% during fiscal year 2022. The decrease both years was due to reduced need for professional services pertaining to the GSP project.

### **Basic Financial Statements**

This biennial report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies. The notes that follow the financial statements provide additional information essential to a full understanding of the data provided in the financial statements.

The Statements of Net Position presents information on the Agency's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

While the Statements of Net Position provides information about the nature and amount of resources and obligations at year-end, the Statements of Revenues, Expenses, and Changes in Net Position presents the results of the Agency's operations over the course of the fiscal year and information as to how the net position changed during the year. This statement can be used as an indicator of the extent to which the Agency has successfully recovered its costs through extraction fees and other charges.

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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All changes in net position are reported during the period in which the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as delayed collection of extraction fees.

The Statements of Cash Flows presents changes in cash resulting from operational, capital financing, and investing activities. This statement summarizes the annual flow of cash receipts, cash payments, and net changes in cash, and excludes noncash transactions such as depreciation of assets.

The following is a condensed Statements of Net Position summarizing assets, liabilities, and net position for the years ended September 30, 2023, 2022, and 2021.

	2023	2022	2021
Assets			
Current assets	\$ 187,077	\$ 146,037	\$ 255,048
Noncurrent assets	100,005	103,594	107,133
Total assets	<u>287,082</u>	<u>249,631</u>	<u>362,181</u>
Liabilities	<u>20,469</u>	<u>11,723</u>	<u>113,748</u>
Net position	<u>266,613</u>	<u>237,908</u>	<u>248,433</u>
Total liabilities and net position	<u>\$ 287,082</u>	<u>\$ 249,631</u>	<u>\$ 362,181</u>

The Agency's net position increased by \$28,705 or 12.1% during the year ended September 30, 2023 and decreased by \$10,525 or 4.2% during fiscal year 2022. Total assets increased by \$37,451 or 15.0% during the year ended September 30, 2023 and decreased by \$112,550 or 31.1% during fiscal year 2022.

The following condensed information reflects the actual revenues and expenses for the years ended September 30, 2023, 2022, and 2021 and the change in net position.

	2023	2022	2021
Operating revenues			
Extraction fees and other revenues	\$ 267,553	\$ 285,479	\$ 305,379
Operating expenses			
Professional fees	170,241	251,028	303,317
Payroll expenses	31,758	28,327	19,001
Other expenses	36,852	24,303	19,907
Total operating expenses	<u>238,851</u>	<u>303,658</u>	<u>342,225</u>
Non-operating revenues, net	<u>3</u>	<u>7,654</u>	<u>69,867</u>
Change in net position	<u>\$ 28,705</u>	<u>\$ (10,525)</u>	<u>\$ 33,021</u>

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Agency's total revenues decreased year-over-year due to reduced water extraction usage reported by well operators. Professional fees decreased due to the GSP project phase. Lastly, non-operating revenues, net, decreased due to full recovery of reimbursable grant costs and termination of grant.

**Budget-to-Actual Analysis**

The Board of Directors adopts an annual budget each year. Performance is monitored throughout the year, comparing actual performance results to the budget. The following is a summary of actual results in comparison to the budget for the years ended September 30, 2023 and 2022.

Year ended September 30, 2023

	Actual	Budget	% Change Fav/(Unfav)
Operating revenues			
Extraction fees and other revenue	\$ 267,553	\$ 328,041	(18%)
Operating expenses			
Professional fees	170,241	107,671	(58%)
Payroll expenses	31,758	22,152	(43%)
Other expenses	36,852	19,207	(92%)
Total operating expenses	238,851	149,030	(60%)
Non-operating revenue – interest income	3	60	(95%)
Change in net position	\$ 28,705	\$ 179,071	(84%)

Year ended September 30, 2022

	Actual	Budget	% Change Fav/(Unfav)
Operating revenues			
Extraction fees and other revenue	\$ 285,479	\$ 326,671	(13%)
Operating expenses			
Professional fees	251,028	214,188	(17%)
Payroll expenses	28,327	19,452	(46%)
Other expenses	24,303	16,534	(47%)
Total operating expenses	303,658	250,174	(21%)
Non-operating revenue – interest income	5	60	(92%)
Capital contributions, net	7,649	-	(100%)
Change in net position	\$ (10,525)	\$ 76,557	(-114%)

**Conditions Affecting Current Financial Position**

Operating revenues are highly dependent on groundwater extractions in the basin, which in turn, are dependent on the climate (precipitation or drought, for example). Management is unaware of any other facts, decisions, or conditions which could have a significant effect on the Agency's current financial position or results of operations.

**Requests for Information**

This financial report is designed to provide a general overview of the Agency's financial operations and financial condition. Questions concerning any information in this report or requests for additional financial information should be addressed to the General Manager, Ojai Basin Groundwater Management Agency, P.O. Box 1779, Ojai, California 93024.

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**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY**  
**Statements of Net Position**  
**September 30, 2023 and 2022**

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>
<b>Current assets:</b>		
Cash	\$ 59,801	\$ 19,766
Accounts receivable, net	127,276	98,661
Grant receivable	-	27,610
<b>Total current assets</b>	<u>187,077</u>	<u>146,037</u>
<b>Noncurrent assets:</b>		
Capital assets, net	99,105	102,644
Deposits	900	950
<b>Total non-current assets</b>	<u>100,005</u>	<u>103,594</u>
<b>TOTAL ASSETS</b>	<u>\$ 287,082</u>	<u>\$ 249,631</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 18,911	\$ 10,481
Payroll liabilities	1,558	1,242
<b>Total liabilities</b>	<u>20,469</u>	<u>11,723</u>
<b>NET POSITION</b>		
Investment in capital assets	99,105	102,644
Unrestricted	167,508	135,264
<b>Total net position</b>	<u>266,613</u>	<u>237,908</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 287,082</u>	<u>\$ 249,631</u>

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended September 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Operating revenues:</b>		
Extraction charges	\$ 89,230	\$ 101,271
Extraction charges - GSP	122,036	138,063
Well head fees	53,164	43,766
Other	3,123	2,379
<b>Total operating revenues</b>	<u>267,553</u>	<u>285,479</u>
<b>Operating expenses:</b>		
Bad debt expense	11,830	2,003
Depreciation	3,539	3,539
Insurance	4,074	2,444
Other	6,127	6,422
Office expense	2,165	958
Payroll expense	31,758	28,327
Professional expense	170,241	251,028
Rent	9,117	8,937
<b>Total operating expenses</b>	<u>238,851</u>	<u>303,658</u>
<b>Operating income (loss)</b>	<u>28,702</u>	<u>(18,179)</u>
<b>Non-operating revenues (expenses):</b>		
Interest income	3	5
Capital contributions	-	24,570
Grant expense	-	(16,921)
<b>Total non-operating revenues</b>	<u>3</u>	<u>7,654</u>
<b>Increase (decrease) in net position</b>	28,705	(10,525)
<b>Net position - beginning of period</b>	<u>237,908</u>	<u>248,433</u>
<b>Net position - end of period</b>	<u>\$ 266,613</u>	<u>\$ 237,908</u>

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Receipts from well owners/operators	\$ 238,938	\$ 283,310
Payments for payroll expenses	(31,442)	(27,899)
Payments for operating expenses	(195,124)	(374,245)
<b>Net cash provided by (used for) operating activities</b>	<u>12,372</u>	<u>(118,834)</u>
<b>Cash flows from capital financing activities</b>		
Capital contributions	27,610	77,721
Grant expense	-	(16,921)
<b>Net cash provided by capital financing activities</b>	<u>27,610</u>	<u>60,800</u>
<b>Cash flows from investing activities</b>		
Interest income	3	5
Rent deposit	50	-
<b>Net cash provided by investing activities</b>	<u>53</u>	<u>5</u>
<b>Net increase (decrease) in cash</b>	40,035	(58,029)
<b>Cash - beginning of period</b>	<u>19,766</u>	<u>77,795</u>
<b>Cash - end of period</b>	<u>\$ 59,801</u>	<u>\$ 19,766</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ 28,702	\$ (18,179)
Change in operating assets and liabilities:		
Accounts receivable, net	(28,615)	(2,169)
Accounts payable	8,430	(102,453)
Depreciation	3,539	3,539
Payroll liabilities	316	428
Total adjustments	<u>(16,330)</u>	<u>(100,655)</u>
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 12,372</u>	<u>\$ (118,834)</u>

# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Organization and Operations of the Reporting Entity**

The Ojai Basin Groundwater Management Agency (Agency or OBGMA), a special district of the State of California, was formed in 1991 pursuant to the Ojai Basin Groundwater Management Agency Act (Senate Bill 534). The Agency is responsible for managing the supply and demand and preserving the quantity and quality of groundwater in the Ojai basin for the protection and common benefit of all water users of the basin.

The Agency is governed by a five-member Board of Directors. The Board of Directors are appointed by their respective organization; one from each to represent the City of Ojai, Casitas Municipal Water District, Ojai Water Conservation District, Communities Facilities District, and one chosen to represent three mutual water companies. The Board is charged with exercising the powers of the agency which include, for example: decision-making, designation of management, approval of contracts, development of rates and fees and the Agency's policies.

#### **Basis of Accounting and Measurement Focus**

The accounting methods and procedures adopted by the Agency conform to U.S. generally accepted accounting principles as applied to governmental enterprise funds. Accordingly, the financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments" as it specifically relates to enterprise funds.

