



AGENDA

October 26, 2023 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

Board of Directors

Richard Hajas, Casitas Municipal Water District	Jim Finch, Ojai Water Conservation District
Peter Theilke, 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
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 "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 Report for September 2023
- b. Minutes of the September 28, 2023, meeting

8. ACTION ITEMS

a. Proposed Public Hearing for Groundwater Sustainability Plan (GSP) Fee Increase

- Set a public hearing for November 30, 2023, to consider adoption of a resolution increasing the GSP extraction fee from its current rate of \$37 per acre-foot to \$75 per acre-foot, effective January 1, 2024, and then from \$75 per acre-foot to \$100 per acre-foot, effective October 1, 2024
- Approve the Notice of Public Hearing for: (i) publishing in a local newspaper for two consecutive weeks prior to the November 30, 2023, meeting; (ii) posting to the agency's website within a reasonable amount of time prior to the November 30, 2023, meeting; and (iii) forwarding by mail to any interested party who has made a written request for service by mail within a reasonable amount of time prior to the November 30, 2023, meeting
- Approve the "cost of service" analysis and related data supporting the need for the fee increase, which will be posted to agency's website no later than November 10, 2023

9. 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 November 30, 2023, 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 or by calling 805.640.1207 with any questions.

Ojai Basin Groundwater Management Agency

Memorandum

To: Board of Directors
From: Julia Aranda, PE, Interim General Manager
Subject: Financial Report for September 2023
October 26, 2023

Recommendation

- Approve Financial Report for September 2023

Background and Discussion

The September 2023 Financial Report is attached for review and approval. Extractions and associated charges were updated from the August 2023 report.

Budget Impact

There is no immediate budget impact related to approval of the Financial Report.

Attachment: September 2023 Financial Report

OBGMA
Budget Actuals FYTD 22/23

	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Beginning Bank Balance								
Checking	14,745.09	74,843.99	85,115.19	82,727.38	114,741.84	121,125.19	70,773.32	73,579.63
Savings	5,021.30	5,021.30	5,021.30	5,021.91	5,021.91	5,021.91	5,022.55	5,022.55
	19,766.39	79,865.29	90,136.49	87,749.29	119,763.75	126,147.10	75,795.87	78,602.18
Income								
Returned Check Charges	-	-	-	-	-	-	-	-
GSP Extraction Fees	27,096.63	9,328.16	-	21,490.54	1,596.32	395.45	9,987.70	393.84
Well Head Fee	4,759.59	1,509.99	-	4,897.39	2,465.80	580.74	4,937.95	1,940.15
Interest Charges	-	-	-	-	1.25	-	2.50	10.00
Recordation Fee	289.35	87.95	-	303.91	125.00	34.67	284.44	94.24
Extraction Charges	19,214.92	6,428.25	-	15,314.59	3,616.00	307.21	7,612.35	660.82
Savings Acct Interest	-	-	0.61	-	-	0.64	-	-
Total Income	51,360.49	17,354.35	0.61	42,006.43	7,804.37	1,318.71	22,824.94	3,099.05
Total Income	51,360.49	17,354.35	0.61	42,006.43	7,804.37	1,318.71	22,824.94	3,099.05
Expense								
Equipment Purchased	-	-	-	-	-	-	-	-
Computer Repairs	-	-	-	-	-	-	-	-
Printing and Reproduction	-	-	-	-	-	-	-	-
Liability Insurance	-	1,176.00	-	-	-	2,898.00	-	-
Postage and Delivery	249.99	17.99	17.99	92.49	17.99	67.99	17.99	17.99
Bank Service Charges	-	3.00	-	-	-	-	-	-
Workers Comp Ins	-	-	-	-	-	-	161.08	368.20
Office Supplies	55.68	83.99	-	-	99.99	828.23	-	-
Payroll Expenses	2,874.26	2,422.12	2,422.13	2,471.63	2,471.62	2,767.78	2,841.96	2,745.08
Professional Fees	5,077.78	2,581.25	-	5,201.53	-	13,183.15	12,162.88	9,346.96
Website Expense	-	-	-	-	-	-	-	-
Rent	907.10	907.10	107.10	1,707.10	(922.90)	907.10	907.10	907.10
Travel	-	-	-	-	-	-	-	-
Telecommunications	308.28	307.50	239.09	317.48	268.68	552.75	293.77	371.08
Total Expense	9,473.09	7,498.95	2,786.31	9,790.23	1,935.38	21,205.00	16,384.78	13,756.41
Net Ordinary Income	41,887.40	9,855.40	(2,785.70)	32,216.20	5,868.99	(19,886.29)	6,440.16	(10,657.36)
Grant Activity								
WCB Grant Income	16,516.35	-	-	-	-	-	-	-
WCB (WS) Expenses	-	-	-	-	-	-	-	-
GSP Expenses	-	-	-	-	-	30,975.00	2,868.75	-
	16,516.35	-	-	-	-	(30,975.00)	(2,868.75)	-
Net Income	58,403.75	9,855.40	(2,785.70)	32,216.20	5,868.99	(50,861.29)	3,571.41	(10,657.36)
Other Adjustments								
Deposit Paid	-	-	-	-	-	-	-	-
Transfer to Savings	-	-	-	-	-	-	-	-
Transfer From Savings	-	-	-	-	-	-	-	-
Deposit Adj from Bank	-	-	-	-	-	-	-	-
Payroll Tax Liab Paymtns	1,241.67	-	-	1,345.84	-	-	1,331.80	-
Payroll Liab on hold	527.86	398.48	398.50	431.88	431.86	510.06	491.78	464.25
Customer Overpayments	40.28	17.50	-	724.72	82.50	-	24.92	-
Nominal Over/Short	-	(0.18)	-	-	-	-	-	-
Refund- Work Comp Ins	-	-	-	-	-	-	-	-
Customer Credits Applied	156.32	-	-	12.50	-	-	-	82.50
Refunds	-	-	-	-	-	-	50.00	-
State Comp Fund Dividend	25.00	-	-	-	-	-	-	-
Rent Reimbursement	-	-	-	-	-	-	-	-
Customer Reimbursement	2,500.00	-	-	-	-	-	-	-
Ending Bank Balance								
Checking	74,843.99	85,115.19	82,727.38	114,741.84	121,125.19	70,773.32	73,579.63	63,386.52
Savings	5,021.30	5,021.30	5,021.91	5,021.91	5,021.91	5,022.55	5,022.55	5,022.55
	79,865.29	90,136.49	87,749.29	119,763.75	126,147.10	75,795.87	78,602.18	68,409.07

