

Fox Canyon Groundwater Management Agency

FULL AGENDA PACKAGE

**Board Regular Meeting
of
January 22, 2025**



FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

Eugene F. West, Chair, Director, Camrosa Water District
Kelly Long, Vice Chair, Supervisor, County of Ventura
Michael Craviotto, Farmer, Agricultural Representative
Lynn Maulhardt, Director, United Water Conservation District
Tony Trembley, Councilmember, City of Camarillo

INTERIM EXECUTIVE OFFICER
Arne Anselm

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fox Canyon Groundwater Management Agency (FCGMA) Board of Directors will hold a **Board Hybrid Meeting at 12:30 P.M. on Wednesday, January 22, 2025**, in the **Board of Supervisor's Hearing Room and via Zoom**, at the Ventura County Government Center, Hall of Administration, Main Plaza Level at **800 South Victoria Avenue, Ventura, California**.

FCGMA BOARD REGULAR MEETING AGENDA

**January 22, 2025
12:30 P.M.**

Welcome to the meeting of the Fox Canyon Groundwater Management Agency Board of Directors, also sitting as watermaster for the Las Posas Valley Basin and the groundwater sustainability agency for the Las Posas Valley Basin, the Pleasant Valley Basin, and the Oxnard Subbasin. For more information, full agenda packets, or past meeting information, visit www.fcgma.org.

In compliance with the Americans with Disabilities Act, all possible accommodations will be made for individuals with disabilities so they may attend and participate in meetings. If special assistance is needed, please call Agency staff at (805) 654-2014 at least 24 hours prior to the meeting so proper arrangements may be assured. If requested, and as possible, agendas will be provided in alternative formats.

Agenda items are numbered for identification purposes only and may not necessarily be considered in this order. Agenda items are grouped under Las Posas Valley Watermaster (LPV Watermaster) or under Fox Canyon Groundwater Management Agency (FCGMA), if the item directly applies only to that entity. The Board reserves the right to limit each speaker to five (5) minutes per subject or topic if necessary. The public portion of every public meeting of the Board of Directors is recorded. Please see the "STANDING NOTICES" section at the end of this Agenda for more information, including options for hybrid attendance and public participation.

OPENING

- 1. Call to Order** – The Board Chair will call the meeting to order.
- 2. Pledge of Allegiance** – A Board member will lead the Pledge of Allegiance.
- 3. Roll Call** – Attending Board members, alternates, and staff will be recorded by the Board Clerk.

4. **Agenda Review** – Consider and approve by majority vote, any minor revisions to Board Agenda items and/or attachments and any item(s) added or removed from this Agenda.
5. **Public Comments** – Audience members may speak about Agency-related matters not on today's Agenda. California State law does not allow any response or action from the Board concerning non-agenda topics at this time; however, topics can be placed on future agendas or referred to staff. Please come to the podium and state your name and affiliation for the record before commenting on any particular subject.
6. **Executive Officer's Comments** – Brief announcements and administrative report on Agency workforce activities.
7. **Board Member Comments** – An opportunity for Board Members to make comments or to communicate with other directors, staff, and/or the public regarding non-agenda topics.

CONSENT AGENDA

Routine items are placed under the Consent portion of this Agenda and need only be reviewed and approved by one single motion. Consent Agenda items are grouped under LPV Watermaster or under FCGMA, if the item directly applies only to that entity. Consent items generally require no discussion; however, they may be debated, or voted on by moving them to the "Regular Agenda" portion at the Board's discretion.

8. **Approval of Minutes – (New Item) RECOMMENDATION:** Approve minutes of the December 13, 2024, Board Special meeting.
9. **Approve and Authorize the Executive Officer to Execute a Professional Services Contract with Hallmark Group for Additional Services and Support Related to Agency Staffing Analysis – (New Item) RECOMMENDATION:** Approve and authorize the Interim Executive Officer to execute a professional services contract with Hallmark Group for staffing analysis services, effective October 1, 2024, through December 31, 2025, in the amount of \$7,000.

CONSENT AGENDA – FCGMA Items

10. **FCGMA Budget to Actual Report for December 2024 – (New Item) RECOMMENDATION:** Receive and file the monthly financial report.

CONSENT AGENDA – LPV Watermaster Items

11. **LPV Watermaster Budget to Actual Report for December 2024 – (New Item) RECOMMENDATION:** Receive and file the monthly financial report.

CONSENT AGENDA – CORRESPONDENCE Items

Correspondence Agenda items are presented to the Board for information under the Consent Agenda. These items require no action or are not ready for Board consideration.

12. **Receive and file correspondence** from Paul McDaniel of Strickland Mutual Water Company regarding meter calibration records, dated January 1, 2025.
13. **Receive and file correspondence** from Kristine McCaffrey of Calleguas Municipal Water District regarding the draft Las Posas Valley Basin Optimization Plan (BOP), dated January 15, 2025.

REGULAR AGENDA

Regular Agenda items are heard at the Board's discretion and may be heard at any time during the meeting. Regular Agenda items are grouped under LPV Watermaster or under FCGMA, if the item directly applies only to that entity.

REGULAR AGENDA – FCGMA Items

14. **Agency Executive Officer Position – (Returning Item) RECOMMENDATIONS:** (1) Receive a presentation from Agency staff on the recruitment of an Agency Executive Officer, (2) Approve a draft description of duties, qualifications and compensation of the Agency Executive Officer position, and (3) Provide feedback on a draft Request for Qualifications for recruitment services.

REGULAR AGENDA – LPV Watermaster Items

15. **Presentation on Las Posas Valley Basin Optimization Yield Study Preparation Schedule and Extension of Current Los Posas Valley Basin Operating Yield – (New Item) RECOMMENDATIONS:** (1) Receive a presentation on the schedule for preparation of the Las Posas Valley Basin Optimization Yield Study; and (2) Approve the extension of the initial operating yield of 40,000 Acre-Foot (AF) for Las Posas Valley Basin through Water Year (WY) 2025.
16. **Approve a Contract with Brown Armstrong Accountancy Corporation for Certified Financial Audit and Review Services for the Las Posas Valley Watermaster – (New Item) RECOMMENDATION:** Approve and authorize the Executive Officer to sign a contract with Brown Armstrong Accountancy Corporation for certified audit and review services for the Las Posas Valley (LPV) Watermaster, effective from January 22, 2025, through February 12, 2027, in the total not-to-exceed amount of \$59,600.00.
17. **Del Norte Water Company (WMID 3500) Basin Assessment Protest and Request for Refund – (Returning Item) RECOMMENDATIONS:** (1) Receive a presentation from Agency staff on Del Norte Water Company's (DNWC) protest of

payment of Water Year 2023 Las Posas Valley Adjudication Basin Assessment;
and (2) Deny the DNWC protest and request for refund.

CLOSED SESSION AGENDA

Discussions of Closed Session Agenda items are closed to the public. The Chair will announce when the Board is going into closed session. Closed session items may be heard at any time during the meeting.

- 18. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov. Code, §54956.9) PURSUANT TO GOVERNMENT CODE SECTION 54956.9, SUBDIVISION (d), PARAGRAPH (1): NAME OF CASE: City of Oxnard v. Fox Canyon Groundwater Management Agency, Los Angeles County Superior Court Case No. 20STCP00929**

- 19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov. Code, §54956.9) PURSUANT TO GOVERNMENT CODE SECTION 54956.9, SUBDIVISION (d), PARAGRAPH (1): NAME OF CASE: Las Posas Valley Water Rights Coalition v. Fox Canyon Groundwater Management Agency, Santa Barbara County Superior Court Case No. VENCI0059700**

- 20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov. Code, §54956.9) PURSUANT TO GOVERNMENT CODE SECTION 54956.9, SUBDIVISION (d), PARAGRAPH (1): NAME OF CASE: OPV Coalition et al v. Fox Canyon Groundwater Management Agency, Santa Barbara County Superior Court Case No. VENCI00555357**

- 21. Adjourn Board Meeting.**

STANDING NOTICES

The FCGMA Board strives to conduct accessible, orderly, and fair meetings where everyone can be heard on the issues. The Board Chair will conduct the meeting and establish appropriate rules and time limitations for each item. The Board can only act on items designated as Action Items. Action items on the agenda are staff proposals and may be modified by the Board as a result of public comment or Board member input.

Public Comment: Public comment is the opportunity for members of the public to participate in meetings by addressing the Fox Canyon Board of Directors in connection with one or more agenda or non-agenda items.

The following options allow for public participation:

1. Join the Zoom Meeting as an Attendee:
<https://us02web.zoom.us/j/83206972248?pwd=dECGepkvPFBNPo2BNqVRe4p7flqfQg.1>
Webinar ID: 832 0697 2248
Passcode: 422417
With this option you will be able to raise your hand, and the Clerk of the Board will give you speaking abilities to make a public comment. If you experience technical difficulties during Zoom meeting attendance that impact your ability to hear or see meeting proceedings, please contact the host via chat, or raise your hand for Q&A inside the Zoom Client. If you are unable to contact the host via the Zoom Client's chat or Q&A features, please call (805) 654-2014 and report the issue, then consider submitting written comment according to option 4, below. Should the technical issue persist on Zoom, please consider option 2, below.
2. Observe the Board of Directors meeting streaming live by navigating to the "Current and Upcoming Meetings" section of our website and clicking on the video icon button next to the meeting listing at: <https://fcgma.org/board-agendas-broadcasts-minutes/>
3. Call in to listen to the meeting:
+1 408 638 0968 US (San Jose)
+1 669 444 9171 US
+1 669 900 6833 US (San Jose)
+1 253 205 0468 US
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)
+1 719 359 4580 US
+1 564 217 2000 US
Webinar ID: 832 0697 2248
Passcode: 422417

Options 2 and 3 will not allow you to make direct speaking comments. If you wish to make a written comment, please follow the steps below.

4. If you wish to make a written comment on a specific agenda item, please submit your comment via email by 5:00 p.m. on the Monday prior to the Board regular meeting. Please submit your comment to the Clerk of the Board at FCGMA@ventura.org. Please indicate in the subject line of your email the agenda item number (e.g., Item 9). Your comment will be read by the Board of Directors and placed into the record.
5. If you are watching the live stream of the Board meeting and would like to make either a general public comment (Item 5) for items not on the day's agenda or to comment on a specific agenda item as it is being heard, please submit your comment via email to the Clerk of the Board at FCGMA@ventura.org. Please indicate in the email subject line, the agenda item number (e.g., Item No. 9). Every effort will be made to read your comment

into the record, but some comments may not be read due to time limitations. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.

Administrative Record: Material presented as part of testimony will be made part of the Agency's record, and 10 copies should be left with the Board Clerk. This includes any memos, presentations, maps, etc. If possible, in advance of the meeting, email a PDF of your materials to FCGMA@ventura.org.

ADA Accommodations: Persons who require accommodation for any audio, visual, or other disability in order to review an agenda or to participate in the Board of Directors meeting per the Americans with Disabilities Act (ADA), may request such accommodation in writing addressed to the Clerk of the FCGMA Board, 800 So. Victoria Avenue, Location #1610, Ventura, CA 93009-1610, via emailing FCGMA@ventura.org or via telephone by calling (805) 654-2014. Any such request should be made at least 48 hours prior to the meeting so staff can make the necessary arrangements.

Availability of Complete Agenda Package: A copy of the complete agenda package is available for examination at the FCGMA office during regular working hours (8:00 a.m. to 5:00 p.m. Monday through Friday) beginning five days before the regular Board meeting. Agenda packet contents are also posted on the FCGMA website as soon as possible and left there for archival retrieval in case reference is needed on previously considered matters. Questions about specific items on the agenda should be directed to the Agency's Executive Officer.

Continuance of Items: The Board will endeavor to consider all matters listed on this agenda. However, time may not allow the Board to hear all matters listed. Matters not heard at this meeting may be carried over to the next Board meeting or to a future Board meeting. Participating individuals or parties will be notified of the rescheduling of their item prior to the meeting. Please contact the Agency Clerk to find out about rescheduled items.

The Ralph M. Brown Act: It is the intent of the law that the actions of this Board be taken openly and that their deliberations be conducted openly. Read about the Ralph M. Brown Act via this link: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?chapter=9.&division=2.&lawCode=GOV&part=1.&title=5.

Agency Information and Updates: Our website address is <https://fcgma.org/>. Information available online includes the Board's meeting schedule, a list of the Board members and staff, general information, and various Agency forms. If you would like to be added to our email notification list, or to speak to a staff member, please contact the FCGMA Clerk of the Board at (805) 654-2014 or via email at FCGMA@ventura.org.

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INTERIM EXECUTIVE OFFICER
Arne Anselm

January 22, 2025

Board of Directors
Fox Canyon Groundwater Management Agency
800 South Victoria Avenue
Ventura, CA 93009-1600

SUBJECT: Executive Officer's Report – (Returning Item)

RECOMMENDATION: Receive and file this informational report.

AGENCY ACCOMPLISHMENTS IN CALENDAR YEAR 2024

2024 was an extraordinary year for the Agency. The year began under a staffing crisis with key positions vacant and the loss of institutional knowledge with the resignation of the Clerk of the Board and retirements of both the Executive Officer and Groundwater Manager. The implementation of Los Posas Watermaster Adjudication Judgment had just begun in earnest, the first five-year GSP implementation evaluations were due at the end of the year, and the Agency committed to drilling multiple monitoring wells with a tight timeline under a DWR grant. All this was under the pressures of multiple lawsuits, each with their own demand on Agency resources.

Below are some of the key accomplishments of the Agency, staff and Board, last year:

- Staffing crisis addressed by filling 8 positions through 6 new hires and 2 promotions
- High frequency of public meetings, with 14 Board meetings and 8 committee meetings
- Adoption of an amended OPV Allocation Ordinance
- Entered into and managed 13 contracts to meet Board priorities and regulatory requirements
- Adopted renewal of GEMES Fee of \$20.00 per acre-foot (AF) on groundwater extractions to maintain a fund for expenses of legal actions and proceedings
- Developed the Inaugural Draft Budget Report to provide more transparency into the Agency and how our efforts are funded
 - Initiated inclusion of both Agency and Las Posas Watermaster monthly budget to actuals reports in Board Agenda packets
- Negotiated final payment for completion of FY 2020-2021 / FY 2021-2022 Biennial audit
- Conducted RFP process for upcoming FY 2022-2023 / FY 2023-2024 Biennial audit

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- Initiated Agency staffing analysis to identify staff needs to achieve Agency goals and responsibilities
- Performed functionality and user interface upgrades on both the online reporting database and the public-facing website, for both FCGMA and LPV Watermaster
- Assisted LAFCo with development of 5-year Municipal Service Review of Agency¹
- Developed new role for Agency in owning and operating infrastructure
 - Installed 19 individual casings at 8 monitoring well locations under budget and ahead of schedule
 - Completed Oxnard Well Destruction in May 2024 to eliminate liability
- First GSA to complete and submit Periodic Evaluations under SGMA for Oxnard Subbasin, Pleasant Valley Basin and Las Posas Valley Basin:
<https://fcgma.org/gsp-periodic-evaluations/>
 - Held 5 Stakeholder Workshops on Periodic Evaluation Development with routine updates to the Board for increased stakeholder engagement
- Las Posas Watermaster – FCGMA acting as court appointed watermaster to implement the judgment entered in Las Posas Valley Water Rights Coalition, et al. v. Fox Canyon Groundwater Management Agency, Santa Barbara Sup. Ct. Case No. VENC100509700.
 - Approved formation of Policy Advisory Committee (PAC)
 - Noticed water right holders of constituency groups
 - Organized constituency group meetings for selection of PAC members
 - Approved PAC Members
 - Approved PAC Administrator contract
 - Approved insurance for PAC members
 - 21 PAC meetings (WY 2023)
 - Approved formation of Technical Advisory Committee
 - Approved TAC members
 - Negotiated contracts with TAC members
 - 5 TAC meetings (WY 2023)
 - Approved initial Watermaster Budget for WY 2023
 - Approved and collected WY 2023 Basin Assessment to fund Watermaster work to implement LPV Judgment
 - Waived second assessment to provide relief to water rights holders
 - Approved WY 2024 Budget and Basin Assessment
 - Approved quarterly invoicing
 - Established new LPV groundwater use and extraction reporting system for WY2024
 - Created public-facing Watermaster website
 - Created Watermaster reporting database (ongoing)
 - Calculated annual allocations for WY 2023 for water rights holders
 - Calculated annual allocations for WY 2024 for water rights holders
 - Updated groundwater schedule for WY 2024
 - Created a draft Basin Optimization Plan

¹ Link to Municipal Service Review: <https://s42135.pcdn.co/wp-content/uploads/2025/01/FCGMA-MSR-Final-2025-01-15.pdf>

MONTHLY BUDGET TO ACTUAL ACCOUNTING:

FCGMA

The FCGMA monthly budget report for December 2024 is listed in the Consent Agenda. Variances of note include revenue decreasing by \$79,131.94 (49%) in December from November, due to decreases in collected pumping charges, GEMES Reserve fees and Sustainability fees. Expenses decreased by \$876,546.36 (65%) in December to work performed by WildHeron Drilling, LLC on monitoring wells in the Oxnard and Pleasant Valley Basins nearing its end.