The Agency reports its activities as an enterprise fund, which means that it operates in a manner similar to a private business enterprise, where the intent of the Agency is that costs of monitoring water conditions on a continuing basis be financed or recovered primarily through extraction charges, capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses, such as extraction fees and rent expense, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Professional services, office supplies, and depreciation are also considered operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Agency's primary source of revenue is groundwater extraction charges. Extraction charges are billed quarterly, in arrears, which means that charges for water extracted during the final quarter of each fiscal year are billed during the subsequent billing cycle. As such, the majority of accounts receivable reported on the Statements of Net Position is the accrual of the fourth quarter extraction fees received after year-end. Extraction rates are established by the Board on an as-needed basis, after notice and hearing, and are subject to the terms stipulated in governing document Senate Bill 534.

# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. OBGMA is a limited-purpose government engaged solely in business-type activities; accordingly, activities are reported as an enterprise fund.

#### **Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America necessarily requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

The Agency's cash is in a single financial institution and at year-end was covered by Federal depository insurance. The Agency defines cash equivalents as highly liquid investments with original maturities of three months or less at the time of purchase. The Agency does not have any cash equivalents.

#### **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable include both billed and unbilled extraction fees charged to well operators in the Ojai basin. An allowance for doubtful accounts is provided for uncollectible accounts based on OBGMA's bad debt experience and on management's estimate. The Agency charges doubtful accounts arising from receivables to bad debt expense when it is probable that the accounts will be uncollectible. As of September 30, 2023 and 2022, the Agency's allowance for doubtful accounts was \$7,415 and \$7,415, respectively.

#### **Capital Assets**

All property, plant, and equipment acquired and/or constructed are capitalized at historical cost. Depreciation is recorded on a straight-line basis over the estimated useful life. As of the date of this report, a formal capitalization policy has not been established.

#### **Net Position**

The Agency is required to report the difference between assets and liabilities as net position. Net position is classified in the following categories:

- Investment in capital assets – This category consists of capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. As of September 30, 2023 and 2022, the Agency did not have any capital-related debt.
- Restricted – This category consists of net assets that have external constraints placed on them by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions of constitutional law or enabling legislation. As of September 30, 2023 and 2022, the Agency did not have restricted net position.

# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Net Position (continued)

- Unrestricted – This category consists of net assets that do not meet the definition of “restricted” or “investment in capital assets”.

#### Capital Contributions

Capital contributions represent costs of capital asset additions funded by grants.

#### Capital Grants

Capital grant funds are comprised of federal, state, and local government grants. These grants are typically of a cost reimbursement nature. The Agency first pays for the subject costs and then the granting agency reimburses the Agency for eligible expenses.

On October 18, 2019, the Agency entered into a grant agreement with the Ventura County Resource Conservation District (VCRCD) in which the VCRCD agreed to reimburse the Agency up to \$150,600 for services performed on the Ventura Watershed Flow Enhancement and Water Resiliency Regional Framework Project, which included the construction of a groundwater monitoring well. As of September 30, 2023, all grant-related reimbursable costs appear to have been recovered and the grant contract had terminated.

#### Compensated Absences

The Agency’s staff are employed on a part-time basis and do not receive compensated absences; therefore, no liability for compensated absences exists.

#### Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statements of Net Position will sometimes report separate sections for deferred outflows or inflows of resources, respectively. These separate financial statement elements represent either a consumption or acquisition of net position that applies to future periods and will not be recognized as an outflow or inflow of resources until that time. The Agency has no items that qualify for reporting in this category.

#### Income Taxes

The Agency’s income is exempt from taxation under the provisions of the Internal Revenue Code and related California provisions; accordingly, no income tax provision is required.

#### Subsequent Events

Subsequent events have been evaluated through August 15, 2024, the date the financial statements were available to be issued.

Effective October 1, 2023, the Board entered into a staffing agreement between Casitas Municipal Water District (“CMWD”; a related party) and the OBGMA. OBGMA agreed to pay CMWD for management services (one shared-staff member with independent contractor status) in exchange for a monthly fee, as outlined in the agreement. The staffing agreement is cancelable upon 30-days written notice by either party. Please refer to the agreement for additional details.

# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Subsequent Events (continued)

Effective November 30, 2023, the Board adopted Resolution 2023-05 to increase the groundwater extraction fee required to fund the costs of its groundwater sustainability program in compliance with the requirements of the Sustainable Groundwater Management Act of 2014. The groundwater extraction fee will increase as follows:

- January 1, 2024 through September 30, 2024 from \$37 to \$75/acre-foot
- October 1, 2024 from \$75 to \$100/acre-foot

#### Recently Adopted Government Accounting Standards

##### GASB Statement No. 87, Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

This Statement is effective for fiscal years beginning after June 15, 2021. OBGMA adopted this standard as of October 1, 2021. The adoption of GASB 87 did not have an impact on OBGMA's financial position, result of operations, or cash flows. As a result, no ROU asset and/or lease liability was recorded at September 30, 2022. There was no effect to opening net position. See Note 9 for lease agreement details.

### NOTE 2 - CASH

The carrying amount of cash in banks was \$59,801 and \$19,766 as of September 30, 2023 and 2022, respectively. Corresponding bank balances were \$73,874 and \$79,941 as of September 30, 2023 and 2022, respectively. The net difference represents outstanding checks, deposits-in-transit, and/or other reconciling items between the financial institution's balance and the Agency's balance for each year.

The agency does not have a policy for custodial credit risk for deposits. Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions.

### NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable, net of allowance for doubtful accounts as of September 30 consisted of the following:

	<u>2023</u>	<u>2022</u>
Accounts receivable – extraction fees	\$ 134,691	\$ 106,076
Less allowance for doubtful accounts	<u>7,415</u>	<u>7,415</u>
Accounts receivable, net	<u>\$ 127,276</u>	<u>\$ 98,661</u>

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance September 30, 2022	Additions	Disposals	Balance September 30, 2023
<b>Non-depreciable assets:</b>				
Construction in-process	\$ -	\$ -	\$ -	\$ -
Total non-depreciable assets	-	-	-	-
<b>Depreciable assets:</b>				
Office Equipment	2,490	-	(2,490)	-
DDMW – “South Central”	106,183	-	-	106,183
Total depreciable assets	108,673	-	(2,490)	106,183
Less Accumulated depreciation	(6,029)	(3,539)	2,490	(7,078)
Total depreciable assets, net	102,644	(3,539)	-	99,105
Total capital assets, net	\$ 102,644	\$ (3,539)	\$ -	\$ 99,105

Capital asset activity for the year ended September 30, 2022 was as follows:

	Balance September 30, 2021	Additions	Disposals	Balance September 30, 2022
<b>Non-depreciable assets:</b>				
Construction in-process	\$ 106,183	\$ -	\$ (106,183)	\$ -
Total non-depreciable assets	106,183	-	(106,183)	-
<b>Depreciable assets:</b>				
Office Equipment	2,490	-	-	2,490
DDMW – “South Central”	-	106,183	-	106,183
Total depreciable assets	2,490	106,183	-	108,673
Less Accumulated depreciation	(2,490)	(3,539)	-	(6,029)
Total depreciable assets, net	-	102,644	-	102,644
Total capital assets, net	\$ 106,183	\$ 102,644	\$ (106,183)	\$ 102,644

The addition to Depreciable assets is the Depth-Discrete Monitoring Well (DDMW) located at “South Central”.

**NOTE 5 - RISK MANAGEMENT**

The Agency is exposed to potential losses from claims arising from its business operations. The Agency maintains insurance coverage through an independent carrier with limits of \$1,000,000 per occurrence. There have been no reductions in insurance coverage from coverage in the prior year.



# OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6 – SUSTAINABLE GROUNDWATER MANAGEMENT ACT

The Sustainable Groundwater Management Act (SGMA) was approved by the State of California in 2017 to provide a framework to help protect groundwater resources. Under the requirements of the law, the Agency is required to develop and adopt a groundwater sustainability plan (GSP). The Agency's GSP was approved by the California Department of Water Resources in October 2023. The Agency continues to work on compliance with the SGMA and has engaged outside consultants to assist in that endeavor.

### NOTE 7 – CONCENTRATIONS

#### Major Customers

The Agency has one major customer, Casitas Municipal Water District, whose water extraction charges represent a significant portion of total operating revenue. Revenue from this well operator represented approximately 34% and 27% of total operating revenue during the years ended September 30, 2023 and 2022, respectively.

### NOTE 8 - RELATED PARTIES

During the years ended September 30, 2023 and 2022, the Agency provided water to several members of the Agency's Board of Directors. The extraction rates and fees paid by the members of the Board of Directors are the same extraction rates and fees paid by all customers of the Agency.

### NOTE 9 – LEASES

The Agency entered into a month-to-month, short-term lease for commercial office space in May 2018. Rent has remained fixed at \$800 per month, or \$9,600 per year, since inception of the lease.

#### Sublease Arrangements

The Agency entered into an informal office and storage space sharing agreement with related-party Ojai Water Conservation District (OWCD) effective January 2021. Per this verbal, "short-term", and cancelable agreement, the OWCD will pay the Agency \$1,200 once-annually for shared office space and \$630 once-annually for shared storage space. Sublease income is included in Rent expense on the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

### NOTE 10 - COMMITMENTS & CONTINGENCIES

#### Grant Funds

Grant funds received by the Agency are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

#### Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the outcome of such matters, if any, will not materially affect its financial condition.