OBGMA
Budget Actuals FYTD 22/23

	Jun-23	Jul-23	Aug-23	Sep-23	YTD
Beginning Bank Balance					
Checking	63,304.02	46,401.76	43,627.79	52,265.63	
Savings	5,022.55	5,023.17	5,023.17	5,023.17	
	68,326.57	51,424.93	48,650.96	57,288.80	
Income					
Returned Check Charges					-
GSP Extraction Fees	689.31	22,568.03	5,831.85	6,536.95	105,914.78
Well Head Fee	580.81	6,552.91	5,695.66	5,295.98	39,216.97
Interest Charges	6.25	1.25	18.25	1.25	40.75
Recordation Fee	30.00	156.97	149.67	232.38	1,788.58
Extraction Charges	577.44	15,989.95	4,424.62	4,567.17	78,713.32
Savings Acct Interest	0.62			0.63	1.87
Total Income	1,884.43	45,269.11	16,120.05	16,634.36	225,676.27
Total Income	1,884.43	45,269.11	16,120.05	16,634.36	209,042.54
Expense					
Equipment Purchased					-
Computer Repairs					-
Printing and Reproduction		280.58			280.58
Liability Insurance					4,074.00
Postage and Delivery	17.99	(17.99)	2.00	250.69	753.11
Bank Service Charges					3.00
Workers Comp Ins					529.28
Office Supplies	14.73			1,082.09	2,164.71
Payroll Expenses	1,938.86	3,207.62	2,641.89	2,427.68	31,232.63
Professional Fees	480.00	22,026.51	15,718.97	11,324.38	97,103.41
Website Expense					-
Rent	1,044.00	800.00	923.00	923.00	9,116.80
Travel	923.34				923.34
Telecommunications	380.67	476.34	373.87	(39.94)	3,849.57
Total Expense	4,799.59	26,773.06	19,659.73	15,967.90	150,030.43
Net Ordinary Income	(2,915.16)	18,496.05	(3,539.68)	666.46	59,012.11
Grant Activity					
WCB Grant Income			11,093.85		27,610.20
WCB (WS) Expenses					-
GSP Expenses	14,261.25	20,826.25			68,931.25
	(14,261.25)	(20,826.25)	11,093.85	-	(41,321.05)
Net Income	(17,176.41)	(2,330.20)	7,554.17		17,691.06
Other Adjustments					
Deposit Paid	50.00	(50.00)			
Transfer to Savings					
Transfer From Savings					
Deposit Adj from Bank					
Payroll Tax Liab Paymts		1,270.21			
Payroll Liab on hold	324.77	600.28	479.42	425.73	
Customer Overpayments		176.16	604.25	13.50	
Nominal Over/Short					
Refund- Work Comp Ins					
Customer Credits Applied					
Refunds					
State Comp Fund Dividend					
Rent Reimbursement					
Customer Reimbursement					
Ending Bank Balance					
Checking	46,401.76	43,627.79	52,265.63	53,370.69	
Savings	5,023.17	5,023.17	5,023.17	5,023.80	
	51,424.93	48,650.96	57,288.80	58,394.49	