LPV WATERMASTER

The LPV Watermaster monthly budget to actual accounting report for December 2024 is listed in the Consent Agenda.

AMI RINCON UPDATE

In 2024, facing a staffing shortage, FCGMA contracted with Rincon Consultants Inc., (consultant) to provide Advanced Metering Infrastructure (AMI) Data Services to the Agency for \$78,977.88 until December 2024. Staff expected to fill the vacancy by the end of the contract and in November 2024, the position was filled. Staff have taken over AMI Data Services and will no longer require support from consultant, leading to the termination of the contract. Staff is grateful to Rincon Consultants Inc., for the support during the existence of the contract.

LPV WATERMASTER ASSESSMENTS:

2024-1 BASIN ASSESSMENT UPDATE

On September 25, 2024, the Watermaster Board adopted a Basin Assessment for Las Posas Valley Basin for Water Year (WY) 2024 of \$64.58 to be invoiced quarterly at \$16.145. The first quarterly Basin Assessment (BA) invoices for Water Year 2024 were sent to water right holders via email on October 2, 2024, with payments due November 1, 2024. Payments not received within a month of the due date are considered delinquent and shall bear interest at the current real property tax delinquency rate for Ventura County.

Two notices of delinquency were sent to delinquent Water Management Identifications (WMIDs) on December 11 and December 21, 2024. As of January 15, 2025, \$30,235.52 is delinquent from 15 WMIDs, \$26,950.75 in BA invoice payments and \$3,284.77 in interest charges. A list of delinquent WMID’s is available on the Watermaster website at: [LPV-Basin-Assess-Delinq-Report-2024-1_2025-01-15.pdf](https://www.fcgma.org/annual-allocations-wy-2024/).

On January 6, 2024, Watermaster released the second quarterly BA invoice with a due date of January 30, 2025.

Adopted Annual Allocations for WY 2024 and the schedule of quarterly installments are available on the Watermaster website at: <https://www.fcgma.org/annual-allocations-wy-2024/>.

2023-1 DELINQUENT BASIN ASSESSMENTS

As of January 15, 2025, staff have processed \$1,287,217.90 from LPV Basin Assessments for WY 2023. Delinquent payments for WY2023 as of January 15, 2025, amount to \$23,242.72 from 10 WMIDs. Staff is taking the next steps consistent with its enforcement

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authorities to collect remaining amounts. Each quarterly installment results in database development to administer a minimum of four (4) additional notification batches.

MEETINGS

February Board Meetings: Due to availability in February, staff recommends cancelling the Board Regular meeting scheduled for February 26, 2025, and instead holding the special meeting tentatively scheduled for February 12, 2025.

Committee Meetings:

The Executive Committee met on Thursday, January 9, 2025, and discussed recommendations for the recruiting process for the Executive Officer role, starting with approving the job description and pay range. Agency staff will work closely with the Ventura County Executive Office of Human Resources (CEO HR) department in creating the appropriate position for a full-time Executive Officer. This topic is discussed in further detail in another Item in today's agenda.

The Executive Committee discussed the importance of forming a selection panel with stakeholder involvement for the first round of interviews to recommend finalists for final candidate interviews with the Board. The Committee suggests that the selection panel consist of representatives from the Las Posas, Oxnard, and Pleasant Valley Basins, and that it includes a range of stakeholders including agriculture, municipal and local water agency representatives as well as FCGMA and CEO HR.

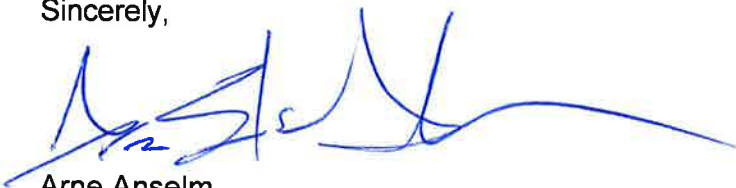
Stakeholders are invited, starting now, to suggest names for the selection panel. Please email your nominations and their contact information to FCGMA@ventura.org with "EO Selection Panel Nominee" in the email subject line at your earliest convenience.

For more information about Board and Committee meetings, please see the list of Scheduled Meetings for Calendar Year 2025 (attached as Item 6A).

CONCLUSION:

This letter has been reviewed by Agency Counsel. If you have any questions, please call me at (805) 654-3942.

Sincerely,



Arne Anselm
Interim Executive Officer

Attachment:

Item 6A – Scheduled Meetings for Calendar Year 2025



Fox Canyon Groundwater Management Agency (FCGMA) Scheduled Meetings for Calendar Year 2025

Board Regular Meetings

Fourth Wednesday, Monthly

Date	Start Time	Room
Wednesday, January 22	12:30 PM	BOS
Wednesday, February 26	12:30 PM	BOS
Wednesday, March 26	12:30 PM	BOS
Wednesday, April 23	12:30 PM	BOS
Wednesday, May 28	12:30 PM	BOS
Wednesday, June 25	12:30 PM	BOS
Wednesday, July 23	12:30 PM	BOS
Wednesday, August 27	12:30 PM	BOS
Wednesday, September 24	12:30 PM	BOS
Wednesday, October 22	12:30 PM	BOS
Wednesday, December 10	12:30 PM	BOS

Board Special Meetings

Second Wednesday, Monthly, As Needed

Wednesday, February 12	12:30 PM	BOS
Wednesday, March 12	12:30 PM	BOS
Wednesday, April 9	12:30 PM	BOS
Wednesday, May 14	12:30 PM	BOS
Wednesday, June 11	12:30 PM	SOY
Wednesday, July 9	12:30 PM	BOS
Wednesday, August 13	12:30 PM	BOS
Wednesday, September 10	12:30 PM	BOS
Wednesday, October 8	12:30 PM	BOS
Wednesday, November 12	12:30 PM	BOS

Executive Committee Meetings

As Needed

Thursday, January 9	1:30 PM	LPAR
Thursday, March 6	1:30 PM	MPR
Thursday, May 1	1:30 PM	LPAR
Thursday, July 10	1:30 PM	LPAR
Thursday, September 4	1:30 PM	MPR
Thursday, November 6	1:30 PM	MPR

Fiscal Committee Meetings

As Needed

Tuesday, February 18	10:00 AM	MPR
Tuesday, March 18	10:00 AM	LPAR
Tuesday, April 15	10:00 AM	MPR
Tuesday, May 6	10:00 AM	MPR
Tuesday, June 17	10:00 AM	MPR
Tuesday, July 15	10:00 AM	MPR
Tuesday, August 19	10:00 AM	MPR

Operations Committee Meetings

As Needed

Monday, February 3	1:30 PM	MPR
Monday, April 7	12:30 PM	MPR
Monday, June 2	1:30 PM	MPR
Monday, August 4	1:30 PM	MPR
Monday, October 6	1:30 PM	MPR

ABOUT SCHEDULED MEETINGS

- All meetings will be held at the Ventura County Government Center, Administration Building, at 800 South Victoria Avenue, Ventura, California, unless otherwise noted.
- **Special meetings and committee meetings are subject to necessity and may be rescheduled or may not be noticed to occur.**
- When a meeting is officially noticed per the Ralph M. Brown Act, it is confirmed to occur.
- To stay up to date, contact FCGMA@ventura.org to subscribe to our notification list.
- Alterations of the time or room are possible, so please check for facility or start time changes each month.
- Meeting schedules are online at <https://fcgma.org/events/>.

Key	
"As Needed"	Subject to Necessity
Row is Gray	Already Occurred
Strikethrough	Meeting Not Held
BOS	Board of Supervisors Hearing Room
LPAR	Lower Plaza Assembly Room
MPR	Multi-Purpose Room
SOY	Saticoy Conference Room

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Tony Trembley, Councilmember, City of Camarillo

INTERIM EXECUTIVE OFFICER
Arne Anselm

MINUTES

Minutes of the Fox Canyon Groundwater Management Agency's (FCGMA) Board of Directors hybrid special meeting held at 1:30 P.M. on Friday, December 13, 2024, via Zoom and in-person in the Lower Plaza Assembly Room at the Ventura County Government Center, Hall of Administration, Lower Plaza Level at 800 South Victoria Avenue, Ventura, California.

1. Call to Order

1:32 P.M.

Chair Eugene F. West called the meeting to order.

2. Pledge of Allegiance

Chair West led the Pledge of Allegiance.

3. Directors Present

Chair Eugene F. West
Director Kelly Long
Director Tony Trembley
Director Michael Craviotto
Alternate Director Bert Perello
Alternate Director David Borchard

Director Lynn Maulhardt was absent with no Alternate Director present.

Agency Staff Present

Jason Canger, Assistant County Counsel
Arne Anselm, Interim Executive Officer
Farai Kaseke, Assistant Groundwater Manager
Elka Weber, Clerk of the Board
Robert Hampson, Groundwater Specialist
Briana Barajas, Water Resources Specialist

4. Agenda Review

1:33 P.M.

Interim Executive Officer Arne Anselm proposed that the Board hear Item 18 as the first item of the regular agenda, after hearing consent. Mr. Anselm also suggested that the

Board hear Items 19 and 20 together but have comments and motions separately. The Board agreed with no objections.

5. Public Comments 1:33 P.M.

No public comment was given.

6. Executive Officer's Comments 1:34 P.M.

Interim Executive Officer Arne Anselm referred the Board to the administrative report attached to Item 6 as an exhibit. Mr. Anselm then introduced Water Resources Specialist Briana Barajas and welcomed her to the Agency as a new hire. Mr. Anselm noted that a Management Assistant will be onboarded in January 2025.

7. Board Member Comments 1:35 P.M.

Director Long thanked all water districts for working together and making sure we had the water needed to fight the Mountain Fire. Director Long then encouraged our stakeholders to advocate for more State water than the 5% that was announced recently.

CONSENT AGENDA 1:35 P.M.

8. Approval of Minutes of the October 23, 2024, Board Regular Meeting.

CONSENT AGENDA – FCGMA Items

9. FCGMA Budget to Actual Report for October 2024

10. Approve and Authorize a Purchase Order in the Amount of \$33,551.88 with In-situ Inc. for Data Collection Equipment (Transducers) for the Agency's New Monitor Wells

CONSENT AGENDA – LPV Watermaster Items

11. LPV Watermaster Budget to Actual Report for October 2024

12. Appointment of Arturo Aseo, Replacement Commercial Constituency Group Representative to the Las Posas Valley Basin Policy Advisory Committee

CONSENT AGENDA – Correspondence Items

13. Receive and file Correspondence from Melissa A. Jones of Stoel Rives LLP, regarding the firm's increased rates, dated November 21, 2024.

14. Receive and file Correspondence from James Graham, President of the Pleasant Valley Mutual Water Company (PVMWC), regarding shareholder nominations for PVMWC Director elections, dated November 18, 2024.

Chair West asked for a motion to approve and adopt the Consent Agenda, Items 8 through 14, as presented. Director Long so moved. Director Trembley seconded the motion. The motion passed with all in favor at 1:35 P.M.

REGULAR AGENDA - FCGMA Items 1:35 P.M.

15. Agency Board Meeting, Special Meeting, and Committee Meeting Schedules for Calendar Year 2025 1:39 P.M.

Item 15 was heard at 1:39 P.M. after Item 18, per the Board's decision during Agenda Review.

Interim Executive Officer Arne Anselm presented the Item and noted the proposed schedules for calendar year 2025 for the Board of Directors and the Executive, Fiscal, and Operations Committees. Mr. Anselm noted that the schedule of special meetings, should they be needed, has shifted to the second Wednesday monthly, due to conference room availability.

Regarding Committee meetings, Mr. Anselm noted that their meeting schedules have been updated to include extra reservations for meetings as they are needed, due to difficulties in scheduling and logistics. Mr. Anselm stated that it is easier to cancel a reservation than it is to schedule an entirely new special meeting during the year. Special meetings and Committee meetings are held on an as needed basis and will be held if they are officially noticed per the Ralph m. Brown Act.

Mr. Anselm noted that, in calendar year 2025, Agency staff hopes the Executive Committee focus is on reviewing the Fiscal Year 2024-2025 Annual Work Plans for both the Agency and LPV Watermaster, then providing guidance on updating the plans for the coming fiscal year; the Executive Committee also hopes to focus on staffing, policy development, especially working on an initial outline of a policy manual for the LPV Watermaster, and developing a 5-Year Strategic Plan for the Agency. The Fiscal Committee aims its 2025 focus on fiscal policy, FY 24/25 Work Plan and resource assignment review, a review of Agency fees, and development of the FY 2025-2026 draft budgets, Work Plan and, Proposed Budget Report. He noted that the start time for Fiscal Committee meetings may shift to 10 AM for all meetings, and that the May meeting is likely to be rescheduled to May 6 due to availability. Mr. Anselm then noted that staff hopes the Operations Committee plans to focus on Fire Fighting Relief Planning related to the Mountain Fire, reviewing and discussing improvements and consolidations for the Meter Ordinance, and a series of project reviews and evaluations before identifying further project details, modeling information in future GSP amendment work, and developing annual project presentations to the Board at large. Mr. Anselm noted that these focus areas are recommended in order to hone and improve the Agency's basin management.

Director Trembley noted that he has shared feedback regarding his availability with the Chair and the Clerk, and the Clerk agreed that follow-up on this information is underway. Director Trembley noted that he will not be present for the February Board meeting, and has asked his Alternate, Bert Perello, to attend in his place. Director Long expressed preference for special meetings to be scheduled on Fridays, she noted that she will review the schedules as presented with her staff and the Clerk agreed to follow up with her office as needed.

Chair West asked for a motion to approve and adopt the meeting schedules as presented, with needed amendments that may arise during the calendar year. Director Craviotto so moved. Director Trembley seconded the motion. The motion passed with all in favor at 1:48 P.M.

16. Rescind Resolution 2005-08 and Adopt Resolution 2024-06 Defining the Function of the Position of Agency Executive Officer 1:48 P.M.

Interim Executive Officer Arne Anselm presented the Item and reminded the Board that the Item was deferred from a previous agenda. He provided a brief overview of the Executive Officer, noting that the position was first defined in Ordinance No. 8.1 on July 27, 2005, and that the position of Executive Officer was delegated the administrative authority required to implement Agency executive functions with the adoption of Resolution 2005-08 on September 28, 2005. He noted that Resolution 2005-08 also carries designates the Director of the Ventura County Watershed Protection District as the Agency's Executive Officer, a designation that the Executive Committee recommended eliminating during its October 14, 2024, meeting.

Mr. Anselm stated that Resolution 2024-06 retains the delegated administrative authority needed for the function of the position of the Agency Executive Officer, yet it rescinds Resolution 2005-08 and its designation that the Director of Ventura County Public Works Agency Watershed Protection also serve as Executive Officer to the FCGMA. In addition, Mr. Anselm noted that Resolution 2024-06 includes the assertion that the Executive Officer shall be subject to annual performance evaluations by the Board.

Public comment was given by Bert Perello, FCGMA Alternate Director and City of Oxnard Councilmember.

Mr. Anselm clarified that this motion is by the FCGMA Board and refers to our Board only.

Chair West asked for a motion to approve and adopt Resolution 2024-06. Director Long so moved. Director Craviotto seconded the motion. The motion passed with all in favor at 1:51 P.M.

17. Agency Executive Officer Position Duties and Qualifications 1:51 P.M.

Regarding the Item, Interim Executive Officer Arne Anselm reminded the Board that the FY 2024-25 budget includes funding for a full time Executive Officer, and that this Agency has never directly recruited or hired an Executive Officer. One of the first steps towards hiring an Executive Officer would be reaching an agreement on the position's qualifications as described in a job description.

To provide further context on the Item, Chair West reminded the Board that the draft job description, attached as an exhibit under Item 17, has been drafted by Sevet Johnson and the office of the Ventura County Chief Executive Officer (CEO). Chair West noted that he has met with the office of the Ventura County CEO multiple times over the past year to discuss the position and its qualifications.

Chair West stated that the intent of this Item is to discuss the draft job description and possible amendments or inclusions that the Board should consider before publishing to

recruit candidates. He added that a salary range is currently missing from the draft job description, and if it is this Board's pleasure for the Executive Committee will need to discuss what salary range would be appropriate for the role to publish as part of that recruitment effort.

Director Long noted that an "established date" should also be added to the document to communicate the date of adoption, once the draft job description is adopted. She noted that this draft job description is an outline of minimum required qualifications and experience and does not define what the role falls within or under structurally. Chair West agreed and said that the job description, once adopted, will be used as a recruiting tool.

Director Craviotto asked after a timeline for recruitment and what the next steps may be. Chair West noted that the Executive Committee would like to discuss the Board's options for recruitment once the job description and salary range are established, whether they will use the County's HR department to recruit the role or go with an independent recruiting agency, or both. He noted that whichever entity oversees recruiting will inform the timeline of recruitment.

Chair West stated that his preference would be to use an independent agency that specializes in filling government positions of this type, and that the CEO's office has recommended several firms to consider. He added that a recommendation with respect to the salary range is not included today because that information is still pending from the County's HR department.

Mr. Anselm noted that an additional next step for the Board to consider is developing marketing materials that show why this position and Agency are so unique, which would provide more context for its challenges and opportunities.