## OJAI BASIN GROUNDWATER MANAGEMENT AGENCY NOTES TO FINANCIAL STATEMENTS

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### NOTE 10 - COMMITMENTS & CONTINGENCIES (CONTINUED)

#### **Asset Retirement Obligations**

A groundwater monitoring well, with an expected useful service life of approximately 30 years, was constructed during 2021 to expand monitoring of water conditions in the Ojai basin. The County of Ventura Well Permit No. GWP-08557 requires destruction of the well upon completion of the monitoring program. The County's requirement to deconstruct the well triggers recognition of an asset retirement obligation. An asset retirement obligation (ARO) is a legally enforceable liability associated with the future retirement of a tangible capital asset. The process to deconstruct the well and restore the land requires the OBGMA to obtain a separate well destruction permit, remove the concrete lid encasement, withdraw the pvc, and refill the hole with soil. The Agency has determined that the estimated cost to deconstruct the well and restore the land to its original condition is insignificant and has elected not to recognize an ARO liability and corresponding deferred outflow of resources.

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FARBER HASS HURLEY LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Ojai Basin Groundwater Management Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Ojai Basin Groundwater Management Agency (Agency) as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated August 15, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

300 E. Esplanade Drive, Suite 1400 Oxnard, CA 93036

P 805-504-8410 F 805-388-1300

[fhcpas.com](http://fhcpas.com)

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Oxnard, California

August 15, 2024

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# Ojai Basin Groundwater Management Agency

## Memorandum

**To:** Board of Directors  
**From:** Julia Aranda, PE, General Manager  
**Subject:** Establishing an Updated Process and Criteria for Administering Water Well Registration and Verification Requests

September 26, 2024

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### **Recommendation**

- Adopt Resolution 2024-04 Establishing an Updated Process and Criteria for Administering Water Well Registration and Verification Requests

### **Background and Discussion**

At the Board meeting of April 25, 2024, the Board adopted Resolution No. 2024-02 to implement a formal administrative process for well verification and registration in order to comply with the Governor's Executive Order (EO) N-3-23 for new or modified wells. On September 4, 2024, Governor Newsom signed EO N-3-24, part of which repealed paragraph 4 of EO N-3-23, thereby eliminating the requirements upon which OBGMA Resolution 2024-02 was based. As a result, it would be prudent for OBGMA to repeal Resolution No. 2024-02 and create a new Resolution, proposed Resolution No. 2024-04, which does not rely on the EOs and instead, refers to relevant sections of the California Water Code, including the Sustainable Groundwater Management Act (SGMA).

Proposed Resolution 2024-04 describes the process and criteria for well applications and includes the required documentation as attachments, as well as the requirement for a deposit of \$5,000 to which staff, consultant, and attorney time will be charged. The process is the same as previously approved by the Board, with the exception that references to the EO are removed and relevant Water Code sections are provided throughout the documents.

The Water Well Registration and Verification Request application was updated to include a checklist for the required documents and deposit and is also attached. Once adopted by the Board, the revised flowchart, application, and all attachments will be posted to the OBGMA website.

### Attachments:

1. Resolution 2024-04 Establishing an Updated Process and Criteria for Administering Water Well Registration and Verification Requests
2. Revised Water Well Registration and Verification Request application



## RESOLUTION NO. 2024-04

### A RESOLUTION OF THE OJAI BASIN GROUNDWATER MANAGEMENT AGENCY ESTABLISHING AN UPDATED PROCESS AND CRITERIA FOR ADMINISTERING WATER WELL REGISTRATION AND VERIFICATION REQUESTS

**WHEREAS**, the Ojai Valley Groundwater Basin (OVGB) is subject to the Sustainable Groundwater Management Act of 2014 (SGMA, California Water Code § 10720 et. seq.) and has been designated by the California Department of Water Resources (DWR) as a high priority basin for purposes of SGMA;

**WHEREAS**, pursuant to California Water Code § 10723(c)(1), the Ojai Basin Groundwater Management Agency (OBGMA) is designated as the Groundwater Sustainability Agency (GSA) for the OVGB;

**WHEREAS**, on January 6, 2022, in compliance with SGMA requirements, OBGMA adopted a Groundwater Sustainability Plan (GSP) for the OVGB, and on October 26, 2023, the GSP was approved by the DWR;

**WHEREAS**, in response to the severe drought, Governor Newsom issued Drought Executive Order N-3-23 on February 13, 2023, which prohibits Ventura County Public Works Agency (VCPWA) from approving a permit for a new groundwater well or for alteration of an existing well in the OVGB without first obtaining written verification from OBGMA that groundwater extraction by the proposed well (1) would not be inconsistent with any sustainable groundwater management program established in the GSP, and (2) would not decrease the likelihood of achieving a sustainability goal for the OVGB;

**WHEREAS**, the OBGMA found it necessary to develop a Process and Criteria for Administering Water Well Registration and Verification Requests Pursuant Executive Order N-3-23, and to require applicants to enter into certain agreements with OBGMA, intended to protect OBGMA when acting on well verification requests, and to cover the costs of the well verification process;

**WHEREAS**, OBGMA adopted Resolution 2024-02 on April 25, 2024, a Resolution Establishing a Process and Criteria for Administering Water Well Registration and Verification Requests Pursuant to Governor Newsom's Executive Order N-3-23;

**WHEREAS**, on September 4, 2024, Governor Newsom issued Executive Order N-3-24, which rescinded Paragraph 4 of Executive Order N-3-23, thereby eliminating the requirements upon which OBGMA Resolution 2024-02 was based;

**WHEREAS**, OBGMA is nevertheless statutorily obligated by SGMA to ensure the groundwater of the OVGB is sustainably managed, and is authorized by California Water Code § 10725.2(a) to perform any act necessary or proper to carry out this purpose;

**WHEREAS**, in response to Executive Order N-3-24, and in furtherance of its statutory mandate to ensure the groundwater of the OVGB is sustainably managed, OBGMA now finds it necessary to repeal Resolution 2024-02 in its entirety and adopt in its place this Resolution 2024-04

establishing an Updated Process and Criteria for Administering Water Well Registration and Verification Requests.

**NOW, THEREFORE, BE IT RESOLVED**, the OBGMA Board of Directors finds as follows:

**Section 1. Recitals Incorporated**

The above recitals are supported by substantial evidence, incorporated herein by reference and each relied upon independently by the OBGMA Board of Directors in its adoption of this Resolution 2024-04.

**Section 2. Repeal of Resolution 2024-02**

Resolution 2024-02, a Resolution Establishing a Process and Criteria for Administering Water Well Registration and Verification Requests Pursuant to Governor Newsom’s Executive Order N-3-23 is hereby repealed in its entirety.

**Section 3. Adoption of Updated Process and Criteria for Administering Water Well Registration and Verification Requests**

The OBGMA Board of Directors hereby adopts and establishes an updated Process and Criteria for Administering Water Well Registration and Verification Requests (attached hereto as Exhibit A), together with the accompanying OBGMA Acknowledgment Form (attached hereto as Exhibit B), the OBGMA Indemnification Agreement (attached hereto as Exhibit C), and the OBGMA Deposit/Reimbursement Agreement (attached hereto as Exhibit D), each of which is incorporated herein by reference, and finds the requirements set forth in said documents are both reasonable and necessary for OBGMA to ensure the groundwater of the OVGB is sustainably managed.

**Section 4. Initial Deposit**

An initial deposit in the amount of \$5,000 shall be required from all applicants submitting a water well registration and written verification request, and the deposit will be spent and supplemented in accordance with the Deposit/Reimbursement Agreement (attached hereto as Exhibit D). The Board finds the amount of the deposit is no more than necessary to cover the reasonable costs of the well registration and verification process, and the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

**Section 5. Amendment**

This Resolution may be added to, amended, and/or repealed at any time by adoption of a subsequent resolution of the OBGMA Board of Directors.

**Section 6. Effective Date**

This Resolution shall become effective upon adoption.



**WHEREFORE**, we, the undersigned, do hereby certify that the above and foregoing Resolution No. 2024-04 was duly adopted and passed by the OBGMA Board of Directors at a meeting held on September 26, 2024, by the following vote:

Richard Hajas, Casitas Municipal Water District	[Yes / No / Abstain / Absent]
Peter Thielke, Mutual Water Companies	[Yes / No / Abstain / Absent]
Jim Finch, Ojai Water Conservation District	[Yes / No / Abstain / Absent]
Andrew Whitman, City of Ojai	[Yes / No / Abstain / Absent]
Bob Daddi, Community Facilities District	[Yes / No / Abstain / Absent]

\_\_\_\_\_  
Richard Hajas, President

Attest: \_\_\_\_\_  
Peter Thielke, Secretary





## Ojai Basin Groundwater Management Agency

### Updated Process and Criteria for Administering Water Well Registration and Verification Requests Effective September 26, 2024

This document describes the process and criteria that will be used by the Ojai Basin Groundwater Management Agency (OBGMA) to administer requests for written verifications for new well permits following Governor Newsom's issuance of Executive Order N-3-24, which had the effect of rescinding Paragraph 4 of Executive Order N-3-23. Ventura County Public Works Agency (VCPWA) is responsible for processing applications for well permits in the County, including permits for extraction facilities located in the Ojai Valley Groundwater Basin (OVGB - DWR Bulletin 118 Basin No. 4-002.). OBGMA is the statutorily designated Groundwater Sustainability Agency (GSA) with management responsibility for the OVGB. (See California Water Code § 10723(c)(1).) Currently VCPWA, in consultation with OBGMA, is processing water well permit applications for the OVGB in accordance with Ventura County Ordinance No. 4468.

The OVGB is a designated high-priority basin subject to the Sustainable Groundwater Management Act of 2014 (SGMA). In compliance with SGMA requirements, OBGMA adopted a Groundwater Sustainability Plan (GSP) for the OVGB which was approved by the California Department of Water Resources (DWR) in October 2023. Irrespective of Executive Orders issued by the Governor, OBGMA is statutorily obligated by SGMA to ensure the groundwater of the OVGB is sustainably managed and is authorized by California Water Code § 10725.2(a) to perform any act necessary or proper to carry out this purpose. In compliance with this statutory mandate, and to ensure the goals of the GSP are met, OBGMA will review all requests for written verifications for new well permits, including permits to construct new wells or for the replacement of existing wells, to determine if groundwater extraction by the proposed well would be inconsistent with any sustainable groundwater management program established in the GSP, or would decrease the likelihood of achieving any sustainability goal for the OVGB covered by the GSP.