OBGMA EXTRACTION CHARGES BY PERIOD

2022/2023

Oct/Nov/Dec 2022		(1-2023)		(\$25/acre foot)		
	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture	308.26	\$7,811.10				
Dom/Land	36.06	\$1,055.75				
Muni/Indus	2.42	\$60.50				
CMWD	299.00	\$7,475.00				
Totals	645.74	\$16,402.35	\$8,255.00	\$470.00	\$22,642.99	\$47,770.34

Jan/Feb/Mar 2023		(2-2023)		(\$25/acre foot)		
	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture	72.88	\$1,917.36				
Dom/Land	33.19	\$916.00				
Muni/Indus	1.33	\$34.75				
CMWD	229.50	\$5,737.50				
Totals	336.90	\$8,605.61	\$7,930.00	\$460.00	\$11,248.94	\$28,244.55

April/May/June 2023		(3-2023)		(\$25/acre foot)		
	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture	450.96	\$11,340.87				
Dom/Land	51.19	\$1,311.10				
Muni/Indus	0.50	\$12.50				
CMWD	337.40	\$8,435.00				
Totals	840.05	\$21,099.47	\$8,515.00	\$205.00	\$28,192.82	\$58,012.29

Jul/Aug/Sept 2023		(4-2023)		(\$25/acre foot)		
	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture						
Dom/Land						
Muni/Indus						
CMWD						
Totals	0.00	\$0.00				\$0.00

Total for water YTD 10/1/22- 9/30/23

Acre Feet	Charges	Well Head Fee	Recordation Fee	GSP Fees	Total Rec'd
1822.69	\$ 46,107.43	\$24,700.00	\$1,135.00	\$62,084.75	\$134,027.18

OBGMA
Balance Sheet
As of September 30, 2023

Ending Cash Balances as of August 31, 2023

Bank of the Sierra-Checking	52,265.63
Bank of the Sierra-Savings	5,023.17
	<u>57,288.80</u>

Inflows

GSP Extraction	6,536.95
Well Head Fee	5,295.98
Interest Charge On Extraction	1.25
Recordation Fee	232.38
Extraction Charges	4,567.17
Savings account Interest	0.63
	<u>16,633.73</u>

Outflows

Internet	-39.94
Postage and Delivery	250.69
Office Supplies	1,082.09
Payroll Expenses	2,001.95
Professional Fees	11,324.38
Rent	923.00
	<u>15,542.17</u>

Ending Cash balances as of September 30, 2023

Bank of the Sierra-Checking	53,370.69
Bank of the Sierra-Savings	5,023.80
Total Checking/Savings	<u>58,394.49</u>

Net change in financial position **1,105.69**

9:57 AM

10/09/23

OBGMA Reconciliation Summary

Bank of the Sierra-Checking, Period Ending 09/30/2023

	Sep 30, 23
Beginning Balance	71,034.58
Cleared Transactions	
Checks and Payments - 11 items	-19,486.46
Deposits and Credits - 10 items	17,302.52
Total Cleared Transactions	-2,183.94
Cleared Balance	68,850.64
Uncleared Transactions	
Checks and Payments - 10 items	-15,479.95
Total Uncleared Transactions	-15,479.95
Register Balance as of 09/30/2023	53,370.69
New Transactions	
Checks and Payments - 5 items	-2,618.19
Deposits and Credits - 4 items	3,406.38
Total New Transactions	788.19
Ending Balance	54,158.88