Public comment was given by Dr. Sevet Johnson, CEO, County of Ventura. Dr. Johnson noted that the County is working behind the scenes with multiple departments to resolve some compaction regarding the potential salary range for this role and added that the County has to look at this issue equitably, because the Executive Officer position would be a County employee, falling under the classifications and structure of County employment. Chair West stated that it is his understanding that because this Agency will be paying the salary of the role, this Agency gets to set the payment schedule independent of the County's salary schedule. Dr. Johnson stated that she understands the Chair's assertion but maintains that the County is currently working through some nuances related to this issue.

Director Craviotto asked whether the Executive Officer position could be staffed on a contract basis. Chair West responded that the Board would have an opportunity to discuss that topic and its complications at a later date. He clarified that while the Agency's enabling legislation gives the Board authority to contract with entities of their choice, County employees currently staff the FCGMA and cannot be supervised or directed by someone who is not a County employee. Director Long added that the topic is part of a larger issue because it relates to how the Agency was created and can be staffed

according to its legislative wording and counsel interpretations. She noted that this job description and salary range are a few pieces of a larger puzzle.

Director Craviotto responded that he appreciates the context and how this is part of a larger conversation, and he commented that staffing the Executive Officer role via contract would hypothetically enable the Board to offer a higher salary that is more competitive.

Director Trembley quoted the draft job description under the “Distinguishing Characteristics” section: “This single position classification is fully accountable to the Board of Directors for the management of the Fox Canyon Groundwater Management Agency. This position is exempt from the Civil Service System.” Director Trembley noted that however the space that person occupies, he or she will be directly accountable to this Board.

Public comment was given by David Borchard, Farmer and FCGMA Alternate Director.

Chair West noted that the Fiscal Committee has been recommending midyear budget reports and monthly summaries so that midyear adjustments to the budget can be made as needed. Interim Executive Officer Arne Anselm noted that one such midyear adjustment the Board has made recently was to reduce the amount of the FY 2023-24 LPV Watermaster Basin Assessments.¹

As this Item was presented for information and feedback only, no Board action was taken.

18. Resolution of Appreciation for David Borchard

1:35 P.M.

Item 18 was heard at the top of the Regular Agenda, at 1:35 P.M, per Board agreement.

Chair West presented the Item and introduced it as one he never hoped to have to present, as he anticipated he would be long gone before presenting such an item marking the exit of David Borchard as Director on our Board. Chair West thus honored David Borchard for his twenty years of service on the Board of Directors; he stated that there has been no one during his tenure that Chair West has enjoyed working with more. Chair West continued that, agree or disagree, David Borchard was always a calming voice during discussions, respectful of the process, and the public, and the other Board members; he'll be missed by this Board and our stakeholders.

Chair West then asked for Board comment. Director Long thanked Mr. Borchard and his family for his commitment to the Board and noted that Mr. Borchard's passion for water and dedication to raising awareness and having tough conversations about the Agency's work has been a true service to our community. Director Trembley agreed completely by offering the City of Camarillo City Council's trademark agreement phrase, “Ditto.” He also extended his thanks to Mr. Borchard.

¹ See Resolution 2024-04 at <https://s42135.pcdn.co/wp-content/uploads/2024/07/Resolution-2024-04.pdf>

Director Craviotto noted that, when he was discussing joining the Board as farming representative with the Farm Bureau, the CEO Maureen Macguire of the Farm Bureau said that the best part of this job is hanging out with Dave Borchard. Director Craviotto noted that this is a testimony to the person Dave Borchard is in our community, that it shows what an approachable, knowledgeable figure of service he is and has been, and how deserving he is of our gratitude.

Chair West asked for a motion to adopt Resolution 2024-07, honoring David Borchard for his years of esteemed service to the Board. Director Trembley so moved. Director Craviotto seconded the motion. With all in favor, the motion passed at 1:39 P.M.

The Board then returned to the Agenda order as presented, and the Chair announced the Board's intention to hear Item 15.

19. Approve and Authorize Staff to Submit the Five-Year Periodic Evaluations of the Groundwater Sustainability Plans for the Pleasant Valley Basin and Oxnard Subbasin
2:07 P.M.

Item 19 was heard with Item 20; discussion on Item 19 began at 2:07 P.M. Redline versions showing revisions and final revised drafts of Periodic Evaluations for the Oxnard Subbasin, the Pleasant Valley Basin, and the Las Posas Valley Basin are available at <https://fcgma.org/gsp-evals-draft-comments/>.

Interim Executive Officer Arne Anselm introduced the Item to the Board, alongside Agency Hydrologist Robert Hampson and Dr. Trevor Jones of Dudek, the Agency's consultant engaged with the first periodic evaluation of the Agency's implementation of the Groundwater Sustainability Plans (GSPs) for the basins.

Mr. Anselm noted that the Periodic Evaluation is required by the California Department of Water Resources (DWR) to be conducted at a minimum of every five years, and that the project is an assessment of GSP implementation for that evaluation cycle, including analyses of the status of groundwater conditions, progress on meeting interim milestones and measurable objectives, progress GSP elements such as projects and management actions and their quantified cumulative benefits, including any unforeseen challenges encountered during the development or implementation of certain projects and management actions.

To remind the audience, Mr. Anselm noted that a GSP Amendment differs from a Periodic Evaluation, as it is at the discretion of the GSA, not the DWR, and is warranted when a significant or material change to GSP implementation occurs in either measurable objectives, minimum thresholds, or management actions. GSP Amendments are not needed for new representative monitoring sites or new sustainable management criteria for new monitoring sites that are utilizing a consistent approach. Mr. Hampson provided an overview of the development process for the Periodic Evaluations, including stakeholder engagement. He thanked the stakeholders for their detailed and involved feedback and noted that the stakeholders did not recommend amending thresholds for

sustainable management criteria. He noted that the revised Periodic Evaluations do not recommend an amendment as a direct result of stakeholder feedback.

During his proposal, Dr. Jones agreed that the Periodic Evaluations do not warrant amending the GSPs as GSP implementation is on track to meet the sustainability goal set forth in the GSP for each basin. The revised draft Periodic Evaluations were improved by stakeholder feedback, and several primary revisions include correcting errors and typos, expanding discussion narratives for additional clarity, re-evaluating modeling to address double counting of recycled water, removing recommendations to revise the minimum threshold and measurable objective groundwater levels, and removing recommendations to amend the Oxnard, Pleasant Valley, and Las Posas Valley GSPs.

Dr. Jones added that while GSP Amendments are not recommended at this time; the need to amend the GSPs should be evaluated over the next five years as projects are implemented and additional data is collected. Improved coordination and installation of additional dedicated monitoring wells would benefit from the understanding of how GSP implementation impacts the basin over the upcoming five year period.

Dr. Jones noted that the development of the Periodic Evaluations has brought an improved understanding of GSP implementation in each basin; the process has expanded the suite of projects relative to the GSP, it has improved the understanding of project and management action impacts on the sustainable yield and simulated seawater intrusion, improvements to the estimates of sustainable yield, and revisions to the monitoring network. He noted that the GSPs and Periodic Evaluations both include simulations that minimize seawater intrusion, and that it is reasonable to recommend that minimum thresholds and measurable objects established in the GSPs are appropriate for the evaluation of progress towards sustainability over the next five years. As the Extraction Barrier and Brackish (EBB) Water Treatment Project progresses in its phased implementation over the next five years, minimum thresholds and measurable objectives will need to be evaluated and revised. Additional next steps recommended in GSP implementation include ongoing coordination with stakeholders and member Agencies, project implementation planning, collation of stakeholder recommendation into a longer-term planning document, continuing to prepare and submit annual report, and continuing to improve monitoring efforts.

At 2:33 P.M., Chair West asked for Board comments.

Director Long asked if we have received feedback from the stakeholders regarding the revised Periodic Evaluations, particularly with regards to removing the recommendation for an amendment. Dr. Jones responded that updated recommendations are consistent with stakeholder feedback but noted that no direct feedback regarding the final revised Periodic Evaluations has been received to date.

At 2:35 P.M., Chair West asked for public comment on the Periodic Evaluation for the Oxnard Subbasin.

Public Comment was given by:

Michael Wolfe, Director of Public Works for the City of Oxnard.

At 2:38 P.M., Chair West asked for a motion to approve and authorize staff to submit the 5-Year Periodic Evaluation of the Groundwater Sustainability Plan for the Oxnard Subbasin for submittal to the Department of Water Resources by January 13, 2025.

Director Trembley so moved. Director Long seconded the motion. Via roll call vote, the motion passed unanimously at 2:38 P.M.

At 2:38 P.M., Chair West asked for public comment on the Periodic Evaluation for the Oxnard Subbasin.

Public Comment was given by:

Norman Huff, General Manager, Camrosa Water District
Terry Foreman, Director, Camrosa Water District
Dave Klotzle, Director of Public Works for the City of Camarillo.

On December 12, 2025, Camrosa Water District submitted comments on the final revised Periodic Evaluation for the Pleasant Valley Basin to be discussed during today's meeting. On December 13, 2025, the City of Camarillo submitted comments on the final revised Periodic Evaluation for the Pleasant Valley Basin to be discussed during today's meeting.

These comment letters have been distributed as handouts during the meeting and have been archived with Item 19 for the indexed December 13, 2024, Board Agenda, which was recirculated to the Board subsequent to adjournment. Review indexed materials at <https://ventura.primegov.com/portal/item?id=273204>.

Director Trembley stated that accuracy is of the utmost importance as the Periodic Evaluation ultimately reflects the Board's action. Director Trembley noted that the staff/consultant response to comments included in Appendix A of the updated draft Periodic Evaluation for Pleasant Valley Basin² inaccurately quote Resolution 2016-04, and he asked staff to follow up to confirm the validity of the response.³

The response was written with regards to Letter Number 6 from City of Camarillo. Excerpted from the final draft Periodic Evaluation for Pleasant Valley Basin:

FCGMA recognizes the important role of the City of Camarillo's North Pleasant Valley Groundwater Desalter facility in removing and treating brackish groundwater that historically entered the basin from the adjacent Las Posas Valley Basin. However, Resolution 2016-04 recognized the potential that pumping from Desalter extraction wells could reduce groundwater levels such that seawater intrusion in the adjacent Oxnard Subbasin could be exacerbated, subsidence could

² See page 306 of the final draft at https://s42135.pcdn.co/wp-content/uploads/2024/11/PVB_Periodic_Evaluation_Updated-Draft_GSP_CLEAN.pdf

³ Resolution 2016-04 and attached Monitoring and Contingency Plan: <https://s42135.pcdn.co/wp-content/uploads/2024/12/Resolution-2016-04.pdf>

be induced, or a significant and unreasonable loss of fresh groundwater in storage could occur. The Resolution included a Monitoring and Contingency Plan that included groundwater pumping reduction triggers based on measured static groundwater elevation in northern Pleasant Valley wells. The GSP evaluation is consistent with these findings. The GSP evaluation does not recommend changing the minimum threshold or measurable objective in the vicinity of the desalter facility.

Director Trembley circulated an amended motion he prepared for the Board to consider with regards to factoring in stakeholder feedback on the final draft Periodic Evaluation and to approve and authorize staff to submit the 5-Year Periodic Evaluation of the Groundwater Sustainability Plan for the Pleasant Valley Basin for submittal to the Department of Water Resources by January 13, 2025.

Director Trembley's amended motion is reflected below in its entirety:

Motion to Approve and Authorize Staff to Submit the Five-year Periodic Evaluations of the Groundwater Sustainability Plans for the Pleasant Valley Basin and Oxnard Subbasin as amended by the below changes:

Add the below paragraph in the first part of the Executive Summary for the Five-Year Periodic Evaluation for the Pleasant Valley Basin, as well as the Five-Year Periodic Evaluation for the Oxnard Subbasin:

This first Periodic Evaluation of the GSP also includes updated groundwater modeling and new additional preliminary groundwater modeling simulations of future groundwater usage scenarios and sustainable yields. This work is ongoing and subject to further stakeholder engagement, which may result in revisions to the information presented herein. Stakeholders have requested more comprehensive analysis of simulation results. Some stakeholders, while acknowledging the PVB and Oxnard Subbasins are interconnected, have questioned statements that pumping in the PVB impacts seawater intrusion in the Oxnard Subbasin, so this issue will be further evaluated as part of the ongoing GSP evaluations. Stakeholders are also interested in a more comprehensive analysis of the groundwater model simulations to assess potential unintended consequences. For example, some of the preliminary simulation results show that certain groundwater usage scenarios result in losses of recharge from precipitation and applied water, shifts in flows between groundwater basins (that negatively impacts PVB and Oxnard Subbasin water supplies), significant losses of stream recharge, and significant increases in evapotranspiration and drain flows, which results in a waste of water resources. The FCGMA Board is committed to further stakeholder engagement to address these concerns and continue a robust evaluation of the GSP in order to ultimately adopt amendments to the GSP that provide benefits to the community and environment at reasonable costs.

Delete the 3rd paragraph of the North Pleasant Valley Management Area section of Section 2.2.4.1 of the Five-Year Periodic Evaluation for the Pleasant Valley Basin, and replace it with the following:

The City of Camarillo, in coordination with FCGMA, is in the process of developing a revised Monitoring and Contingency Plan (MCP) to establish groundwater elevation of nearby project wells as the primary measure of assessing potential seawater intrusion impacts. Monitoring data indicate that groundwater elevation at well 02N20W19M05S has not dropped below -11.5 ft. msl. The current GSP minimum threshold groundwater elevation at well 02N20W19M05S of -135 ft msl is designed to accommodate the operation of the NPV Groundwater Desalter Project; however, the FCGMA Resolution 2016-04 and accompanying MCP was established primarily to address water quality concerns in the NPVMA with thresholds established to reduce groundwater levels prior to when brackish water entered the basin, then allowing the basin to recover. The operation of the Desalter may bring groundwater levels in the project area below the GSP minimum threshold at well 02N20W19M05S temporarily while addressing groundwater quality concerns. FCGMA is committed to adaptive management and encouraging beneficial projects that address water quality degradation in the basin and enable beneficial uses of local water supplies. Groundwater level and quality conditions in the NPVMA will continue to be monitored in coordination with the City of Camarillo through implementation of the NPV Groundwater Desalter project.

FCGMA staff is directed to submit the City of Camarillo's and Camrosa Water District's comments on the draft Periodic Evaluation to the Department of Water Resources as attachments to the final Periodic Evaluation with the following explanation statement:

The eastern portion of the Pleasant Valley basin has a complex relationship with inflows from neighboring basins, both in terms of water quantity and water quality. For example, the City of Camarillo's desalter serves not only the City's water supply needs, but also addresses a water quality concern identified by the Los Angeles Regional Water Quality Control Board. FCGMA continues to work with the City and Camrosa Water District to incorporate these concerns into the groundwater sustainability plan (GSP) and this Periodic Evaluation should not be understood to prejudice further analysis of those issues in the eastern Pleasant Valley basin as the GSP is updated.

As the Periodic Evaluation for the Oxnard Subbasin was approved and authorized by prior Board action at 2:38 P.M., Director Trembley's motion applies to the language of the Periodic Evaluation for the Pleasant Valley Basin.

At 3:06 P.M., Director Trembley moved to approve and authorize staff to submit the 5-Year Periodic Evaluation of the Groundwater Sustainability Plan for the Pleasant Valley Basin, as amended, for submittal to the Department of Water Resources by January 13, 2025.

Director Long asked that Director Trembley's added correction regarding the Comment Response to Letter Number 6 from the City of Camarillo regarding a summary of Resolution 2016-04 (on page 15285-11 A-8) be included in his motion as amended, and Director Trembley agreed. At 3:13 P.M., Director Long seconded Director Trembley's motion as amended.

Director Craviotto stated that he preferred having more time to consider the amended motion. Director Trembley responded that the timeline has been compressed for all parties.

Additional public comment was given by Bert Perello, City of Oxnard Councilmember and FCGMA Alternate Director.

Chair West called for a roll call vote. At 3:16 P.M. the amended motion passed with three votes in favor. Director Craviotto voted against the motion.

REGULAR AGENDA – LPV Watermaster Items

- 20. Approve the Response Reports Prepared in Response to the Las Posas Valley Policy Advisory Committee and Technical Advisory Committee Recommendation Reports on the Final Draft Five-Year Evaluation of the Groundwater Sustainability Plan for the Las Posas Valley Basin; Approve and Authorize Staff to Submit to the Department of Water Resources the Final Draft Five-Year Periodic Evaluation of the Groundwater Sustainability Plan for the Las Posas Valley Basin** 3:17 P.M.

Item 20 was heard with Item 19; discussion on Item 20 began at 3:17 P.M.

Chair West asked for Board comments. Director Craviotto emphasized the importance of a mechanism to collect lessons learned and to plan for future collaborations and suggested that such information be published, as it can be helpful with regard to planning for the next periodic evaluation. Director Craviotto noted that the PAC and TAC Recommendation Reports both address a main theme of data gaps and reporting that the Basin has, with regards to collecting data at a minimum number of sites. He asked for a plan to address and resolve these issues in the future.

After asking for public comment and hearing none, Chair West then asked for a motion to approve the Response Reports prepared by Agency staff and Dudek in response to the Las Posas Valley Policy Advisory Committee and Technical Advisory Committee Recommendation Reports on the draft 5-Year Periodic Evaluation of the LPV GSP, and to approve and authorize staff to submit the final draft 5-Year Periodic Evaluation of the Groundwater Sustainability Plans for the Las Posas Valley Basin to the Department of Water Resources by January 13, 2025.