#### **Process Outline:**

Requests for the OBGMA to issue a written well verification will be administered as set forth below. The attached flow chart illustrates the process. Those requesting a written verification must submit the following documentation to the OBGMA:

1. Copy of completed County Well Application (including all related records and information)
2. Completed OBGMA Water Well Registration and Verification Request (including all related records and information) (signed by property owner)
3. OBGMA Acknowledgment Form (signed by property owner)
4. OBGMA Indemnification Agreement (signed by property owner)
5. OBGMA Deposit/Reimbursement Agreement (signed by property owner )
6. Deposit of \$5,000.00 payable to "OBGMA".

Forms (2) through (5) are available on the OBGMA website ([www.obgma.com/forms](http://www.obgma.com/forms)). Upon receipt of all required documentation and deposit, a request for a written verification will be reviewed to initially determine if it can be administered on an expedited basis. Expedited processing may apply to requests relating to water wells located outside the principal alluvial aquifer comprising the OVGB, and wells that are anticipated to extract no more than 2 acre-feet per year for domestic purposes. Requests not subject to expedited review will undergo additional technical review by OBGMA staff and consultants to determine if groundwater extraction by the proposed well would be inconsistent with any sustainable groundwater management program established in the GSP or would decrease the likelihood of achieving a sustainability goal for the OVGB covered by the GSP. All information and documentation submitted to the OBGMA in connection with a request for a written verification shall be deemed public information unless specific exemptions apply as determined by the OBGMA.

**Submittals (1) through (6) above and questions about the written verification process can be sent to Julia Aranda, General Manager of the OBGMA at P.O. Box 1779, Ojai, CA 93024, or sent electronically to [obgmagm@gmail.com](mailto:obgmagm@gmail.com). For inquiries by telephone, please contact Ms. Aranda at 805.640.1207.**

#### **Criteria Outline:**

As set forth above, OBGMA requires an evaluation to address whether groundwater extraction by a proposed well would be inconsistent with any sustainable groundwater management program established in the GSP, or would decrease the likelihood of achieving a sustainability goal for the OVGB covered by the GSP. SGMA defines sustainable groundwater management as “the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results” (California Water Code § 10721).

The OBGMA, with input from its consultants, has developed a set of criteria for evaluating the impacts of a proposed new or modified well on the long-term sustainability in the OVGB. The GSP adopted by the OBGMA on January 6, 2022, and approved by the California Department of Water Resources on October 26, 2023, outlines the Sustainability Goal for the Basin, which defines long-term sustainability for the OVGB. As stated in Chapter 3 of the GSP:

*“The OBGMA’s sustainability goal is to preserve the quantity and quality of groundwater in the Ojai Basin in order to protect and maintain the long-term water supply for the common benefit of the water users in the Basin. The GSP is intended to also meet the overarching sustainability goal of SGMA to ensure that the OVGB continues to operate within its sustainable yield and does not exhibit undesirable results within the planning and implementation horizon of the GSP (50 years). (See GSP for the Ojai Valley Groundwater Basin, Section 3.1.3.)*

*Conditions within the OVGB have been sustainable over the modeled period from 1971-2019 (49-year period) and will continue to be considered sustainable so long as the following sustainability goal components continue to be met:*

- 1. Long-term, aggregate groundwater use is less than or equal to the OVGB’s estimated sustainable yield, as defined by SGMA;*
- 2. Groundwater levels are maintained at elevations necessary to avoid undesirable results.*

- Lowering of groundwater levels potentially leading to significant and unreasonable depletions of available water supply for beneficial use could occur if groundwater levels fall below minimum thresholds set at representative monitoring points (RMPs);*
3. *Groundwater quality, as measured in municipal and domestic water wells, generally exhibits a stable and/or improving trend for identified contaminants of concern (COCs): total dissolved solids (TDS), sulfate, chloride, boron, nitrate, iron, and manganese; and*
  4. *Groundwater quality is suitable for existing beneficial uses.”*

(See GSP for the Ojai Valley Groundwater Basin, Section 3.1.3., [www.obgma.com/sustainability](http://www.obgma.com/sustainability))

Based on the sustainability goal components outlined in the GSP, the OBGMA will use the following criteria, as well as possibly additional criteria, to evaluate the consistency of a proposed new or modified well with the Sustainability Goal for the Basin:

- Will the projected drawdown cause groundwater level minimum threshold exceedances at the nearest representative monitoring points?
- Is the projected production likely to cause long-term exceedance of the sustainable yield of the OVGB?
- Is the project likely to cause exceedance of the minimum thresholds for groundwater quality at the nearest representative monitoring points?
- Will the projected drawdown impact ongoing or future projects aimed at maintaining sustainability or addressing critical data gaps in the OVGB?

While impacts to ongoing or future projects are not explicitly identified as a sustainability goal component in the GSP, certain data gaps were identified in the GSP that limit understanding of the hydrogeologic conceptual model and characterization of all beneficial uses and users of groundwater in the OVGB. The GSP identifies projects that support additional data collection and field investigations to reduce these data gaps. As such, criteria 4 was added to the evaluation to ensure that these projects are not significantly impacted by a proposed well or well modification.

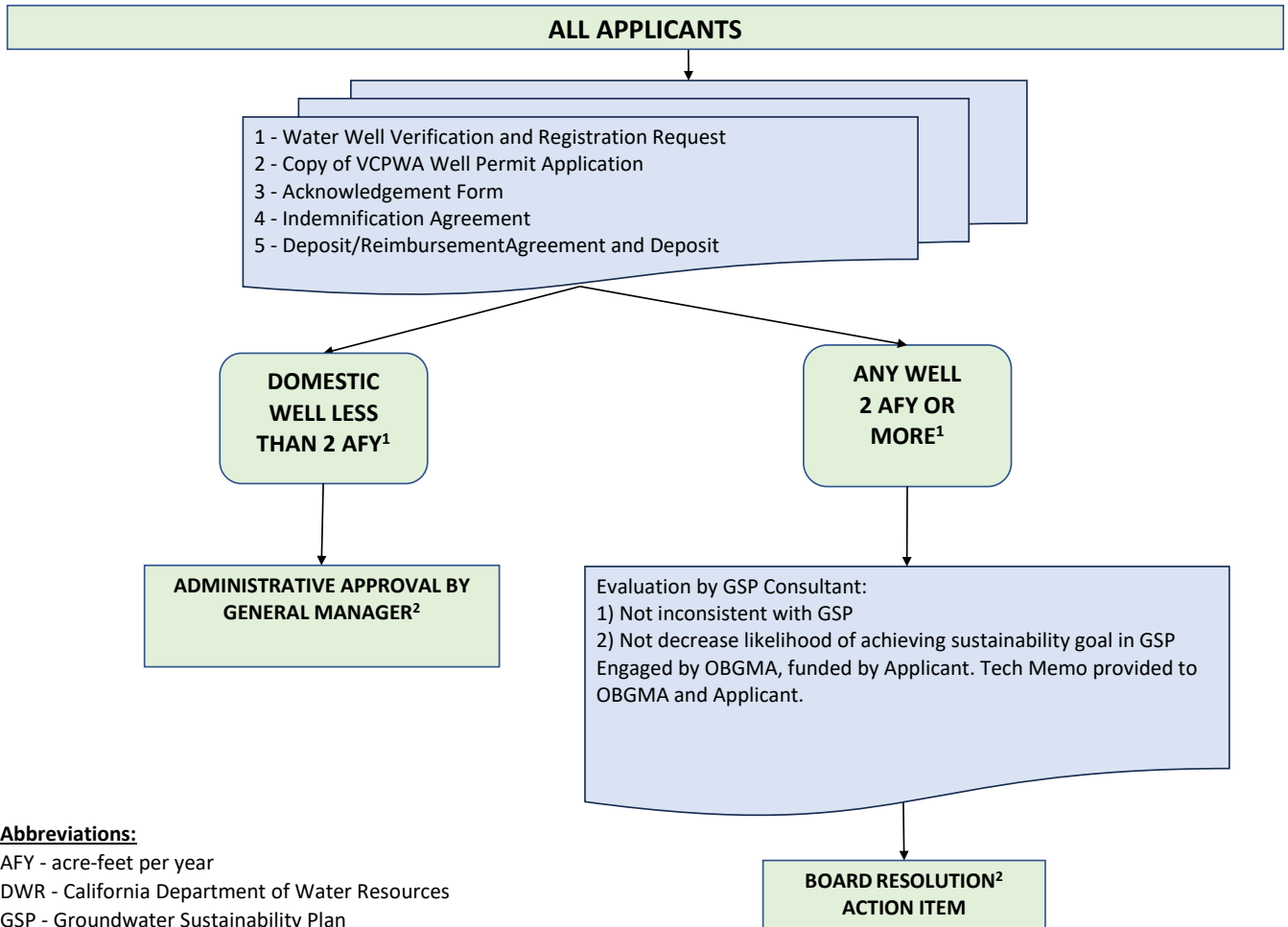
Requests for written verification not subject to expedited review will undergo technical review by OBGMA, its staff and consultants, to determine if groundwater extraction by the proposed new or modified well meets the foregoing criteria. If OBGMA determines that groundwater extraction by the proposed new or modified well does not meet one or more of the foregoing criteria, the proposed well will be considered inconsistent with the GSP, and inconsistent OBGMA's statutory obligation to ensure that groundwater of the OVGB is sustainably managed. In these situations, written verification will be denied. Applicants may request the OBGMA Board to reconsider a decision that denies a well verification.