OBGMA
Disbursements
As of September 30, 2023

Date	Num	Name	Split	Amount
09/01/2023	ACH	Condor Self Storage	Rent	-123.00
09/25/2023	ACH	Stamps.com	Postage and Delivery	-19.99
09/28/2023	ACH	Staples	Office Supplies	-303.38
09/25/2023	3522	417 Bryant Circle LLC	Rent	-800.00
09/25/2023	3523	Casitas Municipal Water District	Professional Fees	-1,700.00
09/25/2023	3524	Cece VanDerMeer	Payroll	-505.36
09/25/2023	3525	Hollister & Brace, Attorneys at Law	Professional Fees	-4,631.25
09/25/2023	3526	Julia Aranda	Website	-500.00
09/25/2023	3527	Kear Groundwater	Professional Fees	-4,080.63
09/25/2023	3528	Michelle Gaston	Professional Fees	-412.50
09/30/2023	3529	Ransom, Tara R.	Payroll	-795.52
09/30/2023	3530	VanDerMeer, Cece A	Payroll	-1,206.43
09/28/2023	3531	Julia Aranda	Office Supplies	-504.05
				-15,582.11
				<u>-15,582.11</u>

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
Minutes of the Regular Board Meeting of September 28, 2023

The Regular Meeting of September 28, 2023, of the Ojai Basin Groundwater Management Agency was called to order at 3:00 PM in the Council Chambers, Ojai City Hall, 401 S. Ventura Street, Ojai, CA 93023.

Attendees were: Board Members: Richard Hajas, Jim Finch, Bob Daddi, and Andrew Whitman. Interim General Manager Julia Aranda and Clerk of the Board/Administrator Cece VanDerMeer.

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

1. **Call to Order and Roll Call:** Chair Hajas called the meeting to order at 3:00pm. 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:**

Julia Aranda stated the new website is set to go live on October 13, 2013. Aranda reported she is still working on the missing meeting minutes and completing the 2017-2019 audits.

5. **BASIN STATUS REPORT:**

Jordan Kear reported that the Basin level is 80.09 feet and capacity is at 81%.

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

None

7. **CONSENT ITEMS:**

a. **Approve Minutes and Financial Report:**

Daddi motioned to approve the consent agenda; Whitman seconded.

Roll call vote:

Ayes: Finch, Whitman, Daddi and Chair Hajas.

Noes: None

8. ACTION ITEMS:

a. CMWD-OBGMA Staffing Agreement:

The Board discussed the staffing agreement. Peter Candy discussed the agreement with CMWD's attorney. Aranda stated that with some modifications, the Staffing Agreement will be on the next CMWD's Board meeting. Finch motioned to approve; seconded by Daddi.

Roll call vote:

Ayes: Finch, Whitman, Daddi and Chair Hajas.

Noes: None

9. PUBLIC HEARING:

a. Proposed Ordinance to Protect the Southwest Upper Saturated Zone (SWUSZ) From Groundwater Extraction and Depletion (Ordinance No. 12):

Hajas opened the public hearing.

The Board discussed the proposed Ordinance No. 12 to protect the Upper Saturated Zone. Daddi motioned to approve Ordinance No. 12; seconded by Whitman.

Roll call vote:

Ayes: Finch, Whitman, Daddi and Chair Hajas.

Noes: None

10. DISCUSSION ITEMS:

a. Groundwater Sustainability Plan (GSP) Fee and Wellhead Fee Cost of Service Model.

The Board discussed the GSP Fee and Wellhead Fee Cost of Service Model. GM Aranda presented a draft GSP Rate Model to implement the GSP and the necessary revenue to do so over the next five years. Attorney Candy discussed GSP fee implementation and required public notification. The Rate Model will be updated with the Board's feedback and presented at the October meeting.

b. Consider Cancellation of November 30, 2023, meeting and reschedule December meeting to December 5, 2023.

The Board decided to keep the November 30, 2023 and December 28, 2023 meeting and cancel the December 28, 2023 if necessary.

10. ADJOURNMENT-- The meeting was adjourned at 4:08 pm. The next regular scheduled meeting will be October 26, 2023, at 3:00 p.m. in the Council Chamber in Ojai City Hall, 401 S. Ventura Street, Ojai.