At 3:21 P.M. Director Craviotto so moved. Director Trembley seconded the motion. Via roll call vote, the motion passed with all in favor.

Director Long asked if the Agency can begin planning the timeline for next steps regarding the issues surfaces today in future meetings in calendar year 2025. Interim Executive Officer Anselm agreed and noted that he intends to bring the topic to the Executive Committee to start planning the process.

CLOSED SESSION AGENDA

3:23 P.M.

Chair West asked for public comment regarding the two matters agendized in closed session. Hearing none, Chair West recessed into closed session at 3:23 P.M.

21. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov. Code, §54956.9) PURSUANT TO GOVERNMENT CODE SECTION 54956.9, SUBDIVISION (d), PARAGRAPH (1): NAME OF CASE:** Las Posas Valley Water Rights Coalition v. Fox Canyon Groundwater Management Agency, Santa Barbara County Superior Court Case No. VENCI0059700
22. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov. Code, §54956.9) PURSUANT TO GOVERNMENT CODE SECTION 54956.9, SUBDIVISION (d), PARAGRAPH (1): NAME OF CASE:** City of Oxnard v. Fox Canyon Groundwater Management Agency, Los Angeles County Superior Court Case No. 20STCP00929

Chair West reconvened the regular session at 4:35 P.M. and announced that there was reportable action taken in closed session regarding Item 22:

Agency Counsel Jason Canger stated that the Board has ratified the filing of a cross appeal in the appeal of City of Oxnard v. Fox Canyon Groundwater Management Agency, Los Angeles County Superior Court Case No. 20STCP00929.

23. Adjournment

4:35 P.M.

Chair West adjourned the meeting.

Submitted by:

Elka Weber
Clerk of the Board

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

Eugene F. West, Chair, Director, Camrosa Water District
Kelly Long, Vice Chair, Supervisor, County of Ventura
Michael Craviotto, Farmer, Agricultural Representative
Lynn Maulhardt, Director, United Water Conservation District
Tony Trembley, Councilmember, City of Camarillo

INTERIM EXECUTIVE OFFICER

Arne Anselm

January 22, 2025

Board of Directors
Fox Canyon Groundwater Management Agency
800 South Victoria Avenue
Ventura, CA 93009-1610

SUBJECT: Approve and Authorize the Executive Officer to Execute a Professional Services Contract with Hallmark Group for Additional Services and Support Related to Agency Staffing Analysis – (New Item)

RECOMMENDATION: Approve and authorize the Interim Executive Officer to execute a professional services contract with Hallmark Group for staffing analysis services, effective October 1, 2024, through December 31, 2025, in the amount of \$7,000.

BACKGROUND

Following your Board's discussion at the December 1, 2023, meeting regarding future staffing needs of the Agency and the discussion at the January 12, 2024, meeting on Agency task prioritization, on March 27, 2024, your Board directed a report be provided at the April 24, 2024, meeting on the Agency's staffing needs to accomplish the Board priorities identified at the January meeting¹. On April 1, 2024, the Interim Executive Officer entered into a contract with Hallmark Group for \$25,000 using the purchasing authority granted by your Board to accomplish this work. Discussion at the April 24, 2024, meeting concluded with directing the study to be comprehensive of all Agency work and designated the Executive Committee to lead the effort.

DISCUSSION

Hallmark Group was contracted to analyze the Agency's staffing needs to accomplish its work, tasks, and responsibilities for two time periods: (1) May of 2024 through the end of December 2024, and (2) for the Fiscal Year July 2024 – June 2025. The first was in response to your Board's request, the second to assist with workplan and budget development for FY 2024-2025.

Agency staff have worked very closely with Hallmark Group to identify Agency work, tasks, and responsibilities, internal administrative processes, and steps necessary to

¹ See 4/24/24 meeting, Item 3 materials at <https://ventura.primegov.com/portal/item?id=267170> and minutes from the meeting at <https://ventura.primegov.com/portal/viewer?id=357960&type=2>.

timely complete tasks required and necessary as the groundwater management agency, groundwater sustainability agency, and as the Las Posas Watermaster. In addition to the April 24, 2024, presentation, the Hallmark Group presented its draft findings at the June 20, 2024² and October 14, 2024, Executive Committee meetings³ for input and further direction, and the October materials were shared with your Board at the October 23, 2024, meeting. Upon reviewing the draft presentations, Hallmark determined that closer examination of Agency work, tasks, and responsibilities led to more questions and the need for further refinement.

As of November 2024, Hallmark Group has expended the original contract amount of \$25,000. Approval of this contract for an amount not to exceed \$7,000 is requested for Hallmark's finalization of the study and presentation to your Board.

CONCLUSION

Staff recommends that your Board approve, and authorize the Executive Officer to execute, the attached professional services contract with Hallmark Group for staffing analysis services, effective October 1, 2024, through December 31, 2025, in the amount of \$7,000.

This letter has been reviewed by Agency Counsel. If you have any questions, please call me at (805) 654-3942.

Sincerely,



Arne Anselm
Interim Executive Officer

Attachments: Exhibit 9A – Hallmark Group Scope of Services
Exhibit 9B – Hallmark Group Professional Services Contract and Exhibits

² See 6/20/24 presentation materials at <https://s42135.pcdn.co/wp-content/uploads/2025/01/FCGMA-Staff-Analysis-Presentation-6-19-24.pdf>

³ See 10/14/24 presentation materials at <https://ventura.primegov.com/portal/viewer?id=368077&type=2>.

HALLMARK GROUP

SCOPE OF SERVICES

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

STAFFING ANALYSIS AND GENERAL SUPPORT SERVICES

PROPOSAL SUMMARY

Description of Work: Hallmark Group will develop a staffing analysis for Fox Canyon Groundwater Management Agency and provide general support services.

Amount: Not to Exceed \$7,000

Term: October 1, 2024 – December 31, 2025

SCOPE OF WORK - TASKS

Task 1.0 Presentation of Final Staffing Analysis to FCGMA Board of Directors, debrief with staff, and finalize report

HALLMARK GROUP RATES

CLASSIFICATION	RATE
Program Manager, Principal, Director, and Strategic Advisor	\$362 /hr
Policy & Agreement Matters	\$500/hr
Senior Project Manager	\$285 /hr
Project Controls Manager	\$260 /hr
Senior Project Controls	\$210 /hr
Project Manager III	\$235 /hr
Project Manager II	\$210 /hr
Project Manager I	\$195 /hr
Project Analyst	\$195 /hr
Project Coordinator II	\$185 /hr
Project Coordinator I	\$155 /hr
Project Controls Coordinator	\$155 /hr
Project Administrator	\$130 /hr

Hourly rates are inclusive of all overhead and administrative expenses. Travel and other incidental expenses, not included in the contract, shall be reimbursed at cost. Mileage expenses shall be reimbursed at the current IRS rate. Upon request, Hallmark Group will provide a cost proposal for additional staff that may be required to support Fox Canyon Groundwater Management Agency. Other costs will be determined upon final scope requirements and approved by Fox Canyon Groundwater Management Agency.

This rate schedule shall be escalated annually as mutually agreed to by Hallmark Group and Fox Canyon Groundwater Management Agency and will incorporate year-over-year increases per the U.S. Bureau of Labor Statistics Employment Cost Index for Professional and Business Services.

PROFESSIONAL SERVICES CONTRACT
**Between the Fox Canyon Groundwater Management Agency
and Hallmark Group for Professional Consulting Services
to Present a Finalized Staffing Analysis.**

January 22, 2025

This CONTRACT is made and entered on the 22nd day of January 2025, by and between the Fox Canyon Groundwater Management Agency, hereinafter referred to as AGENCY, and Hallmark Group, hereinafter referred to as CONSULTANT, for CONSULTANT's performance of the work and services described in Exhibit A hereto (the "Work"). Hereinafter, AGENCY and CONSULTANT may be referred to individually as a PARTY or collectively as the PARTIES.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the PARTIES agree as follows:

1. Scope of Work; Standard of Performance

AGENCY hereby retains CONSULTANT to perform the Work described in Exhibit A, attached hereto. The Work shall be performed in accordance with the terms and conditions of this CONTRACT. In performing the Work, CONSULTANT shall exercise the degree of skill and care customarily exercised by professionals in the State of California when providing similar services with respect to similarly complex work and projects.

2. Time Schedule

All Work and any portion thereof separately identified shall be completed within the time schedule provided in Exhibit A. AGENCY will issue a suspension of the contract time if CONSULTANT is delayed by any public agency reviewing documents produced by CONSULTANT under this CONTRACT, or solely due to acts or omissions of AGENCY. CONSULTANT shall promptly notify AGENCY in writing of such delays.

3. Billing and Payments

Payment shall be made monthly, or as otherwise provided, on a time and materials basis according to the fees included in Exhibit B. The total sum of all payments made by AGENCY to CONSULTANT for the performance and provision of all services and work performed under this CONTRACT shall not exceed \$7,000.00 (the "Contract Limit"). AGENCY expressly reserves the right to deny any payment or reimbursement requested by CONSULTANT for services or work performed that is in excess of the Contract Limit. CONSULTANT shall submit to AGENCY, on a monthly basis, a completed AGENCY Consultant Services Invoice Form that itemizes the services and work performed by CONSULTANT during the pervious month. Except as provided herein, AGENCY will make payment to CONSULTANT within 30 days of its receipt of AGENCY Consultant Services Invoice Form properly completed by CONSULTANT.

4. Term; Termination

The term of this CONTRACT shall be from October 1, 2024, to December 31, 2025, unless sooner terminated as provided in this CONTRACT. AGENCY retains the right to terminate this CONTRACT for any reason prior to completion of the Work upon five days of written notice to CONSULTANT. Upon termination, AGENCY shall pay CONSULTANT for all Work performed prior to such termination, provided however, that such charges shall not exceed the maximum fee specified in Exhibit A for completion of any separately identified task/phase of the Work which, at the time of termination, has been started by request of AGENCY.

5. Right to Review

AGENCY shall have the right to review the Work at any time during AGENCY's usual working hours. Review, checking, approval or other action by the AGENCY shall not relieve CONSULTANT of CONSULTANT's responsibility for the accuracy and completeness of the Work.

6. Work Product

On completion or termination of the CONTRACT, AGENCY shall be entitled to immediate possession of, and CONSULTANT shall promptly furnish, on request, all reports, drawings, designs, computations, plans, specifications, correspondence, data and other work product prepared or gathered by CONSULTANT arising out of or related to the Work (collectively, "Work Product"). AGENCY has a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and authorize others to use, Work Product for government purposes. CONSULTANT may retain copies of the Work Product for its files. Work Product prepared by CONSULTANT pursuant to this CONTRACT shall not be modified by AGENCY unless CONSULTANT's name, signatures and professional seals are completely deleted. CONSULTANT shall not be responsible for any liabilities to AGENCY for the use of such Work Product that is modified by persons other than CONSULTANT.

7. Correction of Work

If any Work performed by CONSULTANT does not conform to the requirements and professional standards of this CONTRACT, AGENCY may require CONSULTANT to correct the Work until it conforms to said requirements and standards at no additional cost to AGENCY. AGENCY may withhold payment for disputed Work until CONSULTANT correctly performs the Work or the dispute is otherwise resolved in accordance with this CONTRACT. When the Work to be performed is of such a nature that CONSULTANT cannot correct its performance, AGENCY may reduce the CONSULTANT's compensation to reflect the reduced value of the Work received by AGENCY. If CONSULTANT fails to promptly correct non-conforming Work, AGENCY may have the Work performed by a third party in conformance with the requirements and professional standards of this CONTRACT and charge CONSULTANT, or withhold from payments due CONSULTANT, any costs AGENCY incurs that are directly related to the performance of the corrective work. AGENCY shall not unreasonably withhold or reduce payment for CONSULTANT's Work under this section.

8. Sub Consulting

With the prior written consent of AGENCY, CONSULTANT may engage the professional services of subconsultants for the performance of a portion of the Work ("Subconsultants"). CONSULTANT shall be fully responsible for all Work performed by Subconsultants which must be performed in accordance with all terms and conditions of this CONTRACT. All insurance requirements set forth in section 12 below, "Insurance Requirements," shall apply to each Subconsultant, except to the extent such requirements are modified or waived in writing by AGENCY. CONSULTANT shall ensure that each Subconsultant obtains and keeps in force and effect during the term of this CONTRACT the required insurance.

9. Independent Contractor

a. No Employment Relationship. CONSULTANT is an independent contractor, and no relationship of employer and employee is created by this CONTRACT. Neither CONSULTANT nor any of the persons performing services for CONSULTANT pursuant to this CONTRACT, whether said person be a principal, member, partner, officer, employee, agent, volunteer, associate, Subconsultant or otherwise of CONSULTANT, will have any claim under this CONTRACT or otherwise against AGENCY for any salary, wages, sick leave, vacation pay, retirement, social security, workers' compensation, disability, unemployment insurance, federal, state or local taxes, or other compensation, benefits or taxes of any kind. AGENCY is not required to make any deductions from the compensation payable to CONSULTANT under the provisions of this CONTRACT. CONSULTANT shall be solely responsible for self-employment Social Security taxes, income taxes and any other taxes levied against self-employed persons.

CONSULTANT does not assign such obligation to AGENCY for collection or administration except as may be required by federal and state law.

b. No AGENCY Control of Means and Methods of Performance. Except as otherwise provided in this CONTRACT, AGENCY will have no control over the means or methods by which CONSULTANT will perform services under this CONTRACT, provided, however, that CONSULTANT will perform services hereunder and function at all times in accordance with approved methods of practice in the professional specialty of CONSULTANT.

c. Third Parties Employed by CONSULTANT. If, in the performance of this CONTRACT, any third parties (including, without limitation, Subconsultants) are employed by CONSULTANT, such third parties will be entirely and exclusively under the direction, supervision and control of CONSULTANT. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging, and other applicable requirements of law will be the responsibility of and determined by CONSULTANT, and AGENCY will have no right or authority over such third parties or the terms of such employment, except as provided in this CONTRACT.

d. Compliance with Workers' Compensation Laws. CONSULTANT will comply with all applicable provisions of the Workers Compensation Insurance and Safety Act of the State of California (codified as amended commencing at Labor Code section 3200), including, without limitation, divisions 4 and 5 of the California Labor Code, and all amendments thereto, and all applicable similar state and federal acts or laws, and will indemnify and hold harmless AGENCY from and against all Third Party Claims (defined elsewhere herein) presented, brought or recovered against AGENCY, for or on account of any liability under any of said laws which may be incurred by reason of any services to be performed under this CONTRACT.

e. Indemnity for Claims of Employer-Employee Relationship. CONSULTANT agrees to defend, through attorneys approved by AGENCY, indemnify and hold harmless AGENCY and its boards, agencies, departments, officers, employees, agents and volunteers from and against any and all Third-Party Claims (defined elsewhere herein) made against AGENCY based upon any contention by any third party that an employer-employee relationship exists by reason of this CONTRACT. CONSULTANT further agrees to hold AGENCY harmless from and to compensate AGENCY for any Third-Party Claims against AGENCY for payment of state or federal income or other tax obligations relating to CONSULTANT's compensation under the terms of this CONTRACT. CONSULTANT will not settle or otherwise compromise a Third-Party Claim covered by this subsection without AGENCY's advance written approval. This subsection does not apply to any penalty imposed by any governmental agency that is not caused by or the fault of CONSULTANT.

10. Duty of Loyalty; Conflicts of Interest

- a. CONSULTANT owes AGENCY a duty of undivided loyalty in performing the Work under this CONTRACT, including the obligation to refrain from having economic interests and participating in activities that conflict with AGENCY's interests with respect to this CONTRACT and the Work. CONSULTANT shall take reasonable measures to ensure that CONSULTANT and its principals, officers, employees, agents and Subconsultants do not possess a financial conflict of interest with respect to this CONTRACT and the Work. CONSULTANT shall promptly inform AGENCY of any matter that could reasonably be interpreted as creating a conflict of interest for CONSULTANT with respect to this CONTRACT or the Work. This section is not intended to modify the standard of performance as set forth in Section 1.
- b. CONSULTANT acknowledges that the California Political Reform Act ("Act"), Government Code section 81000 et seq., provides that principals, officers, employees and agents of consultants retained by a public agency may be deemed "public officials" subject to the Act if they make or

advise AGENCY on decisions or actions to be taken by AGENCY. To the extent AGENCY determines that the Act applies to CONSULTANT or its principals, officers, employees or agents, each designated person shall abide by the Act, including the requirement for public officials to prepare and file statements disclosing specified economic interests, as directed by AGENCY. In addition, CONSULTANT acknowledges and shall abide by the contractual conflict of interest restrictions imposed on public officials by Government Code section 1090 et seq.

- c. During the term of this CONTRACT, CONSULTANT shall not employ or compensate AGENCY's current employees.