Thank you for your cooperation in this important process.

Julia Aranda, General Manager  
Ojai Basin Groundwater Management Agency  
[obgmagn@gmail.com](mailto:obgmagn@gmail.com), 805.640.1207

Attachment: OBGMA Well Verification Process Flowchart

**OBGMA WELL VERIFICATION PROCESS FOR NEW WELLS OR ALTERATION OF EXISTING WELLS WITHIN DWR-DEFINED OJAI VALLEY GROUNDWATER BASIN (OVGB)**



**Abbreviations:**

- AFY - acre-feet per year
- DWR - California Department of Water Resources
- GSP - Groundwater Sustainability Plan
- OBGMA - Ojai Basin Groundwater Management Agency
- VCPWA - Ventura County Public Works Agency

**Notes:**

- <sup>1</sup> Supporting documentation required
- <sup>2</sup> All well verification letters will include requirements for well registration, metering, and reporting.



## Ojai Basin Groundwater Management Agency

### Acknowledgement Form Water Well Registration and Verification Request

The undersigned as owner of the property where the well is proposed (“Applicant”) is submitting an Application (“Application”) to the Ventura County Public Works Agency (“VCPWA”) for a permit to construct a water well. The Ojai Basin Groundwater Agency (“OBGMA”), as the statutorily designated Groundwater Sustainability Agency (“GSA”) for the Ojai Valley Groundwater Basin (“OVGB”), must provide written verification to VCPWA regarding the acceptability of the well as a prerequisite to VCPWA’s well permit approval. In compliance with its statutory mandate under the Sustainable Groundwater Act of 2014, and to ensure the goals of its approved Groundwater Sustainability Plan (GSP) are met, OBGMA reviews all requests for written verifications for new well permits, including permits to construct new wells or for the replacement of existing wells, to determine if groundwater extraction by the proposed well would be inconsistent with any sustainable groundwater management program established in the GSP, or would decrease the likelihood of achieving a sustainability goal for the OVGB covered by the GSP.

Applicant hereby requests the OBGMA to review the Application and provide the required written verification.

#### **ACKNOWLEDGMENT** (Initial the following provisions)

- \_\_\_\_\_ I acknowledge that the Sustainable Groundwater Management Act (“SGMA”) requires the OBGMA, as the exclusive GSA for the OVGB, to sustainably manage the groundwater resources of the Basin.
- \_\_\_\_\_ I acknowledge that the OBGMA is authorized by SGMA to, among other things, limit extractions within its jurisdiction including extractions from a well permitted pursuant to the Application and that a well permit issued by VCPWA does not guarantee the extraction of any specific amount of water now or in the future.
- \_\_\_\_\_ I acknowledge that the OBGMA is authorized to establish, and has established, specific groundwater requirements, including minimum thresholds and measurable objectives, and I agree that my groundwater use is subject to these requirements and other authorities that may be carried out under SGMA.
- \_\_\_\_\_ I acknowledge the OBGMA cannot and does not guarantee any defined water use, water level, or water quality in the Basin.
- \_\_\_\_\_ I acknowledge the OBGMA is not responsible for or otherwise liable for any costs, investments, or payments related to any groundwater well permitted pursuant to the Application, including pumping fees, extraction limits, costs related to well failure, well deepening, increased maintenance, replacement, or operational costs.

\_\_\_\_\_ I acknowledge that the proposed water well, as applicable, will be operated in compliance with all current and future laws, rules, and regulations, including, but not limited to, compliance with any applicable well registration and groundwater production reporting requirements and associated wellhead and extraction fees established by OBGMA.

\_\_\_\_\_  
Print Name of PROPERTY OWNER

\_\_\_\_\_  
Signature of PROPERTY OWNER

\_\_\_\_\_  
Date





## Ojai Basin Groundwater Management Agency

### Water Well Registration and Verification

#### Indemnification Agreement

1. **Indemnification.** As part of the application for a water well permit from the Ventura County Public Works Agency (“VCPWA”) and request for written verification from the Ojai Basin Groundwater Management Agency (“OBGMA”) (hereinafter collectively “Application”), as the applicant for the well permit (“Applicant”) and \_\_\_\_\_ as the owner(s) of the subject property (“Owner”), if the Owner is different than the Applicant, individually and collectively agree to indemnify, defend (along with counsel separate from legal counsel representing the Owner and Applicant), and hold harmless the OBGMA, and all its respective directors, officers, elected officials, member agencies, member entities, employees, consultants, contractors, and agents (individually and collectively the “OBGMA Parties”) as follows:
  - a. From and against any and all claims, demands, actions, proceedings, lawsuits, losses, damages, costs, judgments, and/or liabilities of any kind arising out of, related to, or in connection with the Application, including any to attack, set aside, void, or annul, in whole or in part, VCPWA’s action on the Application, or OBGMA’s determination to issue or deny written verification (hereinafter “Claim”); and
  - b. For any and all costs and expenses (including but not limited to attorneys’ and consultants’ fees and costs) incurred by the OBGMA Parties in connection with any Claim except where such indemnification is prohibited by law.
  - c. The indemnification obligation of the Owner and Applicant set forth herein does not apply to the OBGMA Parties’ sole negligence or willful misconduct.
2. **Defense.** Unless expressly agreed to in writing by each of the OBGMA Parties, the OBGMA Parties will have legal counsel separate from legal counsel representing the Owner and Applicant. Upon receiving a Claim, the OBGMA Parties have the right to retain their separate legal counsel, subject to being reimbursed by the Owner and Applicant for the full cost of such separate counsel. Owner and Applicant shall permit the OBGMA Parties, with the OBGMA Parties’ unlimited discretion, to direct the OBGMA Parties’ counsel and participate in the defense of any Claim but such participation shall not relieve the Owner or Applicant of any obligation imposed by this Agreement.

In the event of a disagreement between the OBGMA Parties and the Owner and/or Applicant over litigation issues, the OBGMA Parties shall have the authority to control the litigation and make litigation decisions as to any Claims made against the OBGMA Parties, including, but not limited to, the manner in which the defense is conducted by the OBGMA Parties’ counsel as to such Claims.

3. **Reimbursement.** To the extent the OBGMA Parties use any of their resources to respond to a Claim, the Owner and Applicant shall reimburse the OBGMA Parties upon demand. Such resources include,

but are not limited to, consultant time, staff time, legal counsel time, court costs, and any other direct or indirect costs associated with responding to the Claim. In the event that the OBGMA Parties seek reimbursement hereunder, the OBGMA Parties shall provide, as a precondition to any obligation of the Owner and Applicant to pay, an itemized list of any time spent, costs incurred, or resources used, including calculations for how each item listed in the request is determined.

4. **Obligations.** The obligations of the Owner and Applicant under this Agreement shall survive and apply regardless of whether any action taken by OBGMA in connection with the Application is invalidated, set aside, expires, or is abandoned for any reason.

This Agreement and the obligations of the Owner and Applicant set forth herein shall remain in full force and effect throughout any and all stages of review, reconsideration, challenge, or litigation, including any and all appeals of any lower court decrees, orders, or judgments, and regardless of whether the Owner or Applicant has brought any claim, action, or demand against the OBGMA Parties.

The Owner and Applicant are solely responsible for compliance with all local, state, and federal laws and for obtaining necessary authorizations, approvals, and/or permits from other local, state, and federal agencies. Any failure of the Owner or Applicant to comply with applicable laws or to obtain necessary authorizations, approvals, and/or permits shall not invalidate this Agreement or excuse the obligations of the Owner or Applicant under this Agreement except where such indemnification is prohibited by law.

5. **Successors and Assigns.** The obligations of Owner and Applicant under this Agreement shall be binding upon each and every one of their respective successors, assigns, and transferees of any interest in the water well permit that is the subject of the Application. The Owner and Applicant shall cause all successors, assigns, and transferees to be so obligated; provided that the Owner and Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate, or otherwise transfer any of the obligations of this Agreement, and notwithstanding a change in ownership or any transfer or conveyance of any interest in the water well permit that is the subject of the Application.
6. **Stipulation, Release, or Settlement.** The Owner and Applicant shall not execute, pay, or perform pursuant to any stipulation, release, settlement agreement, or other disposition of the matter on any Claim unless the OBGMA Parties and the Owner and Applicant have approved the stipulation, release, or settlement agreement in writing, such approval not to be unreasonably withheld.

In no case shall the Owner or Applicant assume, admit, or assert any fault, wrongdoing, or liability on the part of the OBGMA Parties as a condition of or as part of any stipulation, release, settlement, or otherwise. The Owner and Applicant shall not assert any defense, claim, or complaint against the OBGMA Parties on any Claim as a condition of or as part of any stipulation, release, settlement or otherwise.

7. **No Waiver.** Any failure, actual or alleged, on the part of the OBGMA Parties to monitor or enforce

compliance with any of the requirements or provisions of this Agreement shall not be deemed as a waiver of any rights on the part of the OBGMA Parties.

8. **Authority.** Each person signing this Agreement represents and warrants that such person has the power, is duly authorized, and has the capacity to enter into this Agreement and that this Agreement is a valid and legal agreement binding on the Owner and Applicant and enforceable in accordance with its terms.
  
9. **California Law.** This Agreement is governed by the laws of the State of California. Any litigation regarding this Agreement or its contents must be filed in the County of Ventura, if in state court, or in the federal district court nearest to Ventura County, if in federal court.
  