ATTEST: _____

Ojai Basin Groundwater Management Agency

Memorandum

To: Board of Directors
From: Julia Aranda, PE, Interim General Manager
Subject: Proposed Public Hearing for Groundwater Sustainability Plan Fee Increase
October 26, 2023

Recommendation

- Set a public hearing for November 30, 2023, to consider adoption of a resolution increasing the SGMA extraction fee from its current rate of \$37 per acre-foot to \$75 per acre-foot, effective January 1, 2024, and then from \$75 per acre-foot to \$100 per acre-foot, effective October 1, 2024
- Approve the Notice of Public Hearing (draft attached) for:
 - i. Publishing in a local newspaper for two consecutive weeks prior to the November 30, 2023, meeting;
 - ii. Posting to the agency's website within a reasonable amount of time prior to the November 30, 2023, meeting; and
 - iii. Forwarding by mail to any interested party who has made a written request for service by mail within a reasonable amount of time prior to the November 30, 2023, meeting
- Approve the "cost of service" analysis and related data supporting the need for the fee increase, which will be posted to agency's website no later than November 10, 2023.

Background and Discussion

At the Board meeting of August 31, 2023, the Board approved the Fiscal Year (FY) 2023-24 Budget and the Groundwater Sustainability Plan (GSP) Implementation Schedule. Both these approvals have implications to the cash flow of the OBGMA. A GSP rate model was presented to the Board at the meeting of September 28, 2023, showing the impact of different GSP fees based on various assumed groundwater extractions. The Board provided direction to refine the model to maintain positive cashflow for anticipated expenditures to implement the recommendations of the GSP.

The Agency's counsel, Peter Candy, has provided a Background and Process for Increasing SGMA Groundwater Extraction Fee Memorandum dated October 10, 2023, which is attached herein. A Public Hearing is required to implement the GSP fee in accordance with Proposition 26. A draft of the Notice of Public Hearing is attached for review and comment.

The refined cost of service analysis is provided as an attachment and shows the estimated revenue and expenses for the current fiscal year (2023-24) and four subsequent years (2024-2025 through 2027-28). Row 4 shows the status quo with a deficit in reserves in FY 2023-2024 based on 3,000 acre-feet per year (AFY) of groundwater extraction. Row 5 shows an increase to the GSP fee effective January 1, 2024 (Q2-Q4) of \$75 per AF, then increasing to \$100 per AF effective October 1, 2024, and October 1, 2025, both of which are based on 3,000 AFY of extractions. Rows 6 and 7 show the same adjustments to the GSP fee with assumptions of 3,500 AFY and 4,000 AFY of groundwater extractions, respectively.

The assumed groundwater extractions will have an impact on the amount of revenue generated from the GSP fee. At this time, it is recommended the GSP fee be increased to \$75 per acre-foot, effective January 1, 2024, and then to \$100 per acre-foot, effective October 1, 2024. The Board can consider adjustments to the GSP fee in subsequent budget discussions each year.

Budget Impact

The budgetary impacts of the GSP fee adjustments are provided in the Cost of Service Analysis.

Attachments: Memorandum from Peter Candy dated October 10, 2023
Draft Notice of Public Hearing
Updated Cost of Service Analysis

MEMORANDUM

**TO: Julia Aranda, General Manager
OBGMA**

FROM: Peter Candy

**RE: Background and Process For Increasing SGMA
Groundwater Extraction Fee**

DATE: October 10, 2023

I. Statutory Authority To Increase Fees on Groundwater Extraction

SGMA gives OBGMA the authority to both impose and increase fees on groundwater extraction to fund the costs of its groundwater sustainability program, including without limitation the costs of program administration and for purposes of establishing a “prudent reserve.” (Water Code § 10730(a).) Notably, SGMA does not place a limit on the amount of fee that may be imposed on groundwater extraction, provided SGMA’s substantive and procedural requirements related to fee-setting are met. (Water Code § 10730.)

In contrast, OBGMA’s Enabling Act, as amended in 2007, authorizes the agency to impose fees on groundwater extraction, however, the maximum statutory amount that may be imposed on groundwater extraction is \$25/acre-foot, and the reserve established may not exceed 25% of the total appropriations in the agency’s budget. (See OBGMA Enabling Act, as amended by SB 738 (2007), Section 1102.)

II. Limitations on SGMA Extraction Fee Setting Authority

Any action taken by the OBGMA Board to impose or increase groundwater extraction fees under SGMA must be made by ordinance or resolution. (Water Code § 10730(a).)