11. Defense and Indemnification

CONSULTANT agrees to defend, through attorneys approved by AGENCY, indemnify and hold harmless AGENCY and the County of Ventura and their boards, agencies, departments, officers, employees, agents and volunteers (collectively, "Indemnitee") from and against any and all claims, lawsuits, judgments, debts, demands, and liability (including attorney fees and costs) (collectively, "Third Party Claims"), including, without limitation, those arising from injuries or death of persons and/or damage to property, whether against CONSULTANT, AGENCY or others, arising directly or indirectly out of the obligations herein described or undertaken or out of operations conducted or subsidized in whole or in part by CONSULTANT, save and except third party claims arising through the sole gross negligence or sole willful misconduct of Indemnitee. CONSULTANT shall not settle or otherwise compromise a Third-Party Claim covered by this section without AGENCY's advance written approval.

12. Insurance Requirements

- a. Without limiting CONSULTANT's duty to defend and indemnify AGENCY as required herein, CONSULTANT shall, at CONSULTANT's sole cost and expense and throughout the term of this CONTRACT and any extensions hereof, carry one or more insurance policies that provide at least the following minimum coverage:
 - i. Commercial general liability insurance shall provide a minimum of \$1,000,000.00 coverage for each occurrence and \$2,000,000.00 in general aggregate coverage.
 - ii. Automobile liability insurance shall provide a minimum of either a combined single limit (CSL) of \$1,000,000.00 for each accident or all of the following: \$250,000.00 bodily injury (BI) per person, and \$500,000.00 bodily injury per accident, and \$100,000.00 property damage (PD). Automobile liability insurance is not required if CONSULTANT does no traveling in performing the Work.
 - iii. Workers' compensation insurance in full compliance with California statutory requirements for all employees of CONSULTANT in the minimum amount of \$1,000,000.00. This workers' compensation insurance requirement may only be waived by AGENCY in writing if CONSULTANT is a sole proprietor with no employees and CONSULTANT provides AGENCY with evidence of such before commencing any work under the CONTRACT.
 - iv. Professional liability (errors and omissions) insurance shall provide a minimum of \$1,000,000.00 coverage per claim and \$2,000,000.00 in annual aggregate coverage.

If CONSULTANT maintains higher limits than the minimums shown above, AGENCY requires and shall be entitled to coverage for the higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to AGENCY.

- b. With respect to any coverage written on a “claims made” basis, CONSULTANT shall, for three years after the date when this CONTRACT is terminated or completed, maintain such policy with a retroactive date that is on or before the start date of contract services or purchase an extended reporting period endorsement (tail coverage). AGENCY may withhold final payments due until satisfactory evidence of the continued maintenance of such policy or the tail coverage is provided by CONSULTANT to AGENCY. Such policy shall allow for reporting of circumstances or incidents that may give rise to future claims.
- c. CONSULTANT shall notify AGENCY immediately if CONSULTANT's general aggregate of insurance is exceeded by valid litigated claims in which case additional levels of insurance must be obtained to maintain the above-stated requirements. All required insurance shall be written by a financially responsible company or companies authorized to do business in the State of California. CONSULTANT shall notify AGENCY of any and all policy cancellations within three working days of the cancellation.
- d. The commercial general liability policy shall name AGENCY and the County of Ventura (if not defined as AGENCY) and their respective officials, employees, and agents as additional insureds (“Additional Insureds”). All required insurance shall be primary coverage as respects the Additional Insureds, and any insurance or self-insurance maintained by Additional Insureds shall be in excess of CONSULTANT's insurance coverage and shall not contribute to it. Coverage shall apply separately to each insured, except with respect to the limits of liability, and an act or omission by one of the named insureds shall not reduce or avoid coverage to the other named insureds. Additional Insured coverage shall include both ongoing and completed operations. In the case of policy cancellation, AGENCY shall be notified by the insurance company or companies as provided for in the policy.
- e. CONSULTANT hereby waives all rights of subrogation against AGENCY, the County of Ventura, all special districts governed by the Board of Supervisors, and each of their boards, directors, employees and agents for losses arising directly or indirectly from the activities or Work under this CONTRACT. The commercial general liability, automobile liability and workers' compensation policies shall contain a provision or endorsement needed to implement CONSULTANT's waiver of these rights of subrogation.
- f. Prior to commencement of the Work, CONSULTANT shall furnish AGENCY with certificates of insurance and endorsements effecting all coverage required hereunder. Copies of renewal certificates and endorsements shall be furnished to AGENCY within 30 days of the expiration of the term of any required policy. CONSULTANT shall permit AGENCY at all reasonable times to inspect any policies of insurance required hereunder.
- g. Each insurance policy required above shall state that coverage shall not be canceled except with notice to AGENCY.

13. Claims and Disputes

- a. Administrative Review. Prior to filing a complaint in arbitration against AGENCY seeking payment of money or damages regarding the Work, an extension of contract time, or an interpretation or adjustment of the terms of this CONTRACT, including “pass-through” claims asserted by CONSULTANT on behalf of a subconsultant (collectively referred to hereinafter as “claim”), CONSULTANT shall first exhaust its administrative remedies by attempting to resolve the claim with AGENCY's staff. CONSULTANT shall initiate the administrative review process no later than 30 days after the claim has arisen by submitting to the 'AGENCY'S project manager a written statement describing each claim and explaining why CONSULTANT believes AGENCY is at fault, as well as all correspondence and evidence regarding each claim. CONSULTANT may

appeal the decision made by the AGENCY's project manager to the AGENCY's executive officer, provided that AGENCY receives such appeal in writing no later than seven days after the date of the decision being appealed. If CONSULTANT does not appeal a decision to the next level of administrative review within this seven-day period, the decision shall become final and binding and not subject to appeal or challenge.

- b. Arbitration. All CONSULTANT claims not resolved through the administrative review process stated above shall be resolved by arbitration unless AGENCY and CONSULTANT agree in writing, after the claim has arisen, to waive arbitration and to have the dispute litigated in a court of competent jurisdiction. Arbitration shall be pursuant to article 7.1 (commencing with section 10240) of chapter 1 of part 2 of the Public Contract Code and the regulations promulgated thereto, chapter 4 (commencing with section 1300) of division 2 of title 1 of the California Code of Regulations (collectively, "Rules for Public Works Contract Arbitrations"). Arbitration shall be initiated by a complaint in arbitration prepared, filed and served in full compliance with all requirements of the Rules for Public Works Contract Arbitrations. CONSULTANT consents and agrees that AGENCY may join it as a party to any arbitration involving third party claims asserted against AGENCY arising from or relating to any Work performed by CONSULTANT hereunder.

14. Compliance with Laws and Regulations; Permits and Licenses

CONSULTANT shall perform its obligations hereunder in compliance with all applicable federal, state, and local laws and regulations. CONSULTANT certifies that it possesses and shall continue to maintain or shall cause to be obtained and maintained, at no cost to AGENCY, all approvals, permissions, permits, licenses, and other forms of documentation required for it and its principals, officers, employees, agents and Subconsultants to comply with all applicable statutes, ordinances, and regulations, or other laws, that apply to performance of this CONTRACT and the Work. AGENCY is entitled to review and copy all such applications, permits, and licenses which CONSULTANT shall promptly make available upon AGENCY's request.

15. RESERVED

16. Miscellaneous

- a. Entire Understanding. This CONTRACT is an integrated agreement and constitutes the final expression, and the complete and exclusive statement of the terms of, the parties' agreement with respect to the subject matter hereof. This CONTRACT supersedes all contemporaneous oral and prior oral and written agreements, understandings, representations, inducements, promises, communications or warranties of any nature whatsoever, by either PARTY or any agent, principal, officer, partner, employee or representative of either PARTY, with respect to the subject matter hereof. Without limiting the foregoing, CONSULTANT acknowledges that no representation, inducement, promise or warranty not contained in this CONTRACT will be valid or binding against AGENCY.
- b. No modification, waiver, amendment or discharge of this CONTRACT shall be valid unless the same is in writing and signed by duly authorized representatives of both PARTIES.
- c. Nonassignability. CONSULTANT will not assign this CONTRACT or any portion thereof to a third party without the prior written consent of AGENCY, and any attempted assignment without such prior written consent will be null and void and will be cause, at AGENCY's sole and absolute discretion, for immediate termination of this CONTRACT. AGENCY may withhold its consent to assignment at its discretion. In the event AGENCY consents to assignment, the obligations of CONSULTANT hereunder shall be binding on CONSULTANT's assigns.
- d. Third Party Beneficiaries. Except for indemnitees under Sections 9(e) and 11 above, this CONTRACT does not, and the PARTIES do not intend to, confer a third party beneficiary right of action on any third party whatsoever, and nothing set forth in this CONTRACT will be

construed so as to confer on any third party a right of action under this CONTRACT or in any manner whatsoever.

- e. Time limits stated herein are of the essence.
- f. Governing Law; Venue. This CONTRACT is made and entered into in the State of California and shall, in all respects, be interpreted, governed and enforced in accordance with the laws of the State of California applicable to contracts entered into and fully to be performed therein. The venue for any action, suit, arbitration, judicial reference or other proceeding concerning this CONTRACT shall be in Ventura County, California.
- g. All notices, requests, claims, and other official communications under the CONTRACT shall be in writing and transmitted by one of the following methods:
 - (1) Personal delivery.
 - (2) Sent by electronic communication (email).
 - (3) Courier where receipt is confirmed.
 - (4) Registered or certified mail, postage prepaid, return receipt requested.

Such notices and communications shall be deemed given and received upon actual receipt in the case of all except registered or certified mail; and in the case of registered or certified mail, on the date shown on the return receipt or the date delivery during normal business hours was attempted. All notices and communications shall be sent to CONSULTANT at the current address on file with AGENCY for contract payment purposes, and shall be sent to AGENCY as follows:

Fox Canyon Groundwater Management Agency
800 South Victoria Avenue, L#1610
Ventura, CA 93009-1670
fcgma@ventura.org

Either PARTY may change its contact information by providing written notice of the change to the other PARTY in accordance herewith.

- h. Further Actions. The PARTIES agree that they will execute any and all documents and take any and all other actions as may be reasonably necessary to carry out the terms and conditions of this CONTRACT.
- i. Legal Representation. Each PARTY warrants and represents that in executing this CONTRACT, the PARTY has relied upon legal advice from attorneys of the PARTY's choice (or had a reasonable opportunity to do so); that the PARTY has read the terms of this CONTRACT and had their consequences (including risks, complications and costs) completely explained to the PARTY by the PARTY's attorneys (or had a reasonable opportunity to do so); and that the PARTY fully understands the terms of this CONTRACT. Each PARTY further acknowledges and represents that it has executed this CONTRACT freely and voluntarily without the undue influence of any person, and the PARTY has not relied on any inducements, promises or representations made by any person not expressly set forth in this CONTRACT.
- j. No Waiver. Failure by a PARTY to insist upon strict performance of each and every term, condition and covenant of this CONTRACT shall not be deemed a waiver or relinquishment of the PARTY's rights to enforce any term, condition or covenant.
- k. Partial Invalidity. If any provision of this CONTRACT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the PARTIES intend, and it shall be so deemed, that the remaining provisions of this CONTRACT shall continue in full force without being impaired or invalidated in any way. If such provision is held to be invalid, void or unenforceable due to its

scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

- l. Interpretation of Contract. For purposes of interpretation, this CONTRACT shall be deemed to have been drafted by both PARTIES, and no ambiguity shall be resolved against any PARTY by virtue of the PARTY's participation in the drafting of the CONTRACT. Accordingly, Civil Code section 1654 shall not apply to the interpretation of this CONTRACT. Where appropriate in the context of this CONTRACT, the use of the singular shall be deemed to include the plural, and the use of the masculine shall be deemed to include the feminine and/or neuter.
- m. Counterparts. This CONTRACT may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same contract.

CONSULTANT:
Hallmark Group

AGENCY:
Fox Canyon Groundwater Management Agency

Signature

Arne Anselm, Interim Executive Officer

Print Name and Title

Date of Signature:

Date of Signature:

Signature

Print Name and Title

Date of Signature:

68-0481455

Vendor Number

EXHIBIT A - SCOPE OF WORK AND SERVICES

PROFESSIONAL SERVICES CONTRACT BETWEEN THE FOX CANYON GROUNDWATER MANAGEMENT AGENCY AND HALLMARK GROUP, FOR PROFESSIONAL CONSULTING SERVICES TO PRESENT A FINALIZED STAFFING ANALYSIS.

1. Overview of Project and Services

The AGENCY has engaged CONSULTANT to provide professional services to aid AGENCY in developing, finalizing, and presenting a staffing analysis to AGENCY's Board of Directors.

2. Scope of Services

CONSULTANT shall provide the following services and work to AGENCY as detailed in CONSULTANT's January 13, 2025, proposal:

Hallmark Group will develop a staffing analysis for Fox Canyon Groundwater Management Agency and provide general support services.

Task 1 – Presentation of Final Staffing Analysis to AGENCY Board of Directors, Debrief with Staff, and Finalize Report

Deliverables:

Board Presentation, Finalized Staffing Analysis Report, Debrief Meeting with AGENCY Staff.

[End of Exhibit A]

EXHIBIT B - TIME SCHEDULE

PROFESSIONAL SERVICES CONTRACT BETWEEN THE FOX CANYON GROUNDWATER MANAGEMENT AGENCY AND HALLMARK GROUP, FOR PROFESSIONAL CONSULTING SERVICES TO PRESENT A FINALIZED STAFFING ANALYSIS.

1. Schedule

Notwithstanding Section 2 (Term) of the Contract, all Work to be performed by CONSULTANT on this Contract shall be completed **by December 31, 2025.**

2. Delays

If all work under this contract cannot be completed by the dates specified in Exhibit B through no fault of CONSULTANT, the fee for the work not then completed may be adjusted to reflect increases in cost which occur, due to delay, from the date that the work was required to be complete as specified in Exhibit B until the time the work can actually be completed. Any payments of additional fee as described in this paragraph must be authorized by AGENCY with a modification to this contract.

[End of Exhibit B]

EXHIBIT C – Fees and Payments

**PROFESSIONAL SERVICES CONTRACT BETWEEN THE
 FOX CANYON GROUNDWATER MANAGEMENT AGENCY AND
 HALLMARK GROUP, FOR PROFESSIONAL CONSULTING
 SERVICES TO PRESENT A FINALIZED STAFFING ANALYSIS.**

1. Compensation Summary

The following summarizes the maximum amount of compensation available to CONSULTANT under this contract. The actual amount of compensation shall be established and paid in accordance with the applicable provisions of the contract including this Exhibit C.

Maximum Fees for Basic Services:	\$ 7,000.00
Total Amount Not to Exceed:	\$ 7,000.00

2. Fees for Basic Services

AGENCY agrees to pay CONSULTANT the following fees for the performance of Basic Services.

An **hourly rate** compensation, for actual hours of Basic Services performed that is based upon the hourly rates set forth in the following rate schedule, which rates shall remain fixed for the duration of the contract, not to exceed the **maximum fee amount of the Contract, of \$ 7,000.00**. The maximum fees for the respective tasks identified in Exhibit A as well as the total maximum fee amount are shown in the below Task table. In no case shall a fee for a specific task exceed that listed below without prior written approval by the AGENCY. Rates to be charged are identified in the Rate Table listed below.

Rate Table

<u>CLASSIFICATION</u>	<u>RATE</u>
Program Manager, Principal, Director, and Strategic Advisor	\$362 / hr
Policy & Agreement Matters	\$500 / hr
Senior Project Manager	\$285 / hr
Project Controls Manager	\$260 / hr
Senior Project Controls	\$210 / hr
Project Manager III	\$235 / hr

Project Manager II	\$210 / hr
Project Manager I	\$195 / hr
Project Analyst	\$195 / hr
Project Coordinator II	\$185 / hr
Project Coordinator I	\$155 / hr
Project Controls Coordinator	\$155 / hr
Project Administrator	\$130 / hr

Hourly rates are inclusive of all overhead and administrative expenses. Travel and other incidental expenses, not included in the contract, shall be reimbursed at cost. Mileage expenses shall be reimbursed at the current IRS rate. Upon request, Hallmark Group will provide a cost proposal for additional staff that may be required to support Fox Canyon Groundwater Management Agency. Other costs will be determined upon final scope requirements and approved by Fox Canyon Groundwater Management Agency.

This rate schedule shall be escalated annually as mutually agreed to by Hallmark Group and Fox Canyon Groundwater Management Agency and will incorporate year-over-year increases per the U.S. Bureau of Labor Statistics Employment Cost Index for Professional and Business Services.

4. Delays

If Work cannot be completed by the dates specified in Exhibit B through no fault of CONSULTANT, the fees for the Work not then completed may be adjusted to reflect increases in cost which occur, due to delay, from the date that the Work was required to be complete as specified in Exhibit B until the time the Work can actually be completed. Any payments of such additional fees must be authorized by AGENCY with a written modification to this contract.

5. Payment

Pursuant to Section 4 of the Contract, AGENCY shall make payments to CONSULTANT as follows:

Requests for Payment

Each request for payment shall include: (i) personnel time records for Basic Services at the rates specified in this Exhibit C if applicable; (ii) receipts for all authorized reimbursable expense, along with the written AGENCY authorization for any specific reimbursable expenses requested for payment if required above.

CONSULTANT shall submit all requests for payment to:

Fox Canyon Groundwater Management AGENCY
800 South Victoria Avenue, L#1610
Ventura, CA 93009-1670
FCGMA@ventura.org

Payment Schedule

Payments shall be made monthly by AGENCY upon presentation of a properly completed AGENCY claim form that has been approved by AGENCY.