10. **Severability.** If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
  
11. **Complete Agreement.** This Agreement shall constitute the complete understanding of the parties with respect to the matters set forth herein. No party is relying on any other representation, oral or written.
  
12. **Counterparts.** This Agreement may be signed in counterparts and must be signed by all Owner(s) and Applicant.

Water Well Registration and Verification APN(s): \_\_\_\_\_

**NOW THEREFORE**, the Owner and Applicant agree to be bound by the terms of this Indemnification Agreement as demonstrated by their signature(s) below:

**APPLICANT:**

Signed: \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_ Title: \_\_\_\_\_

**PROPERTY OWNER** (if different from Applicant):

Signed: \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_ Title: \_\_\_\_\_





**Ojai Basin Groundwater Management Agency  
Deposit/Reimbursement Agreement  
for Review of Request for Water Well Registration and Verification**

**THIS DEPOSIT/REIMBURSEMENT AGREEMENT** (“Agreement”) is made and effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the Ojai Basin Groundwater Management Agency (“OBGMA” or “Agency”), and as the owner of the property where the well is proposed \_\_\_\_\_ (“Applicant”). OBGMA and Applicant are each referred to as a “Party” and collectively referred to as the “Parties” in this Agreement.

**RECITALS:**

A. Applicant is submitting an Application (“Application”) to the Ventura County Public Works Agency (“VCPWA”) for a permit to construct a groundwater well within OBGMA’s jurisdiction. OBGMA is the statutorily designated Groundwater Sustainability Agency (“GSA”) with management responsibility for the Ojai Valley Groundwater Basin (“OVGB”).

B. As the statutorily designated GSA for OVGB, OBGMA must provide written verification to VCPWA regarding the acceptability of the proposed well as a prerequisite to VCPWA’s well permit approval. In compliance with its statutory mandate under the Sustainable Groundwater Act of 2014, and to ensure the goals of its approved Groundwater Sustainability Plan (GSP) are met, OBGMA reviews all requests for written verifications for new well permits, including permits to construct new wells or for the replacement of existing wells, to determine if groundwater extraction by the proposed well would be inconsistent with any sustainable groundwater management program established in the GSP, or would decrease the likelihood of achieving a sustainability goal for the OVGB covered by the GSP. The Applicant’s request for written verification from the OBGMA will be referred to herein as a “Request.”

C. Pursuant to OBGMA Resolution No. 2024-04, review of the Request by the Agency is to be funded by fees paid by the Applicant, and before review begins Applicant must make a deposit in the amount determined by the OBGMA Board of Directors.

D. This Agreement is intended to specify the terms of Applicant’s deposit and reimbursement for the Agency’s review of the Request.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants set forth herein, and for other consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. Construction.**

This Agreement shall be liberally constructed to accomplish its intent.

**2. The Deposit; Additional Advances.**

- a) Establishing and Supplementing Deposit. Within three (3) business days following execution of this Agreement, Applicant shall provide to OBGMA an initial deposit of \$5,000.00 (“Initial Deposit”) to reimburse the Agency for Eligible Expenses, as defined in Section 2(b). OBGMA shall monitor its expenses and the balance in the deposit account and whenever it believes, in good faith, that there will be insufficient funds to pay the Agency’s expenses for the Request for the next ninety (90) days, OBGMA may make one or more written requests for additional funds (each an “Additional Advance”), which shall state the existing balance and the additional amount requested. OBGMA may request the funds it reasonably believes necessary to cover a period of ninety (90) days. The Initial Deposit and Additional Advance funds are hereinafter collectively referred to as the “Deposit.” Applicant shall make the Additional Advance within five (5) business days of the Agency’s written request therefor. If Applicant fails to timely make the Additional Advance, Applicant agrees OBGMA may cease any or all additional work on the Request until the Agency receives the Additional Advance from Applicant.
- b) Eligible Expenses. The Deposit shall be used to reimburse OBGMA for costs incurred by the Agency in connection with the following (all of which shall be deemed “Eligible Expenses”):
- (i) staff time dedicated to administration of the Request; the General Manager’s rate shall be \$150 per hour and Administrative staff’s rate shall be \$50 per hour;
  - (ii) fees and expenses of the consultant(s) and/or attorney(s) retained by OBGMA in connection with administration of the Request; and
  - (iii) all other costs, if any, reasonably incurred by OBGMA in connection with administration of the Request.
- c) Professional Services. OBGMA shall request proposal(s) from consultants, as needed, including engineers and/or hydrogeologists, to evaluate the Request and provide their professional expertise. These services shall include a Technical Memorandum to document the results of their evaluation. The proposal and Technical Memorandum will be shared with the Applicant. The Technical Memorandum will be presented to the Board to assist in the Board’s decision making.
- d) Administration of Deposit. The Deposit may be placed in OBGMA’s account with other funds for purposes of investment and safekeeping. The Deposit shall not accrue interest. OBGMA shall administer the Deposit and use the Deposit to reimburse the Agency for Eligible Expenses. OBGMA shall at all times maintain satisfactory accounting records as to the expenditure of the Deposit.
- e) Unexpended Funds. Upon the granting or denial of a Request by the OBGMA Board, and payment of outstanding Eligible Expenses, the Agency shall return any then-unexpended portion of the Deposit to Applicant, without interest, less an amount equal to any unpaid Eligible Expenses previously incurred by the Agency.
- f) Statements of Account. OBGMA shall provide Applicant a summary of expenditures made from the Deposit, and the unexpended balance thereof, whenever requesting any Additional Advance and within ten (10) business days of receipt by the Agency of a request therefore submitted by Applicant.

**3. Independent Judgment of the GSA; GSA Not Liable**

OBGMA shall use its independent judgment in determining whether the written verification should be issued. As further set forth by separate Indemnification Agreement, neither OBGMA nor any of its directors, staff or consultants shall be liable in any manner whatsoever in relation to VCPWA's action on an Application or OBGMA's determination whether to issue or deny written verification.

Applicant expressly understands and agrees that any consultant retained by OBGMA is under contract solely on behalf of OBGMA, and further that OBGMA is free to exercise its independent judgment in making payments to the consultants or revising or accepting the consultant's work product, without any liability whatsoever by OBGMA to Applicant therefor.

**4. Notices.**

Any notices, requests, demands, documents, approvals, or disapprovals given or sent under this Agreement from one Party to another (collectively, the "Notices") shall be given to the Party entitled thereto at its address set forth below, or at such other address as such Party may provide to the other Party in writing from time to time, namely to Applicant:

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If to OBGMA:

P.O. Box 1779  
Ojai, CA 93024  
obgmagm@gmail.com

Each such Notice shall be deemed delivered to the Party to whom it is addressed: (i) if personally served or delivered, upon delivery; (ii) if given by facsimile, upon the sender's receipt of an appropriate answerback or other written acknowledgement; (iii) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, seventy-two (72) hours after such notice is deposited with the United States mail; (iv) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier; or (v) if given by any other means, upon delivery at the address specified in this Section, including by email.

**5. Choice of Law; Venue.**

This Agreement, and any dispute arising from the relationship between the Parties, shall be governed by, construed in accordance with, and interpreted under the laws of the State of California. Any dispute that arises under or relates to this Agreement (whether contract, tort, or both) shall be resolved in a California State Court in the County of Ventura, or if jurisdiction over the action cannot be obtained in a State Court, in a Federal Court in the Central District of California.

**6. Entire Agreement.**

This Agreement represents the full, final, and complete Agreement between the Parties hereto regarding the subject matter of this Agreement. No change or amendment to this Agreement shall be valid unless in writing and signed by both Parties.

**7. Severability.**

If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining provisions of this Agreement shall not be affected.

**8. Attorneys' Fees.**

In any litigation or other proceeding by which one Party seeks to enforce its rights under this Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations of this Agreement, the prevailing Party shall be entitled to an award of reasonable attorneys' fees, together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

**9. Ambiguities.**

Each Party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in interpreting this Agreement.

**10. Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together will constitute one instrument.

**11. Authority.**

The persons executing this Agreement on behalf of the Parties warrant that: (i) such Party is duly organized and existing; (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party; (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement; and (iv) the entering into of this Agreement does not violate any provision of any other agreement to which said Party is bound.

**IN WITNESS THEREOF**, the Parties have caused this Agreement to be executed on the date first written above.

**(Signatures on next page)**



**OJAI BASIN GROUNDWATER MANAGEMENT  
AGENCY**

**PROPERTY OWNER**

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Signature

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Signature

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Print Name

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Print Name

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Title

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Title





**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY  
A STATE OF CALIFORNIA WATER AGENCY**

417 BRYANT CIRCLE, SUITE 112  
OJAI CA 93023

P.O. BOX 1779  
OJAI CA 93024

WWW.OBGMA.COM

**WATER WELL REGISTRATION AND VERIFICATION REQUEST**

**GENERAL INFORMATION**

Ojai Basin Groundwater Management Agency (OBGMA or Agency) requires all groundwater extraction facilities within its jurisdictional boundaries to be registered with the Agency. No extraction facility may be operated or otherwise utilized so as to extract groundwater within the boundaries of the Agency unless the facility is registered with the Agency, equipped with a water meter, and all extractions are reported to the Agency as required by OBGMA Ordinance No. 8. Written verification from the Agency is required prior to issuance of a well permit by the Ventura County Public Works Agency. The written verification must find that groundwater extraction by the proposed well would not be inconsistent with the Agency's Groundwater Sustainability Plan (GSP) for the Ojai Valley Groundwater Basin, and would not decrease the likelihood of achieving any of the sustainability goals the Agency has established for the Basin pursuant to the GSP.