In addition, groundwater extraction fees may not be imposed on “de minimus” extractors (2 acre-feet per year or less for domestic purposes) unless OBGMA has previously regulated de minimus extractors pursuant to its SGMA authority, which OBGMA has not.

III. Substantive Requirements Applicable to SGMA Extraction Fee Setting

- (a) **Proposition 218.** In December 2017, the California Supreme Court put to rest the question of whether groundwater extraction fees imposed by a groundwater management agency are subject to the voter approval requirements of Proposition 218 (California Constitution, Article XIII(D)). In *City of San Buenaventura v. United Water Conservation District* (2017) 3 Cal. 5th 1191, 1209, the Supreme Court decided that groundwater extraction fees are not the type of “property-related service” charges that fall within the scope of Proposition 218. As such, groundwater extraction fees are not subject to the Prop 218 constitutional requirement that they be put to a majority vote of the electorate for approval. Instead, SGMA authorizes groundwater extraction fees to be imposed or increased by a majority vote of the Board members of a groundwater sustainability agency, provided at least one public meeting is held at which the public and regulated community are allowed to make oral or written presentations. (Water Code § 10730(b and (c)).)
- (b) **Proposition 26.** Despite not being subject to Prop 218 voter approval requirements, groundwater sustainability agencies remain subject to the requirements imposed by California Constitution, Article XIII(C), as amended by Proposition 26, when imposing or increasing fees on groundwater extraction. These requirements impose substantive limitations on the agency’s ability to impose or increase extraction fees. In order to meet these requirements, the Board resolution adopting the fee must make the following findings based on substantial evidence in the record: (1) the revenues generated by the fee will not exceed the funds required to pay the costs of the agency’s groundwater sustainability program; (2) the revenues generated will not be used for any purpose other than to fund the costs of the agency’s groundwater sustainability program; and (3) the revenues generated bear a fair or reasonable relationship to the benefits received by those paying the fee from implementation of the agency’s groundwater sustainability program. (See California Constitution, Article XIII(C), as amended by Proposition 26.)

IV. Procedural Requirements Applicable to SGMA Extraction Fee Setting

Prior to imposing or increasing a groundwater extraction fee, a groundwater sustainability agency must hold at least one public meeting, at

which oral or written presentations may be made as part of the meeting. (Water Code § 10730(b)(1).) Notice of the time and place of the meeting must be provided using all three of the following methods:

- Publication of notice in a local newspaper pursuant to Government Code § 6066 (see more detailed discussion below);
- Posting of notice on OBGMA's Internet Web site; and
- Mailing of notice to any interested party who files a written request with the agency for receipt of mailed notices. (Water Code § 10730(b)(2).)

In addition, at least 20 days prior to the meeting, OBGMA must make available to the public the data upon which the proposed fee increase is based. (See Water Code § 10730(c).)

Publication of notice in a local newspaper pursuant to Government Code § 6066 is required once a week for two consecutive weeks prior to the meeting. The newspaper must be published at least once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including therein the first day. (See Government Code § 6066.)

V. Actions the Board Must Take at its October 26, 2023 Regular Meeting

The OBGMA Board is considering adopting a resolution at its regular meeting on November 30, 2023, which would increase the SGMA extraction fee from its current rate of \$37/acre-foot to \$75/acre-foot, effective January 1, 2024, and then from \$75/acre-foot to \$100/acre-foot, effective October 1, 2024. In order for the Board to adopt such a resolution on November 30, 2023, the following action items must be approved by the Board at its October 26, 2023 meeting:

1. The Board must set a public hearing for 11/30/23 to consider adoption of a resolution increasing the SGMA extraction fee from its current rate of \$37/acre-foot to \$75/acre-foot, effective January 1, 2024, and then from \$75/acre-foot to \$100/acre-foot, effective October 1, 2024.
2. The Board must approve the Notice of Public Hearing (draft attached) for (i) publishing in a local newspaper for two consecutive weeks prior to the 11/30/23 meeting, (ii) posting to the agency's website within a reasonable amount of time prior to the 11/30/23 meeting (no date is specified by statute but posting by 11/10/23 seems reasonable); and (iii) forwarding by mail to any interested party who has made a written request for service by mail within a reasonable amount of time prior to the 11/30/23 meeting (no date is specified by statute but mailing by 11/10/23 seems reasonable).