Timely Invoicing

Timely invoicing by CONSULTANT is required. Delays in invoicing for services performed increases the management effort required by AGENCY to ensure accurate payments to CONSULTANT and manage project budgets. Accordingly, CONSULTANT shall request payment for services no later than 30 calendar days after the date that the services were performed.

CONSULTANT shall submit a final invoice within 30 days of the earliest of the following events: 1) completion and acceptance by AGENCY of all Work required by the contract; or 2) termination of the contract.

[End of Exhibit C]

FCGMA Budget to Actual Report for December 2024

FUND: 0170 UNIT: 5795			EXPENDITURES BY ACCOUNTING PERIOD													
	OBJ	PROGRAM	TOTAL	AP 01/ July	AP 02/ August	AP 03/ September	AP 04/ October	AP 05/ November	AP 06/ December	AP 07/ January	AP 08/ February	AP 09/ March	AP 10/ April	AP 11/ May	AP 12/ June	AP 13
1			6,988,697.31	6,988,697.31	7,779,349.81	6,644,333.02	5,493,290.11	5,213,793.63	4,034,911.42	3,653,443.78	3,653,443.78	3,653,443.78	3,653,443.78	3,653,443.78	3,653,443.78	3,653,443.78
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11			2,048,672.76	923,891.25	66,829.35	325,464.80	478,242.27	166,688.44	87,556.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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FUND: 0170 UNIT: 5795				EXPENDITURES BY ACCOUNTING PERIOD												
	OBJ	PROGRAM	TOTAL	AP 01/ July	AP 02/ August	AP 03/ September	AP 04/ October	AP 05/ November	AP 06/ December	AP 07/ January	AP 08/ February	AP 09/ March	AP 10/ April	AP 11/ May	AP 12/ June	AP 13
61	2236	P6020850	652.04		163.01	163.01	163.01	163.01								
62	2169/79	P6020850	252.03	34.65	56.00			161.38								
63	2159	P6020850	0.00													
64	TOTAL EXPENDITURES		5,383,926.29	133,238.75	1,201,846.14	1,476,507.71	757,738.75	1,345,570.65	469,024.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00
65																
66																
67	TOTAL REVENUE		2,048,672.76	923,891.25	66,829.35	325,464.80	478,242.27	166,688.44	87,556.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00
68	CONTINGENCY		0.00													
69	ENDING CASH BALANCE		3,653,443.78	7,779,349.81	6,644,333.02	5,493,290.11	5,213,793.63	4,034,911.42	3,653,443.78	3,653,443.78	3,653,443.78	3,653,443.78	3,653,443.78	3,653,443.78	3,653,443.78	3,653,443.78
NOTES: Revenue decreased by \$79,131.79 (49%) in AP06 (December) from AP05 (November), due to decreases in Pumping Charges, GEMES Reserve fees and Sustainability fees collected. Expenses decreased by \$876,546.36 (65%) in AP06 (December) due to WildHeron Drilling, LLC work on Oxnard Basin and PV Basin Monitoring Wells approaching the end. No other significant variances noted.																

LPV Watermaster Budget to Actual Report for December 2024

FUND: 0171 UNIT: 5796 LPV WATERMASTER	2024-25 ADOPTED BUDGET	ACCUMULATED			EXPENDITURES BY ACCOUNTING PERIOD								
		OBJ	PROG	TOTAL	AP 01	AP 02	AP 03	AP 04	AP 05	AP 06	AP 07	AP 08	AP 09
					7/23	8/23	9/23	10/23	11/23	12/23	1/24	2/24	3/24
CASH BALANCE				1,127,504.76	1,127,504.76	1,050,837.78	1,076,742.91	1,074,025.08	1,386,410.44	1,412,842.35	1,438,769.91	1,438,769.91	1,438,769.91
REVENUE:													
INTEREST EARNINGS		8911	-	-	(9,651.42)		4,825.71		4,825.71				
BASIN ASSESSMENT FEE		9790	P6020670	558,648.70	(54,626.98)	38,593.60	15,837.76	403,185.65	85,301.81	70,356.86			
BASIN ASSESSMENT INTEREST		9790	P6020671	8,807.66	2,102.43	2,775.68	2,584.16	112.55		1,232.84			
TOTAL REVENUE				567,456.36	(62,175.97)	41,369.28	23,247.63	403,298.20	90,127.52	71,589.70	-	-	-
TOTAL FUNDS AVAILABLE				1,694,961.12	1,065,328.79	1,092,207.06	1,099,990.54	1,477,323.28	1,476,537.96	1,484,432.05	1,438,769.91	1,438,769.91	1,438,769.91
EXPENDITURES:													
SUPPORT:													
PUBLIC WORKS ISF CHARGES - LPV WATERMASTER ADMINISTRATION	106,848	2205	P6020660	64,294.52	14,491.01	5,228.90	1,925.09	7,698.49	26,921.33	8,029.70			
PUBLIC WORKS ISF CHARGES - LPV ALLOCATIONS & RECORD KEEPING	257,792	2205	P6020661	16,707.69		1,535.70	332.74	3,187.43	8,854.35	2,797.47			
PUBLIC WORKS ISF CHARGES - LPV BASIN MANAGEMENT	156,880	2205	P6020662	14,560.38		1,319.55		3,126.10	6,132.81	3,981.92			
PUBLIC WORKS ISF CHARGES - LPV COMMITTEE COORDINATION AND CONSULTATIONS	71,232	2205	P6020663	17,292.97		2,608.50	1,187.44	2,770.72	6,966.06	3,760.25			
PUBLIC WORKS ISF CHARGES - LPV BUDGET & ASSESSMENTS	136,528	2205	P6020664	4,870.33				1,510.97	2,789.73	569.63			
PUBLIC WORKS ISF CHARGES - LPV SERVICE & SUPPORT	200,000	2205	P6020667	12,498.26			79.68	4,727.78	4,605.03	3,085.77			
LPV CALLEGUAS ASR PROJECT OPERATIONS STUDY	81,408	2205	P6020665	-									
LEGAL:													
LPV LEGAL SERVICES - COUNTY COUNSEL	248,640	2185	P6020666	45,045.00			10,647.00	25,184.25		9,213.75			
CONTRACTS:													
RGS AUTHORITY	25,000	2199	P6020660	15,523.81		4,771.50	1,602.26	1,520.35	3,052.30	4,577.40			
TODD GROUNDWATER-TAC	259,200	2199	P6020662	37,197.50			10,191.25	18,152.50		8,853.75			
AQUIOLOGIC-TAC		2199	P6020662	12,430.00				11,860.00	570.00				
DANIEL B STEPHENS & ASSOCIATES-TAC/PAC	170,000	2199	P6020662	15,770.75				11,174.25	3,804.00	792.50			
TOTAL EXPENDITURES				256,191.21	14,491.01	15,464.15	25,965.46	90,912.84	63,695.61	45,662.14	-	-	-
CONTINGENCY													
ENDING CASH BALANCE				1,438,769.91	1,050,837.78	1,076,742.91	1,074,025.08	1,386,410.44	1,412,842.35	1,438,769.91	1,438,769.91	1,438,769.91	1,438,769.91

Statement for FCGMA Board Meeting of January 22, 2025.

Introductions: My name is Paul McDaniel, and I serve as a volunteer board member and as secretary for the Strickland Mutual Water Company.

Problem: Strickland Mutual Water Company is missing a meter calibration record – from several years ago - for the meter on one of our two wells. We cannot find the record, and this deficiency in our records has led to Fox Canyon GMA not allowing electronic submission of our semi-annual groundwater extraction statements through the electronic web-based reporting system that you want us to use. Instead, for the past several years, we have turned in paper (and email backup) copies of these groundwater extraction statements and photos.

Further Problems: Being outside the electronic system is detrimental to FCGMA record-keeping, is non-standard, makes our reporting more cumbersome and FCGMA records disorganized, also means that we are being denied the ability to log and carry forward unused allocation credits, and is also leading to other weird outcomes, for example FCGMA staff accepted our check for the previous reporting period (first half of 2024) but held the check for months without cashing it. Additionally, FCGMA staff is not using our paper submissions of semi-annual extraction reports to update the electronic records system, and the electronic system now falsely reports that we are in arrears by \$26,700.

Background and Details: The missing record is for re-calibration of a Zenner Turbine meter that was removed for repair and returned to service (i.e., no change in the meter serial number). The Zenner Turbine meter was the initial meter installed on our Well number 03, (02N22W14H05) which was a new well, drilled and placed into service in June 2017. The Zenner Turbine meter failed sometime in late June 2018 and was removed for repair and returned to service in August 2018. The Zenner Turbine was subsequently upgraded to a Semetrics Mag Meter in September 2019.

The history of meters on Strickland Mutual Well 03 is as follows:

Well 03 Meter	Meter Type	Meter Serial	Calibration / Recalibration Date	Install/ Reinstall Date	Failure Noted on Date	Remove Date	Reading When installed	Reading When removed	Notes
First	ZENNER Turbine Meter ZTM04US-XB	16058196	3/28/2017	2017		8/4/2018	0		Installed on New Well. Failed, removed for repair.
(again) (after repair)	ZENNER Turbine Meter ZTM04US-XB	16058196 (same meter)	Re-calibration Record Missing	August 2018?	N/A (no failure) (Upgraded to Mag-Meter)	9/8/2019		510,415	Warranty repair
Second	Seametrics Mag Meter AG3000	102018000336	12/21/2018	10/17/2019	6/23/2020	7/8/2020	0	123,651.65	No unmetered use between Zenner Turbine removal and mag meter installation
Third and current meter	Seametrics Mag Meter AG3000-400-F1-BX-X-01	3201841	4/13/2020	7/8/2020	In Service	...	123,673.10 x 100	In Service	Previous Mag Meter Failed ("empty pipe" indicated) Warranty Replace

How did we happen not to have this calibration record:

Please recognize that we are either part-time employees (our operator Theo Provencio), or volunteers (Paul McDaniel, Secretary, and David Gomez, Treasurer, and VP). Consequently, we have to cover for each other, and in this case, once the Zenner Turbine meter was noted to have failed, Theo took Well 03 offline. Later David Gomez was able to be present when the Zenner Turbine meter was removed and reinstalled (while Theo was at his full-time day job). As secretary, I am the key person for records retention but at the time I did not realize the importance of retaining the calibration record. The absence of this calibration record did not come to light until we changed the Zenner Turbine meter for a Mag Meter for greater reliability, and FCGMA staff then alerted me to the need to complete a meter change form. I have looked for the Zenner Turbine calibration record in my own papers, and also reached out unsuccessfully to Costal Pipco, who helped with the repair and reinstallation, and to Zenner customer service to see if they could find service records.

We are making the following specific request to the FCGMA Board:

Because our calibration records deficiency was unintentional, not meant to defraud FCGMA, and because the amounts of money involved as groundwater extraction fees - even if the metering had been inaccurate - would be minimal, and because we have done our best to find the missing record, but been unsuccessful:

- Please pass a Board decision to accept the semi-annual groundwater extraction statements reported by Strickland Mutual Water for the 2018 and 2019 calendar years as accurate.
- Please include in the resolution specific direction to your FCGMA staff to take the following actions:
 - Accept the semi-annual groundwater extraction statements reported by Strickland Mutual Water for the 2018 and 2019 calendar years as accurate.
 - Excuse the missing calibration record on the Zenner Turbine meter (relevant to the months between August 2018 and September 2019) and stop requesting that record.
 - Clear the electronic groundwater extraction records system of blocks that prevent Strickland Mutual from reporting semi-annual groundwater extraction using the on-line electronic system (www.FCGMAonline.org) and,
 - Either have FCGMA staff update the Strickland Mutual Water Co. semiannual groundwater extraction records to be current, or allow us to do so using the online system.
 - Clear any amounts owed from the electronic records system to show the correct balance of zero owed.
 - Provide for Strickland Mutual Water to be credited with carry forward credits for unused allocation as allowed (i.e., the allowed 50% of unused allocation amount) for the years following 2018 where our groundwater extraction reporting was not electronic.

RAUL AVILA, PRESIDENT
DIVISION 1

THIBAUT ROBERT, SECRETARY
DIVISION 4

REDDY PAKALA, DIRECTOR
DIVISION 3



SCOTT H. QUADY, VICE PRESIDENT
DIVISION 2

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

KRISTINE MCCAFFREY
GENERAL MANAGER

web site: www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

January 15, 2025

Gene West, Chair
Las Posas Basin Watermaster
800 S. Victoria Ave.
Ventura, CA 93009
(and via e-mail to efwest2012@gmail.com)

Chair West:

As a constituent group to the Las Posas Basin Policy Advisory Committee (PAC) and Technical Advisory Committee (TAC), Calleguas Municipal Water District (Calleguas) has provided detailed comments on the draft Las Posas Valley Basin Optimization Plan (BOP) via both those entities. This comment letter is intended to complement those separate detailed comments and explains our overall concerns about the ability of the BOP, as currently written, to address the requirements of the Judgment and long-term needs of the Las Posas Valley Basin.

As you know, Section 4.9.1.1 of the Judgment states that the initial Operating Yield will be 40,000 AFY through at least Water Year 2024. Section 4.9.1.2 then states, "To the extent that it is feasible and cost-effective, Watermaster shall seek to augment the Basin Optimization Yield, and ultimately the Sustainable Yield, to be no less than 40,000 AFY." Potential approaches to augmentation are to be evaluated in the BOP, with Section 5.3.2.2 further clarifying that the BOP must include: "A description of Basin Optimization Projects that are likely to be practical, reasonable, and cost-effective to implement prior to 2040 to maintain the Operating Yield at 40,000 AFY or as close thereto as achievable."

The Basin Optimization Yield is the yield that can be achieved without undesirable results under the Sustainable Groundwater Management Act (SGMA). To achieve a Basin Optimization Yield of 40,000 AFY, projects need to focus on the two areas of the Basin where modeling has shown that undesirable results are likely under baseline conditions, specifically the eastern West Las Posas Management Area and the northern East Las Posas Management Area. As currently written, the BOP evaluates each project for consistency with SGMA and the likelihood of causing material injury or undesirable results; however, it does not evaluate the projects for their ability to alleviate the potential for undesirable results as compared to the baseline conditions and improve basin conditions such that a Basin Optimization Yield of 40,000 AFY becomes achievable.

As a collaborative partner in the Las Posas Basin, we believe it is critical that the projects chosen for implementation both achieve the outcomes necessary to address undesirable results and are cost-effective. Calleguas remains willing and able to facilitate the primary in-lieu and replenishment programs the BOP contemplates by delivering imported water at the full Tier 1 rate at which we supply water to our customers.

We appreciate your consideration of these comments as the Draft Initial Las Posas Valley BOP is revised. Please feel free to contact me at (805) 579-7173 or kmccaffrey@calleguas.com if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "K. McCaffrey", with a long, sweeping horizontal stroke extending to the right.

Kristine McCaffrey, P.E.
General Manager

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

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Lynn Maulhardt, *Director, United Water Conservation District*
Tony Trembley, *City Councilmember, City of Camarillo*

INTERIM EXECUTIVE OFFICER

Arne Anselm

January 22, 2025

Board of Directors
Fox Canyon Groundwater Management Agency
800 South Victoria Avenue
Ventura, CA 93009-1600

SUBJECT: Agency Executive Officer Position – (Returning Item)

RECOMMENDATIONS: (1) Receive a presentation from Agency staff on the recruitment of an Agency Executive Officer, (2) Approve a draft description of duties, qualifications and compensation of the Agency Executive Officer position, and (3) Provide feedback on a draft Request for Qualifications for Recruitment Services.

DISCUSSION

The adopted Fiscal Year 2024-2025 budget¹ includes a full-time Agency Executive Officer. The Agency has never directly recruited and hired an Executive Officer. A draft job description for the Executive Officer position has been developed and presented to you Board and Executive Committee for discussion (attached as Exhibit 14A). Missing from previous drafts was the compensation range for the position.

The Classification and Compensation Unit of the Ventura County Executive Office-Human Resources performed a compensation study of similar executive management positions with relatively equivalent public agencies to examine the following areas of total compensation to allow for a thorough and detailed analysis: Compensatory Leave; Employer Contributions to Deferred Compensation; Employer Health Benefits Contributions; Employer Retirement Contributions; and any other employer-paid benefits, such as education incentives.

If approved by your Board, the County will then request approval from the Ventura County Board of Supervisors to create the position. This process will likely take several weeks to complete. The Executive Committee recommended Agency staff continue to work on recruiting for the position while the County is in this process.

The Executive Committee recommended a process of Agency staff finding and selecting a firm with expertise in executive position recruitment. For your Board's feedback,

¹ FY 2024-2025 budget: <https://s42135.pcdn.co/wp-content/uploads/2024/09/Item-19C-FCGMA-FY-2024-25-Budget.pdf>

attached as Exhibit 14B is a draft Request for Qualifications (RFQ). After selection of the recruiting firm, a contract and scope of work will be brought to your Board for approval.

CONCLUSION

Staff recommends that your Board approve a draft position description of duties, qualifications and compensation of the Agency Executive Officer position, and provide feedback and recommendations on the draft RFQ.