**ALL WELLS MUST HAVE A METER INSTALLED PER OBGMA ORDINANCE NO. 8**

**A. PROPERTY OWNER INFORMATION**

NAME: \_\_\_\_\_  
 PROPERTY ADDRESS: \_\_\_\_\_  
 ASSESSOR'S PARCEL NUMBER: \_\_\_\_\_  
 PHONE NO.: \_\_\_\_\_  
 EMAIL: \_\_\_\_\_

**B. OPERATOR INFORMATION (IF DIFFERENT FROM OWNER)**

NAME: \_\_\_\_\_  
 ADDRESS: \_\_\_\_\_  
 PHONE NO.: \_\_\_\_\_  
 EMAIL: \_\_\_\_\_

**C. TYPE OF WELL**

<input type="checkbox"/>	NEW	
<input type="checkbox"/>	REPLACEMENT	EXISTING WELL NO.: _____
<input type="checkbox"/>	ALTERATION OF EXISTING WELL	EXISTING WELL NO.: _____

**D. TYPE OF USE**

<input type="checkbox"/>	AGRICULTURAL IRRIGATION		
		<u>EXISTING</u>	
	<u>CROP TYPE</u>	<u>OR NEW?</u>	<u>ACREAGE</u>
	<u>TYPE OF IRRIGATION SYSTEM</u>		
	_____	_____	_____
	_____	_____	_____

<input type="checkbox"/>	DOMESTIC	NO. OF HOUSING UNITS: _____
<input type="checkbox"/>	MUNICIPAL	
<input type="checkbox"/>	INDUSTRIAL	TYPE OF INDUSTRY: _____
<input type="checkbox"/>	MONITORING	



**E. PROPOSED EXTRACTION**

ACRE-FEET PER YEAR: \_\_\_\_\_

**F. EXISTING WATER SUPPLY**

NO OTHER SUPPLY  
 EXISTING WELL WELL NO.: \_\_\_\_\_  
 PUBLIC WATER SUPPLIER WATER AGENCY: \_\_\_\_\_

**G. WELL DRILLER**

NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
PHONE NO.: \_\_\_\_\_  
EMAIL: \_\_\_\_\_

**H. MAP REQUIREMENTS**

Attach a map accurately plotted and show the location of the proposed well. If a replacement well, show location of existing well and distance to proposed well. Provide dimensions of area to be irrigated, indicating crop type for each area, as applicable. For domestic, municipal, or industrial, show the water distribution system and location of structures to be served. Include a north arrow, the Assessor's Parcel Number, and the nearest streets. No permit applications will be accepted without an adequate map.

**I. APPLICANT SIGNATURE**

By signing in the space below, the Applicant declares under penalty of perjury under the laws of the State of California that (1) the information provided with this form is true and correct, and (2) the Applicant/Owner/Operator of the proposed extraction facility agrees to comply with all Agency rules and regulations governing extraction facilities located within the boundaries of the Agency.

\_\_\_\_\_  
Applicant Date \_\_\_\_\_

**A WELL COMPLETION REPORT MUST BE PROVIDED TO OBGMA WITHIN 30 DAYS OF COMPLETION**

All Applications must be accompanied by:

- \_\_\_\_\_ Copy of VCPWA Well Permit Application
- \_\_\_\_\_ Acknowledgement Form
- \_\_\_\_\_ Indemnification Agreement
- \_\_\_\_\_ Deposit/Reimbursement Agreement
- \_\_\_\_\_ \$5,000 Deposit

# Ojai Basin Groundwater Management Agency

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## Memorandum

**To:** Board of Directors  
**From:** Julia Aranda, PE, General Manager  
**Subject:** Access Database Support Services

September 26, 2024

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### **Recommendation**

- Authorize the General Manager to engage J Street Technology for Access Database Support Services in an amount not exceeding \$5,000.00

### **Background and Discussion**

OBGMA relies on a Microsoft Access database to manage all activities related to groundwater extraction, including well ownership and recording of groundwater extractions. J Street Technology (J Street) was engaged on a trial basis in August 2024 using the General Manager's signing authority limit of \$2,500.00. J Street performed several enhancements with this budget including improved user interface, addition of a filterable operator/owner list, updating of the quarterly statements with the well types, and changing the missing statement report to show only active wells.

Future anticipated enhancements include:

- Ability to send delinquent statements using the extraction fees in effect at the time of the delinquency.
- Addition of a field to indicate whether the well is within the OBGMA boundary, but outside the DWR-defined basin (and thus, not subject to Groundwater Sustainability Program extraction charges)

The General Manager and OBGMA administrative staff will work closely with J Street to enhance the functionality of the database. The Master Services Agreement is attached. J Street bills their staff at an hourly rate of \$245.

Attachment: J Street Technology Master Service Agreement





## Master Service Agreement

This Master Service Agreement ("Agreement") is entered into on July 25<sup>th</sup>, 2024, by and between J Street Technology, a duly licensed Washington Corporation (hereinafter "J Street") with offices in Redmond, WA and the Ojai Basin Groundwater Management Agency (hereinafter "Ojai") with offices in Ojai, CA. In this Agreement, J Street and Ojai shall be referred to separately as such, generically as a "Party," or collectively as the "Parties."

## Nature of Work

- a. Ojai is hiring J Street to perform consulting services on an hourly basis. Unless otherwise explicitly agreed in writing, J Street does not provide certain functionality for a fixed or not-to-exceed price. Either party may terminate the consulting services agreement at any time by notifying the other party in writing. Upon termination, any unused deposit balance held by J Street will be returned to Ojai, and any application and all other deliverables including the source code and object code ("Deliverables") shall be transferred to Ojai under the terms of this Agreement, if all work is paid in full.
- b. The application and all other deliverables provided to Ojai under this Agreement, including the source code and object code therefor shall, to the fullest extent permissible under the law, be considered works made for hire, and the copyrights and other intellectual property rights therein shall be owned by Ojai. J Street shall retain a nonexclusive, irrevocable and worldwide right to use for its own benefit and for the benefit of other customers certain discrete modules and utilities that were created for Ojai or otherwise during the course of J Street's provision of services under this Agreement, *provided* that J Street shall not knowingly employ any such items in a way that directly competes with the uses to be made by Ojai.
  1. Ojai will retain full ownership and exclusive rights of their pre-existing intellectual property, including but not limited to proprietary designs, formulas, software code, algorithms and calculations. J Street will not have the right to use, disclose or transfer any of this intellectual property to other projects or clients.
  2. J Street shall retain ownership of any preexisting discrete modules, source code, object code, utilities and know-how that it incorporates into the deliverables, but will grant to Ojai a worldwide, irrevocable and nonexclusive license to use such preexisting modules and utilities to the extent incorporated by J Street into the deliverables.
- c. The parties understand that certain know how, concepts, ideas, code and other information, whether or not directly incorporated into the Deliverables, will be generated by J Street in the course of creating or developing the Deliverables, and during collaborative discussions between J Street and Ojai in the course of its work hereunder (hereinafter collectively referred to as "Collateral Information"). Notwithstanding anything to the contrary in the Agreement, Collateral Information shall not be based on or a derivative of Ojai's preexisting intellectual property or Ojai's confidential information.
- d. Each Party hereby grants and agrees to grant to the other Party a perpetual, non-exclusive, royalty-free, worldwide license to use and implement such Collateral Information and incorporate the same into third party software, and such use or implementation shall not be

## Master Service Agreement

considered an infringement of any rights held by the other with respect thereto. The Parties may grant one another exclusive rights in and to any specifically identified Collateral Information, but any such grant must be embodied in a separate written document signed by both Parties.

- e. J Street represents and warrants that it will comply with all applicable laws and regulations in providing services under this Agreement, that it has all necessary legal right to provide the services and deliverables contemplated under this Agreement, and that the services and deliverables it provides to Ojai will not infringe the copyright, patent, trade secret or other proprietary or intellectual property rights of any third party.

## Maintenance and Enhancements

For a period of one year from the date that J Street provides Ojai with the deliverables, J Street will, upon the request of Ojai, perform maintenance and enhancements to the delivered items at the same rate and on the same terms as set forth herein.

## Estimates

Statements of Work estimates are based on J Street's current understanding of the project scope. As projects progress, estimates may continue to change. J Street will use its best efforts, in good faith, to provide (via periodic status reports) Ojai with estimates of current cost and delivery schedules. J Street will not exceed the approved budget without authorization from Ojai.

## Other Costs

Certain direct, out of pocket costs incurred by J Street on behalf of Ojai, including but not necessarily limited to acquisition costs of discrete items of software, third-party components, domain registrations, licensing fees or any other products or services used in connection with the services provided hereunder Ojai will be billed (without markup) to Ojai, *provided, however*, that J Street will obtain prior approval from Ojai prior to incurring (i) any single cost of more than \$500 or (ii) any series of costs that, in any one billing cycle, total more than \$1,000.

## Out-of-Area Travel Costs

Travel costs to locations outside the Seattle area incurred by J Street will be reimbursed (without markup) by Ojai. Personal automobile travel will be charged at \$0.55 per mile. For travel outside the Counties of King, Pierce or Snohomish, J Street charges 10 hours per person per day in lieu of hourly billing for such person. Travel must be approved in advance by Ojai.

## Non-Solicitation Agreement / Liquidated Damages

Agreement Not to Solicit or Employ. Ojai agrees not to directly (or through a third party) hire, offer to hire, retain, employ or offer to employ, or otherwise engage the services of any person who is an employee, independent contractor, or agent of J Street. The term of this prohibition shall remain during the time that J Street is performing services of any kind for Ojai, and for a period of one (1) year after the last date that any employee, agent or independent contractor of J Street provided any services for Ojai.