3. The Board must approve the “cost of service” analysis and related data supporting the need for the fee increase, which by statute must be posted to agency’s website no later than 11/10/23.

Once the foregoing action items are accomplished, the Board can hold the public hearing on November 30, 2023, and consider adopting a resolution implementing the proposed fee increase.

Notice of Public Hearing

The Board of Directors of the Ojai Basin Groundwater Management Agency (OBGMA) will hold a public hearing on November 30, 2023, to consider adoption of a resolution increasing the amount of fee the agency imposes on groundwater extraction from the Ojai Valley Groundwater Basin. The fee increase is authorized pursuant to California Water Code § 10730 and is necessary to fund the costs of OBGMA's groundwater sustainability program (GSP), including the costs of program administration and the establishment of a prudent reserve. OBGMA currently charges two separate fees on groundwater extraction, one set at \$25/acre-foot extracted, and another at \$37/acre-foot extracted ("GSP Fee"). On November 30, 2023, the Board will hold a public hearing to consider increasing the GSP Fee from its current rate of \$37/acre-foot extracted to \$75/acre-foot extracted, effective January 1, 2024, and then from \$75/acre-foot extracted to \$100/acre-foot extracted, effective October 1, 2024. The public hearing will be held during OBGMA's regular Board meeting on November 30, 2023, at 3:00 pm, located at the Ojai City Council Chambers, 401 South Ventura Street, Ojai, California 93023. The data upon which the fee increase is based, including OBGMA's 2023-2024 fiscal year budget and multi-year financial projection of SGMA-related costs, is available to the public on OBGMA's internet website: <https://obgma.com>. The Board welcomes oral and written public comment and testimony regarding the proposed groundwater extraction fee increase.

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y			
		OJAI BASIN GROUNDWATER MANAGEMENT AGENCY																											
		GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION																											
		FY23-24										FY25-26										FY27-28							
PMA Number	Priority	Description	2023 Estimated Cost	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	TOTAL	
6	1a	Prepare Sampling and Analysis Plan and Quality Assurance Plan	\$ 15,000		\$ 15,000																							\$ 15,000	
7	1b	Prepare Groundwater Dependent Ecosystems Assessment	\$ 50,000				\$ 52,000																						\$ 52,000
8	1c	Develop Data Management System	\$ 34,000		\$ 17,000																								\$ 34,000
9	1d	Simulate Extreme Climate Scenarios	\$ 24,000																										\$ 26,000
10	1e	Evaluate and Implement Extraction Meters	\$ 170,000	\$ 8,500	\$ 8,500																			\$ 44,700	\$ 44,700	\$ 44,700	\$ 44,700	\$ 195,800	
11	2a	Develop Comprehensive Conjunctive Management Plan	\$ 31,000					\$ 10,700	\$ 10,700	\$ 10,700																		\$ 32,100	
12	2b	Develop Groundwater Allocation ¹	\$ -																									\$ -	
13	2c	Develop Water Conservation Plan	\$ 29,000																									\$ -	
14	2d	Encourage Voluntary Pumping Reductions	\$ 20,000	\$ 4,000								\$ 4,000																\$ 20,000	
15	3a	Develop Salt and Nutrient Management Plan ¹	\$ -																									\$ -	
16	3b	Evaluate Feasibility of Recycled Water for Non-Potable Reuse ¹	\$ -																									\$ -	
17	3c	Explore Opportunity to Implement Focused Recharge	\$ 32,000																									\$ 37,400	
18	3d	Explore State Water Project Water Delivery Options ¹	\$ -																									\$ -	
19	4a	Evaluate Settlement Management Plan from Physical Solution ¹	\$ -																									\$ -	
20	4b	Implement Stakeholder Outreach and Engagement Plan ¹	\$ -																									\$ -	
21	5a	Explore Grant Funding Opportunities	\$ 17,000		\$ 3,400			\$ 3,500																				\$ 18,400	
22	A	5-Year GSP Update	\$ 180,000									\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 202,500	
23	B	Updated Numerical Model	\$ 150,000									\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 81,100	\$ 162,200	
24	A	Annual Reports	\$ 100,000		\$ 20,000			\$ 20,800				\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 20,800	\$ 108,800	
25	A	Monthly Monitoring	\$ 120,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ 7,000	\$ 7,000
26	A	Legal Fees (5%)	\$ 48,500	\$ 2,425	\$ 2,425	\$ 2,425	\$ 2,425	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,800	\$ 2,800
27	A	Administration/Overhead (10%)	\$ 101,850	\$ 5,093	\$ 5,093	\$ 5,093	\$ 5,093	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 6,000	\$ 6,000
28		TOTAL	\$ 1,120,350	\$ 26,018	\$ 56,418	\$ 30,518	\$ 30,518	\$ 70,000	\$ 49,000	\$ 24,700	\$ 24,700	\$ 140,200	\$ 161,500	\$ 55,100	\$ 81,100	\$ 59,600	\$ 41,400	\$ 15,100	\$ 15,100	\$ 15,100	\$ 15,100	\$ 15,100	\$ 15,100	\$ 15,100	\$ 15,100	\$ 15,100	\$ 15,100	\$ 60,500	\$ 60,500
29		FY TOTAL	\$ -	\$ 145,470	\$ -	\$ -	\$ -	\$ 168,400	\$ -	\$ -	\$ -	\$ 437,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,800
30	FOOTNOTES	1.	Beyond 5-year horizon																										