This letter has been reviewed by Agency Counsel. If you have any questions, please call me at (805) 654-3942.

Sincerely,



Arne Anselm
Interim Executive Officer

Attachments:

- Exhibit 14A – Draft Executive Officer Job Description
- Exhibit 14B – Draft Request for Qualifications



FOX CANYON GROUNDWATER MANAGEMENT AGENCY EXECUTIVE DIRECTOR

Class Code:
TBD

Bargaining Unit: Management/Confidential
Clerical/Unrepresented Others

VENTURA COUNTY

SALARY RANGE

\$95.41 - \$124.04 Hourly
\$7,633.14 - \$9,923.08 Biweekly
\$16,538.46 - \$21,500.00 Monthly
\$198,461.54 - \$258,000.00 Annually

DEFINITION:

In accordance with policy direction of the elected five-member Board of Directors, the Executive Director is responsible for the total operation of the Fox Canyon Groundwater Agency (FCGMA) including leading solutions for long term groundwater resources management. The Executive Director will ensure effective legislative and regulatory compliance, facilitate and collaborate with inside and outside stakeholders to ensure stakeholder interests and concerns are being addressed; and provide overall strategic direction to ensure the County's groundwater strategy is effective.

Distinguishing Characteristics:

This single position classification is fully accountable to the Board of Directors for the management of the Fox Canyon Groundwater Management Agency. This position is exempt from the Civil Service System.

EXAMPLES OF DUTIES:

Duties may include but are not limited to the following:

- Develops, plans and implements Agency goals and objectives including the recommendation and administration of policies and procedures.

- Coordinates Agency activities between departments and with outside agencies and organizations.
- Provides staff assistance to the Board of Directors including the preparation and presentation of staff reports and other necessary correspondence.
- Directs, oversees, and participates in the development of the Agency's work plan which includes assigning work activities, projects and programs, monitoring workflow, and reviewing and evaluating work products, methods and procedures.
- Supervises and participates in the development and administration of the Agency budget including directing the forecast of additional funds needed for staffing, equipment, materials and supplies, monitoring and approving expenditures, and implementing mid-year adjustments.
- Represents the Board of Directors in enforcing all rules pertaining to the management and operation of the Agency.
- Represents the Agency in intergovernmental relations relating to Agency operations.
- Attends all meetings of the Board and makes recommendations to the Board concerning administration and management of the Agency as believed necessary.
- Directs studies and investigations concerning the administration and management of Agency operations and the development of future plans for growth and believed necessary and desirable.
- Serves as purchasing agent and personnel officer for the Agency unless otherwise delegated.
- Represents the Agency to outside groups and organizations and participates in outside community and professional groups and committees.
- Researches and prepares technical and administrative reports and studies and prepares written correspondence.
- Builds and maintains positive working relationships with the Board of Directors, management, co-workers, other Agency employees and the public using principles of good customer service.
- Performs other related duties as required.

QUALIFICATION GUIDELINES:

Knowledge, Skills, and Abilities:

Thorough knowledge of:

- Management practices as applied to the evaluation of programs, policies, and organizational needs.
- Principles and practices required to plan, monitor, and evaluate water infrastructure programs and projects.
- Principles and techniques of conducting analytical studies, evaluating alternatives, and making sound recommendations.
- Applicable laws, codes, and regulations associated with the management of water resources.
- Principles of water flow and hydrologic modeling
- Principles and practices of grant development and administration, including funding sources typical for the water industry.
- Principles of effective public relations and interrelationships with public and private agencies, community groups and various levels of government.
- Principles and practices of budget administration.

Working ability to:

- Work and communicate effectively with people of various education and socioeconomic backgrounds by respecting beliefs, interpersonal styles and behaviors of both clients and co-workers.

- Perform administrative functions including planning, organizing, staffing, and directing.
- Conduct analytical studies including financial analyses, evaluation of alternatives, and make sound recommendations.
- Examine complex and technical information contained in multiple documents and proposed legislation to accurately report potential impacts and provide solutions. Conduct research, collect data from various resources, and write statistical reports.
- Communicate effectively both verbally and in writing.
- Prepare and present technical information at public meetings.
- Build consensus among stakeholders with differing points of view.

RECRUITING STANDARDS:

Education/Experience:

Any combination of education, training, and experience which could lead to the possession of the required knowledge, skills, and abilities.

An example would be progressively responsible professional management-level experience in the operation of a water agency or public utility municipality, including five (5) years of executive level management experience. Graduation from an accredited college or university with a bachelor's degree in business administration, Public Administration, Engineering, Hydrogeology, or a closely related field is required.

Desired:

Possession of related professional licenses and/or certifications.
Extensive knowledge of Sustainability Groundwater Management Act (SGMA) legislation and guidelines.

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Tony Trembley, Councilmember, City of Camarillo

INTERIM EXECUTIVE OFFICER
Arne Anselm

January 22, 2025

REQUEST FOR QUALIFICATIONS (RFQ) FOR EXECUTIVE SEARCH AND RECRUITMENT SERVICES FOR THE POSITION OF EXECUTIVE OFFICER

1. Introduction

The Fox Canyon Groundwater Management Agency (Agency) is in need of assistance requiring a full-time Agency Executive Officer (EO) to manage the operations and technical studies needed to sustainably manage the groundwater basins within its jurisdiction. The Agency Executive Officer position has previously not been a dedicated full-time position, but with recent legislation and court action the Agency has grown significantly in staff, budget and responsibility.

2. Background

The Agency is an independent special district formed by the California Legislature in 1982 to manage groundwater in both over-drafted and seawater-intruded areas in southern Ventura County. The Agency manages and protects aquifers within several groundwater basins underlying the southern portion of Ventura County. In 2017, the Agency became the Groundwater Sustainability Agency (GSA) for the Arroyo Santa Rosa Valley, Las Posas Valley, Oxnard, and Pleasant Valley under the Sustainable Groundwater Management Act, and in 2024 became the court appointed Watermaster for the Las Posas Valley Basin. Agency administration and staffing are provided by the Ventura County Public Works Agency (PWA) staff under a contract between the Agency and the County of Ventura.

The Agency is funded by fees paid by those who extract groundwater within the Agency boundaries. These extraction fees are used by the Agency to administer and manage local groundwater resources within the Agency's boundary. The Agency works with owners and operators of wells within the district, and currently maintains and manages information about wells, their owners and operators, metered water extractions from wells, and charges associated with extractions. The Agency approves permits for new wells, tracks and regulates allocations for water extraction from wells to owners/operators, adjusts allocations based upon ordinance updates, collects fees semi-annually for water extraction, and assesses surcharges for extractions in excess of allocation and civil penalties for violations of the Agency Ordinance Code.

The Fiscal Year 2024-2025 budget for Agency and GSA activities is roughly \$12 million and includes a one-time project \$5 million monitoring well project. The Fiscal Year 2024-2025 budget for the Las Posas Watermaster, held separate from FCGMA funds, is approximately \$2.5 million.

Currently the Agency has 12 full-time staff for Agency, GSA, and Watermaster efforts with additional human resources, information technology, fiscal, and legal services provided by the County of Ventura. Contracts for special technical or legal services are routine. Review our website at www.fcgma.org, and see the FCGMA Fiscal Year 2024-2025 Proposed Budget Report¹ for more information.

As a groundwater management agency, the Agency historically managed the basins at the wellhead by requiring meters on extraction facilities, self-reporting of extractions by pumpers, charging fees for water pumped, and assessing surcharges for over-pumping and fines for non-compliance. Before becoming a GSA, the Agency was prohibited from the purchasing and selling of water and engaging in water infrastructure projects (e.g. pipelines, reservoirs). Future groundwater management by the Agency will include identifying, prioritizing and funding infrastructure project and management actions. A skilled and experienced EO is sought to transition the Agency into its new role.

2.1. Role of Executive Officer

Working directly with the Board, the EO provides overall strategic direction to ensure the groundwater strategy is effective. The Agency EO prepares Board agendas to present policies decisions to the Board and is responsible for directing staff to implement policies adopted by the Board and ensures Board directives are carried out effectively. Agency staff provides technical studies, policy analysis and logistical support to the Board of Directors to assist them in adopting, monitoring, and evaluating meaningful and effective policies, all under the leadership and direction of the Executive Officer

The Executive Officer also serves as the Agency's primary spokesperson with regards to stakeholders and the public, but all staff interact with stakeholders to assist with reporting, facilitate engagement, respond to inquiries, and provide technical project reviews. The Agency's EO provides effective communication to ensure legislative and regulatory compliance and facilitate and collaborate with inside and outside stakeholders to address stakeholder interests and concerns.

3. Scope of Work

1. Ideal Candidate Profile - The Agency has done the preliminary work of drafting a position description with qualifications, job duties and preliminary salary range (attachment 2). Review of this document to develop recruitment materials with ideal candidate profile for effective recruitment is needed. From this information recruitment outreach materials, brochure and/or web based, will be produced in coordination with the Agency's feedback. The outreach information will need to highlight the value of Fox Canyon Groundwater Management Agency and Ventura County including the professional opportunity and challenges of the position and the required and desirable candidate qualifications.
2. Recruitment of Candidates - Broadcast the position through all available methods including direct contact and paid advertisement.

¹ Link to PDF of FY 2045-2025 Proposed Budget Report: https://s42135.pcdn.co/wp-content/uploads/2024/10/FCGMA-FY-24-25-Proposed-Budget-Report_Adopted-20240925.pdf

3. Recommendation of Candidates - Screen applicants for candidate's ability, technical competency, and fit with the Agency's values, culture, and needs. Investigation should include level of commitment to the position and reasons interested. Notify all candidates not selected as finalists for the position.
4. Interview Facilitation - Guidance is requested to help analyze candidates' qualifications and organizational fit is needed including interview questions to highlight a candidate's technical knowledge, experience, leadership and operational management skills. The Agency anticipates an interview process with limited key stakeholder observing the initial screening interviews. Facilitation of interviews may be necessary. Coordination of interviews and process is requested.
5. Reference Check – Contact references to confirm candidate's professional references position qualifications and knowledge. Provide summary report summarizing findings and highlighting any discrepancies or relevant.

4. Proposal Requirements

Proposals submitted in response to this request should include the following elements:

- Cover letter
- Statement indicating understanding of project and desired outcome
- Detailed Scope of Work
- Project Schedule and anticipated end date
- Statement of Qualifications
- Project organizational chart identifying the project manager and main contact person as well as project team members and their positions.
- Resumes of key personnel
- Agreement that Agency staff must be notified in writing and pre-approve any change to the project team after proposal or award submittal, including subcontractors or sub consultants, if any.
- An estimate of number of hours by team member for Scope of Work by activity and Task Number.
- Cost estimate for Scope of Work by activity and Task Number, along with estimated number of hours by team member, billing rate, and total cost, "Cost Sheet", is to be included in a separate sealed envelope.
- Location of project office and home base of each project participant
- Proposed Consulting Services Agreement
- Minimum insurance requirements include: \$1,000,000 Commercial General Liability, Workers Compensation, and Automobile Liability. (The bidder shall at its own expense and cost, obtain and keep in force for the life of the contract, at least the minimum insurance requirements).
- Statement of no conflict of interest with this project
- Disclosure of nature of contact with any Agency Board member within the past six months

- An electronic (PDF) copies of the entire proposal must be submitted to the Agency no later than **5:00 p.m. on January 31, 2025**. Late proposals will not be considered.

If you have any questions regarding this Request for Proposal or require additional project details, please contact Interim Executive Officer Arne Anselm at (805) 654-3942 or arne.anselm@ventura.org.

Mail proposals to:

Fox Canyon Groundwater Management Agency
Attn: Ms. Elka Weber, Clerk of the Board
800 South Victoria Avenue, L#1610
Ventura, California 93009
Email: elka.weber@ventura.org

Award of Contract

All proposals will be reviewed by a proposal review panel to determine which proposals meet the format and submission requirements specified in this Request for Proposal. Proposals not meeting format and submission requirements shall be rejected as non-responsive.

There will be an initial screening based on the Statement of Qualifications. Qualified respondents will be evaluated against the criteria listed below and ranked. The proposals for the top three respondents, determined to be the most qualified that meet the format and submission requirements, will be evaluated according to the following weighted system:

1. Project Understanding: 10%
2. Approach and Schedule: 50%
3. Project Team and Experience: 40%

Based on this evaluation, interviews of top ranked Consultants may or may not be conducted. The review panel, if interviews are conducted, will include Agency staff.

The Agency will thereafter enter into negotiations for the award of a contract with the highest ranked Consultant, based on the above criteria as well as any interviews conducted, as determined by the Agency staff in their sole discretion.

The successful candidate will be required to enter into an agreement in the form required by Agency. Agency reserves the right in its sole discretion to reject any and all proposals submitted.

Attachments:

1. Fiscal Year 2024-2025 Proposed Budget Report
2. Draft Executive Officer Job Description

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

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BOARD OF DIRECTORS

Eugene F. West, Chair, *Director, Camrosa Water District*
Kelly Long, Vice Chair, *Supervisor, County of Ventura*
Michael Craviotto, Farmer, *Agricultural Representative*
Lynn Maulhardt, Director, *United Water Conservation District*
Tony Trembley, Councilmember, *City of Camarillo*

INTERIM EXECUTIVE OFFICER

Arne Anselm

January 22, 2025

Board of Directors
Fox Canyon Groundwater Management Agency
800 South Victoria Avenue
Ventura, CA 93009-1600

SUBJECT: Presentation on Las Posas Valley Basin Optimization Yield Study Preparation Schedule and Extension of Current Los Posas Valley Basin Operating Yield – (New Item)

RECOMMENDATIONS: (1) Receive a presentation on the schedule for preparation of the Las Posas Valley Basin Optimization Yield Study; and (2) Approve the extension of the initial operating yield of 40,000 Acre-Feet (AF) for Las Posas Valley Basin through Water Year (WY) 2025.

EXECUTIVE SUMMARY:

The schedule for preparation of the Las Posas Valley (LPV) basin optimization yield study cannot be completed according to the schedule set forth in the judgment entered in *Las Posas Valley Water Rights Coalition, et al. v. Fox Canyon Groundwater Management Agency, et al.*, Santa Barbara Sup. Ct. Case No. VENC100509700 (Judgment). Fox Canyon Groundwater Management (FCGMA) staff estimate completion of the basin optimization yield study in December 2025. Because water right holders' annual allocations are based on the annual operating yield to be set in the completed basin optimization yield study, FCGMA recommends extending the initial operating yield of 40,000 AF set forth in the Judgment an additional water year.

BACKGROUND

Basin Optimization Yield Study Requirement. The Judgment requires FCGMA the watermaster appointed by the Court to implement and administer the Judgment in the Las Posas Valley Groundwater Basin (LPV Basin), to prepare a Basin Optimization Yield Study. (Judgment, §§ 3.3, 4.10, 5.1.) The Basin Optimization Yield Study will establish the operating yield, and thus the amount and rate of rampdown, in each water year (WY) through WY 2039 so that the operating yield and sustainable yield for the LPV Basin match by WY 2040, and thus the LPV Basin is being managed sustainably in accordance with Sustainable Groundwater Management Act (SGMA) requirements. (Judgment, § 4.10.2.)

Schedule. Under the Judgment, the Basin Optimization Yield Study was to be completed, with consultation with the Las Posas Valley Policy Advisory Committee (PAC) and the Las Posas Valley Technical Advisory Committee (TAC), by January 29, 2025. (Judgment, Exh. A, § 2.10.1.) Due to existing SGMA obligations and other priorities established by the Judgment, the Basin Optimization Yield Study cannot be prepared and completed by the end of this month.

The Judgment required FCGMA to establish water right holder constituency groups, which were then responsible for selecting members to serve on the PAC. FCGMA notified water right holders of their constituency groups and scheduled constituency group meetings in the beginning of October 2023. Constituency groups held meetings to select their representatives to serve on the PAC in the middle and end of the same month, and PAC members were approved by the FCGMA Board on November 15, 2023. Thereafter, between January and March 2024, the PAC met to interview professional consultants to serve on the TAC. After receiving the PAC's nominations to the TAC, FCGMA negotiated professional services contracts with two of the three TAC members within two weeks. But a single TAC nominee insisted on special contract language beyond that agreed to by the other TAC members, delaying formation of the TAC by four weeks until the FCGMA Board approved all TAC contracts on June 3, 2024.

While FCGMA was notifying water right holders of their constituent groups and scheduling constituency group meetings, FCGMA was simultaneously preparing and implementing the new funding scheme required by the Judgment. This required FCGMA to notify all water right holders of the new basin assessments, calculate each holder's respective water right allocation and assessment, and collect (and enforce the collection of) basin assessments to the fund the activities and work required by the Judgment. At the same time, FCGMA developed an entirely new, online system for reporting groundwater extractions and use. (Judgment, Exh. A, § 5.) This required FCGMA to prepare and send notices of the Judgment's reporting requirements to water right holders, to hire a professional consultant to build an online reporting tool and prepare materials instructing holders on how to access and use the online tool to report their groundwater extraction and use.