Violation of this clause shall constitute a material breach of this Agreement. The monetary and non-monetary damage that such a violation would directly cause to J Street is difficult to calculate at the outset of the Parties' dealings, and accordingly the Parties hereby agree to establish a fair and reasonable estimate of the monetary damage that would likely be occasioned by a violation of this clause by Ojai. The Parties agree that in the event of a breach of this clause by Ojai, J Street shall be



## Master Service Agreement

entitled to liquidated damages in an amount equal to *the greater of* (i) 1.5 times the annual compensation paid by J Street to the person wrongfully hired by Ojai or (ii) seventy five thousand dollars (\$75,000.00). If the person wrongfully hired by Ojai has been employed by J Street for less than 12 months, then the "annual compensation" shall be calculated by multiplying the total compensation J Street has paid to such employee by 12, and dividing the resulting product by the total number of calendar months (or partial calendar months) that said employee had been in J Street's employ. J Street shall not be precluded from enforcing any contractual or other rights against the wrongfully hired employee by reason of having sought or obtained liquidated damages from Ojai.

## Governing Law, Venue, Authority and Dispute Resolution

- a. **Governing Law.** The laws of the state of California govern the interpretation and enforcement of this Agreement in all respects, notwithstanding any conflict of laws principles.
- b. **Venue & Jurisdiction.** Venue and Jurisdiction for any action arising out of or relating in any way to this Agreement shall be exclusively in the Superior Court of California, Ventura County Division.
- c. **Arbitration and Waiver of Jury Trial.** With respect to any claim brought seeking only monetary relief, the Parties agree to waive the jurisdictional limits on Mandatory Arbitration (and authorize the Arbitrator to make an award in excess of such otherwise applicable limit), and agree to resolution of any such disputes pursuant to the Mandatory Arbitration Rules for the Superior Court of California, Ventura County Division. In any action involving claims or defenses that are not limited to money damages (such as injunctive relief), the right to trial by jury is irrevocably waived. The substantially prevailing party shall be entitled to an award of all reasonable attorneys' fees and costs incurred in connection with any judicial or arbitral proceeding, and the amount actually incurred by such party shall be presumptively deemed reasonable.
- d. **Authority.** Each individual signing this Agreement below represents and warrants that he or she is authorized to sign this Agreement and to bind the Party on whose behalf he or she is signing.
- e. **Effective Date.** Unless agreed otherwise, the effective date of this Agreement shall be the date stated on page 1 above. The dates adjacent to each signature below are for reference only.

## Payment and Billing Terms

- a. J Street will send periodic invoices to Ojai setting forth, in reasonable detail, the work performed, the quantity of time spent on such work, and the hourly rate applicable to the individuals performing such work. Ojai is encouraged to seek clarification of any invoice in the event Ojai needs additional specificity in evaluating an invoice. However, Ojai shall be deemed to have accepted any invoice that it does not object to within 30 days of the date such invoice is sent to Ojai.
- b. After any advance deposit required by the SOW is fully depleted, work will be billed weekly at the rate(s) specified in the SOW in increments of 15 minutes, including reasonable travel time (other than any travel subject to billing under Out of Area Travel Costs above).
- c. Payment terms are Net 10. A finance charge of 1.5% per month (minimum \$15) will be added to any invoice that remains unpaid after thirty (30) days.

Master Service Agreement

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- d. J Street retains the right, in its sole discretion, to request either (i) an additional deposit from which periodic invoices will be paid (and any unused portion of which will be refunded to Ojai at the conclusion of the project), or (ii) a credit card to be used for paying J Street's invoices (in which case if requested by J Street). If J Street requests a credit card, Ojai understands that a credit card processing surcharge may be applied. Authorization to charge such a card on any occasion shall be deemed authorization by Ojai to charge such card in payment of any overdue invoices.

NOTHING FURTHER, SIGNATURES TO FOLLOW

Master Service Agreement

## Approval

Unless agreed otherwise, the effective date of this Agreement shall be the date stated on page 1 above. The dates adjacent to each signature below are for reference only.



Signed by:  
*Julia Aranda*  
Signature: \_\_\_\_\_  
Printed Name: Julia Aranda  
Title: General Manager

Date: 8/6/2024



DocuSigned by:  
*Armen Stein*  
Signature: \_\_\_\_\_  
Printed Name: Armen Stein  
Title: President

Date: 8/6/2024



# Ojai Basin Groundwater Management Agency

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## Memorandum

**To:** Board of Directors  
**From:** Julia Aranda, PE, General Manager  
**Subject:** Draft Fiscal Year 2024-2025 Budget  
September 26, 2024

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The Draft Fiscal Year (FY) 2024-25 Budget is attached for review. The fiscal year is from October 1, 2024, to September 30, 2025.

The anticipated income is based on 3,000 acre-feet (AF) of extractions for the fiscal year and the scheduled increase of the Groundwater Sustainability Plan (GSP) Fee from \$75 per AF to \$100 per AF, effective October 1, 2024. This increase was adopted at the November 30, 2023, Board meeting.

Significant expenses anticipated for GSP Implementation in FY 24-25 are:

- Prepare Groundwater Dependent Ecosystems Assessment
- Develop Comprehensive Conjunctive Use Plan
- Develop Data Management System

The proposed budget includes a five percent increase to the hourly rate for part-time administrative staff and the contractual increase with Casitas Municipal Water District for the General Manager's services. A Financial Report for FY 2023-2024 will be presented at the November Board meeting, once all income and expenses have been incurred.

The final FY 2024-25 budget will be presented at the October Board meeting for adoption.

Attachment:

Draft Fiscal Year 2024-25 Budget



OJAI BASIN GROUNDWATER MANAGEMENT AGENCY						
ANNUAL BUDGET FY 2024-25						
October 1 - September 30						
DRAFT						
DESCRIPTION	FY 23-24			FY 24-25		
	ACTUAL AS OF 8/31/24	ESTIMATED ACTUAL AT 9/30/24	BUDGET	ESTIMATED ACTUAL VS. BUDGET	PROPOSED	
<b>INCOME</b>						
GSP EXTRACTION FEE	\$ 176,496.74	\$ 200,000.00	\$ 130,000.00	\$ 70,000.00	\$	\$ 300,000.00
EXTRACTION CHARGES	\$ 102,968.41	\$ 110,000.00	\$ 100,000.00	\$ 10,000.00	\$	\$ 75,000.00
WELLHEAD FEE	\$ 51,145.85	\$ 55,000.00	\$ 40,000.00	\$ 15,000.00	\$	\$ 55,000.00
RECORDATION FEE	\$ 3,157.19	\$ 3,300.00	\$ 2,000.00	\$ 1,300.00	\$	\$ 3,000.00
LATE FEES	\$ -	\$ -	\$ -	\$ -	\$	\$ 1,000.00
INTEREST ON EXTRACTION CHARGES	\$ 936.27	\$ 1,000.00	\$ 20.00	\$ 980.00	\$	\$ -
GRANT INCOME	\$ -	\$ -	\$ -	\$ -	\$	\$ -
INTEREST INCOME	\$ 3.82	\$ 5.00	\$ 5.00	\$ -	\$	\$ 5.00
<b>TOTAL INCOME</b>	<b>\$ 334,708.28</b>	<b>\$ 369,305.00</b>	<b>\$ 272,025.00</b>	<b>\$ 97,280.00</b>	<b>\$</b>	<b>\$ 434,005.00</b>
<b>EXPENSES</b>						
PAYROLL	\$ 27,497.14	\$ 30,000.00	\$ 25,000.00	\$ 5,000.00	\$	\$ 48,000.00
OUTSIDE SERVICES <sup>1</sup>	\$ -	\$ -	\$ 27,000.00	\$ (27,000.00)	\$	\$ 17,500.00
PROFESSIONAL FEES <sup>2</sup>	\$ 148,987.19	\$ 170,000.00	\$ 50,000.00	\$ 120,000.00	\$	\$ 129,700.00
OFFICE/ADMINISTRATIVE EXPENSES <sup>3</sup>	\$ 6,695.63	\$ 7,000.00	\$ 7,000.00	\$ -	\$	\$ 5,000.00
INSURANCE	\$ 3,308.00	\$ 4,000.00	\$ 5,000.00	\$ (1,000.00)	\$	\$ 5,000.00
RENT <sup>4</sup>	\$ 10,141.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$	\$ 12,000.00
GSP IMPLEMENTATION <sup>5</sup>	\$ 19,690.00	\$ 75,000.00	\$ 145,470.00	\$ (70,470.00)	\$	\$ 85,000.00
GRANT EXPENSE	\$ -	\$ -	\$ -	\$ -	\$	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 216,318.96</b>	<b>\$ 296,000.00</b>	<b>\$ 269,470.00</b>	<b>\$ 26,530.00</b>	<b>\$</b>	<b>\$ 302,200.00</b>
<b>INCOME LESS EXPENSES</b>	<b>\$ 118,389.32</b>	<b>\$ 73,305.00</b>	<b>\$ 2,555.00</b>	<b>\$ 70,750.00</b>	<b>\$</b>	<b>\$ 131,805.00</b>
WEBSITE MANAGER, ACCESS DATABASE SUPPORT						
<sup>2</sup> HYDROGEOLOGIST, AUDITOR, LEGAL, BOOKKEEPER, GENERAL MANAGER						
<sup>3</sup> POSTAGE, OFFICE SUPPLIES, BANK CHARGES, INTERNET, TELEPHONE, OFFICE EQUIPMENT						
<sup>4</sup> OFFICE, STORAGE UNIT						
<sup>5</sup> CONSULTANT SUPPORT						