A	B	C	D	E	F	G	H	I	
GROUNDWATER SUSTAINABILITY PLAN FEE									
1									
2	2023-2024 (Q1)				2023-2024 (Q2-Q4)				
3	Estimated Pumping (AFY)	GSP Fee	Estimate Revenue	Estimated Expenses	Reserve	GSP Fee	Estimate Revenue	Estimated Expenses	Reserve
4	3000	\$37.00	\$27,750.00	\$31,275.00	(\$3,525.00)	\$37.00	\$83,250.00	\$93,825.00	(\$14,100.00)
5	3000	\$37.00	\$27,750.00	\$31,275.00	(\$3,525.00)	\$75.00	\$168,750.00	\$93,825.00	\$71,400.00
6	3500	\$37.00	\$32,375.00	\$31,275.00	\$1,100.00	\$75.00	\$196,875.00	\$93,825.00	\$104,150.00
7	4000	\$37.00	\$37,000.00	\$31,275.00	\$5,725.00	\$75.00	\$225,000.00	\$93,825.00	\$136,900.00

	J	K	L	M	N	O	P	Q	R	S
1	GROUNDWATER SUSTAINABILITY PLAN FEE									
2	2024-2025					2025-2026				
3	Estimated Pumping (AFY)	GSP Fee	Estimate Revenue	Estimated Expenses	Reserve	Estimated Pumping (AFY)	GSP Fee	Estimate Revenue	Estimated Expenses	Reserve
4	3000	\$37.00	\$111,000.00	\$147,200.00	(\$50,300.00)	3000	\$37.00	\$111,000.00	\$415,900.00	(\$355,200.00)
5	3000	\$100.00	\$300,000.00	\$147,200.00	\$224,200.00	3000	\$100.00	\$300,000.00	\$415,900.00	\$108,300.00
6	3500	\$100.00	\$350,000.00	\$147,200.00	\$306,950.00	3500	\$100.00	\$350,000.00	\$415,900.00	\$241,050.00
7	4000	\$100.00	\$400,000.00	\$147,200.00	\$389,700.00	4000	\$100.00	\$400,000.00	\$415,900.00	\$373,800.00

	T	U	V	W	X	Y	Z	AA	AB	AC
1	GROUNDWATER SUSTAINABILITY PLAN FEE									
2	2026-2027					2027-2028				
3	Estimated Pumping (AFY)	GSP Fee	Estimate Revenue	Estimated Expenses	Reserve	Estimated Pumping (AFY)	GSP Fee	Estimate Revenue	Estimated Expenses	Reserve
4	3000	\$37.00	\$111,000.00	\$108,400.00	(\$352,600.00)	3000	\$37.00	\$111,000.00	\$286,800.00	(\$528,400.00)
5	3000	\$75.00	\$225,000.00	\$108,400.00	\$224,900.00	3000	\$75.00	\$225,000.00	\$286,800.00	\$163,100.00
6	3500	\$75.00	\$262,500.00	\$108,400.00	\$395,150.00	3500	\$75.00	\$262,500.00	\$286,800.00	\$370,850.00
7	4000	\$75.00	\$300,000.00	\$108,400.00	\$565,400.00	4000	\$75.00	\$300,000.00	\$286,800.00	\$578,600.00