The Judgment's committee consultation process also added time to the schedule for preparation of the Basin Optimization Yield Study. Under the Judgment, the first step in preparing the Basin Optimization Yield Study is for FCGMA to prepare a scope of work for a professional consultant to prepare the study for TAC consultation. FCGMA completed this scope of work in late 2023. But because the TAC was not established until July 2024, FCGMA could not refer the draft Basin Optimization Yield Study Scope of Work to TAC until July 2024, thus delaying the start of all TAC work under the Judgment by more than 10 months. Similarly, following FCGMA's request for consultation on the draft scope of work for preparation of the Basin Optimization Yield Study scope, TAC proposed additional modeling scenarios and requested two additional consultations with FCGMA

and Dudek during preparation of the study. TAC's proposals and requests, which were accepted by FCGMA, have been accounted for in FCGMA's further amended schedule (attached as Exhibit 15A), which currently anticipates completion of the Basin Optimization Yield Study in December 2025, approximately 11 months after the deadline established in the Judgment.

FCGMA staff and consultants also spent a significant part of 2024 preparing the evaluations required by SGMA of the groundwater sustainability plans for the three basins in FCGMA's jurisdiction, including hosting stakeholder presentations, four technical/modeling workshops, several board items throughout 2024, and accommodating the committee consultation processes set forth in the Judgment by attending PAC and TAC meetings and responding to PAC and TAC comments on draft evaluations of the groundwater sustainability plans for the LPV Basin. In addition, FCGMA staff and professional consultants were regularly called to assist agency and outside counsel to defend FCGMA authorities under the Judgment in court. For example, in March 2024, when it was determined that the Judgment's schedule for several items could not be kept, FCGMA sought to amend the schedule with PAC support. After presenting a draft revised schedule to PAC and incorporating most of its suggested changes, outside counsel sought to negotiate with LPV Adjudication settling parties a joint motion in support of the revised schedule recommended by FCGMA staff and approved by the PAC. Ultimately, FCGMA filed a motion to amend the schedule; however, the preceding negotiations and the PAC consultation process added an additional six weeks to the schedule previously approved by FCGMA and PAC. Although the settling parties did not oppose the motion, they have since successfully persuaded the Court to impose additional requirements on FCGMA. The need to address and respond to ongoing court filings has the continued effect of redirecting staff and consultant resources away from basin management activities and Judgment implementation efforts.

DISCUSSION:

Schedule for Preparation of the Basin Optimization Yield Study. As explained above, the Basin Optimization Yield Study cannot be completed by the dates included in the Judgment (January 29, 2025) nor the amended schedule approved by PAC (May/June 2025). Currently, FCGMA staff and consultants estimate completion of the Basin Optimization Yield Study in December 2025.

In its December 4, 2024, status conference statement, FCGMA notified the court of the inability to complete the Basin Optimization Yield Study according to the current schedule. After noting completion of the first four tasks of the Basin Optimization Yield Study, FCGMA's status conference statement proposed amending the schedule for completion of remaining Basin Optimization Yield Study tasks by the following dates:

- Model scenario development, including committee consultation process with TAC – January and February 2025

FCGMA Board Meeting
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January 22, 2025

- Modeling of baseline and project scenarios, including committee consultation process with TAC – February through June 2025
- Draft Basin Optimization Yield Study referred to PAC and TAC – August 11, 2025
- PAC and TAC Recommendation Reports to Watermaster on draft Basin Optimization Yield Study – October 10, 2025
- Recommendation Report discussed by Watermaster – November 8, 2025
- Watermaster Adoption of the Basin Optimization Yield Study and Basin Optimization Yield – December 12, 2025

This schedule for completion of remaining tasks was developed by FCGMA staff in conjunction with its professional consultant Dudek and takes into account the time necessary to complete technical work required for the Study by the Judgment, to include the technical work and consultations with FCGMA requested by TAC, and to prepare recommendation reports that sufficiently respond to PAC's and TAC's comments on modeling data and draft versions of the study prior to it being adopted by your Board. The entire revised schedule, submitted to the Court with FCGMA's December 4, 2024, status conference statement.

It should be noted that the Court previously provided direction to FCGMA and the parties regarding the process for amending the deadlines included in the Judgment while appeals are pending. Following the September 4, 2024, hearing on FCGMA's Motion to Amend the Judgment, the Court denied FCGMA's motion to amend the deadlines included in the Watermaster Rules because the Court determined it was without jurisdiction to amend the Judgment given the pending appeals. But, at the same time, the Court also confirmed the amended schedule proposed by FCGMA. The Court's decision provides: "As noted above, there is no factual dispute that FCGMA cannot reasonably comply with the deadlines as they now exist in the Judgment and that extending the deadlines as requested in this motion is appropriate under the circumstances." (September 4, 2024, Order, at p. 12.) Accordingly, although the Court confirmed that there were "exigent circumstances" by which the Watermaster may extend the deadlines" and further confirmed that the deadlines were properly delayed by Watermaster. (September 4, 2024, Order, at p. 12.) The Court also held that FCGMA may file a future "motion to amend to include conforming amendments after the issuance of all remittiturs" (i.e., the conclusion of the appeals).

As noted above, and consistent with the Court's prior direction, FCGMA submitted the amended schedule for completion of the Basin Optimization Yield Study to the Court as part of its December 4, 2024, status conference. FCGMA also shared its further amended schedule for completion of the Basin Optimization Yield Study with the PAC and TAC on December 23, 2024. FCGMA's memoranda to PAC and TAC requested that the committees provide their comments and recommendations on the further amended schedule to FCGMA by January 31, 2025.

United Water Conservation District Modeling. Preparation of the Basin Optimization Yield Study requires modeling of certain basin scenarios, including modeling conditions in the West Las Posas Management Area. Although it has access to another model for evaluating scenarios in the East Las Posas Management Area, FCGMA has historically contracted with United Water Conservation District (United) to run model scenarios in the West Las Posas Management Area given the general acceptance that United's model for the West Las Posas Management Area, which incorporates United's modeling of surface water diversions from the Santa Clara River, is the best resource for estimating future basin conditions. However, to date, FCGMA has been unable to contract with United for similar modeling services for preparation of the basin optimization yield study. In October 2024, FCGMA staff thought it had reached an agreement with United for such services, and consequently prepared a board letter and draft contract for your Board's approval at the October 23, 2024, meeting. But at United's request, the item was pulled from the agenda. Since October 2024, FCGMA has tried unsuccessfully to discuss and obtain an agreement with United for the necessary modeling services at the staff level, the executive management level, and at the counsel level.¹

If FCGMA is unable to contract with United for the modeling of scenarios in the West Las Posas Management Area, the Basin Optimization Yield Study will need to be prepared without United's modeling services. FCGMA staff asked Dudek to develop alternatives to using United's modeling services to prepare the Basin Optimization Yield Study. Dudek has identified the following three alternatives, each of which would add time to the further amended schedule proposed by FCGMA for completion of the Basin Optimization Yield Study:

1. Estimation of Basin Optimization Yield and Rampdown Using GSP Evaluation Model Simulations
 - a. This alternative would utilize model results presented in the LPV Groundwater Sustainability Plan (GSP) Periodic Evaluation and may require additional technical analyses to characterize the impacts of allocation distributions on the WLPMA yield.
 - b. Estimated Schedule Impact: Additional 3 to 6 months to the schedule set forth in Exhibit A.
2. Estimation of Basin Optimization Yield and Rampdown Using Historical Groundwater Elevation Measurements and Extraction Reports
 - a. This alternative would consider the relationship between groundwater levels and pumping to estimate the WLPMA yield.
 - b. Estimated Schedule Impact: Additional 3 to 6 months to the schedule set forth in Exhibit A.

¹ On January 16, 2024, United's outside counsel reported that United would accept the draft contract proposed by FCGMA (based on United's standard contract template), but it is still reviewing the scope of work which includes the model files and modeling services.

3. Development of a New Numerical Groundwater Flow Model for the West Las Posas Management Area
 - a. This approach would cover the development of a new model for the WLPMA that is distinct from UWCD's Updated Coastal Plain Model. The model would be developed and maintained by FCGMA.
 - b. Estimated Schedule Impact: Additional 18 to 24 months to the schedule set forth in Exhibit A.

These alternatives to using United's models were shared with the PAC and TAC in December 2024. Specifically, in addition to requesting recommendations on FCGMA's further amended schedule for preparation of the Basin Optimization Yield Study, FCGMA's December 23, 2024, memoranda to PAC and TAC requested comments and recommendations regarding the use of the above model alternatives, and their respective schedule impacts, to FCGMA's further amended schedule for preparation of the Basin Optimization Yield Study, which estimates completion in December 2025. At the January 7, 2025, meeting, TAC members noted that time estimates for the first and second alternatives described above appeared reasonable and that the third alternative appeared aggressive.

Extension of Operating Yield. The Judgment establishes an initial operating yield of 40,000 AF for WY 2023 (October 2023 – September 2024) and WY 2024 (October 2024 – September 2025). (Judgment, § 4.9.1.1.) Thereafter, the Basin Optimization Yield Study will be used to establish the operating yields for each water year from WY 2025 through WY 2039. (Judgment, § 4.10.2.) These operating yields will then be used to determine the amount and rate of rampdown required in each water year so that extractions match the sustainable yield of the LPV Basin by WY 2040 as required by SGMA. (Judgment, § 4.10.1.4.)

As explained above, however, FCGMA estimates that the Basin Optimization Yield Study cannot be completed until December 2025 (at the earliest), which means that the Basin Optimization Yield Study would not be complete to determine the operating yield for WY 2025, which is the first water year the Basin Optimization Yield Study was to be used to set the operating yield and rampdown rate/amount. In order to ensure that an accurate operating yield is determined and an appropriate rampdown rate/amount is adopted, FCGMA proposes extending the initial operating yield of 40,000 AF established by the Judgment one year to allow completion of the Basin Optimization Yield Study. Extension of the initial operating yield would delay rampdown in the LPV Basin. But it would allow preparation of an accurate, and thus more meaningful, Basin Optimization Yield Study for basin management purposes. Additionally, extension of the initial operating yield for a single water year would allow additional time following completion of the Basin Optimization Yield Study for the new operating yield and rampdown rate/amount to be reviewed by PAC and TAC, to be discussed with water right holders and stakeholders, and to account for any judicial proceedings that may follow completion of the Basin

FCGMA Board Meeting
Item 15
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Optimization Yield Study and your Board's adoption of an operating yield and rampdown rate/amount for WY 2026.

FCGMA's consultant, Dudek, is preparing a basic analysis of potential impacts to the LPV Basin if the initial operating yield of 40,000 AF is extended through WY 2025. Among other things, that analysis will evaluate the impact of extending the initial operating yield an additional year on achievement of sustainability by 2040 based on the minimum thresholds and measurable objectives set in the groundwater sustainability plan for the LPV Basin. The principal impact is anticipated to be additional rampdown (if required) starting October 2026 rather than in October 2025. Accordingly, staff recommends that your Board approve extending the initial operating yield of 40,000 AF through WY 2025 if Dudek's analysis demonstrates that doing so will not adversely affect the ability to achieve sustainability by 2040, as set in the groundwater sustainability plan for the LPV Basin.

CONCLUSION:

Staff recommends that your Board **(1)** receive and file this report and provide feedback as appropriate; and **(2)** approve extending the initial operating yield of 40,000 AF through WY 2025 if Dudek's analysis demonstrates that doing so will not adversely affect the ability to achieve sustainability by 2040 (as set forth in the LPV Basin Groundwater Sustainability Plan).

This letter has been reviewed by Agency Counsel. If you have any questions, please call me at (805) 654-3942.

Sincerely,



Arne Anselm
Interim Executive Officer

Attachments:

Exhibit 15A – Revised Basin Optimization Yield Study Schedule

Basin Optimization Yield Study Schedule

Description	Duration (days)	Date
Draft scope of work & budget for study referred to TAC		7/16/2024
PAC & TAC Recommendation Reports to Watermaster	42	8/27/2024
Watermaster Board direction on TAC recommendations / response reports & approval of SOW and budget	57	10/23/2024
Draft Basin Optimization Plan completed	47	12/9/2024
Development of the draft BOY Study		
UWCD Model File Submittal		1/1/2025
Task 1 - Model Scenario Development	29	1/7/2025
TAC Recommendation Report	14	1/21/2025
Watermaster Response Report	14	2/4/2025
Recommendation & Response Reports discussed by WM Board at special meeting.	10	2/14/2025
Task 2 - Numerical Modeling		
Task 2.1 - Baseline Scenario	21	2/25/2025
Task 2.2 - Projects Scenario	28	3/25/2025
TAC review of Baseline and Projects for 4/1/25 TAC meeting	7	4/1/2025
TAC Recommendation Report	21	4/22/2025
Watermaster Response Report	21	5/13/2025
Recommendation & Response Reports discussed by WM Board	15	5/28/2025
Task 2.3 - Model Alternative Pumping Scenarios	30	6/27/2025
Task 4 - Basin Optimization Yield Study		
Task 4.1 - Draft BOY Study	45	8/11/2025
PAC & TAC Recommendation Reports	60	10/10/2025
Watermaster Response Report & revised draft BOY Study	21	10/31/2025
Recommendation & Response Reports discussed by WM Board, Board provides direction on revised draft BOY Study	8	11/8/2025
Task 4.2 - Final BOY Study development following Watermaster Board review	28	12/6/2025
Watermaster Board approval of final BOY Study	6	12/12/2025
Total Days from Authorization to Proceed:		415

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

Eugene F. West, Chair, Director, Camrosa Water District
Kelly Long, Vice Chair, Supervisor, County of Ventura
Michael Craviotto, Farmer, Agricultural Representative
Lynn Maulhardt, Director, United Water Conservation District
Tony Trembley, Councilmember, City of Camarillo

INTERIM EXECUTIVE OFFICER

Arne Anselm

January 22, 2025

Board of Directors
Fox Canyon Groundwater Management Agency
800 South Victoria Avenue
Ventura, CA 93009-1600

SUBJECT: Approve a Contract with Brown Armstrong Accountancy Corporation for Certified Financial Audit and Review Services for the Las Posas Valley Watermaster – (New Item)

RECOMMENDATION: Approve and authorize the Executive Officer to sign a contract with Brown Armstrong Accountancy Corporation for certified audit and review services for the Las Posas Valley (LPV) Watermaster, effective from January 22, 2025, through February 12, 2027, in the total not-to-exceed amount of \$59,600.00.

BACKGROUND:

The judgment entered in *Las Posas Valley Water Right Coalition, et al. v. Fox Canyon Groundwater Management Agency, et al.*, Santa Barbara Sup. Case No. VENC100509700 (Judgment), requires that “[t]he finances of Watermaster shall be subject to an annual audit by a certified public auditing firm. A full certified audit shall be accomplished every three years. An audit review shall be accomplished in the other two years.” (Judgment § 7.7) Among other things, the Judgment requires that the audit be included in the annual reports due to the Department of Water Resources and the Court every April 1. (Judgment, § 5.2.3, Exh. A, § 2.7.10.)

Watermaster staff worked with Ventura County Public Works Agency-Fiscal Services staff to prepare a request for proposals (RFP), with the solicitation being open from October 2024 through early November 2024. Staff did not receive any proposals in response to the first RFP. Subsequently, Watermaster updated the RFP and released an updated version in December 2024, with an early January 2025 deadline (Exhibit 16A).

DISCUSSION:

On January 10, 2025, Watermaster staff received a comprehensive proposal from Brown Armstrong Accountancy Corporation (Exhibit 16B). The proposal addresses each element of the updated RFP and its requirements in detail. Accordingly, staff have prepared a draft contract and scope of work based on the proposal and Judgment

requirements with a not to exceed limit of \$59,600.00. The tentative breakdown of costs per year is set forth in the following table.

Fiscal Year	Services Required	Deadline	Cost Per Task
2023-2024	Review Engagement	March 3, 2025	\$17,650
2024-2025	Review Engagement	February 13, 2026	\$14,150
2025-2026	Full Certified Audit	February 12, 2027	\$27,800

The FY 2024-2025 LPV Watermaster Budget includes a line item of \$20,000 for auditing services, which will cover the amount of the FY 2023-2024 review due in March. Staff anticipates budgeting for auditing and review services for the following fiscal years with consideration of the amounts presented in the attached materials.

CONCLUSION:

Given the attention to detail and adequacy of the Brown Armstrong Accountancy Corporation proposal, and the fact that this was only proposal the Agency received in response to two RFPs, Watermaster staff recommends your Board approve, and authorize the Interim Executive Officer to sign, the attached contract with Brown Armstrong Accountancy Corporation for certified audit and review services for the LPV Watermaster, effective from January 22, 2025 to February 12, 2027, in the total not-to-exceed amount of \$59,600.00.

This letter has been reviewed by Agency Counsel. If you have any questions, please call me at (805) 654-2954.

Sincerely,



Kudzai Farai Kaseke (Ph.D., PH, PMP, CSM)
Assistant Groundwater Manager

Attachments:

- Exhibit 16A – LPV Watermaster Solicitation Letter and RFP
- Exhibit 16B – Brown Armstrong Accountancy Corporation Proposal
- Exhibit 16C – Draft Contract and Exhibits for LPV Watermaster Auditing and Review Services

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

Eugene F. West, Chair, Director, Camrosa Water District
Kelly Long, Vice Chair, Supervisor, County of Ventura
Michael Craviotto, Farmer, Agricultural Representative
Lynn Maulhardt, Director, United Water Conservation District
Tony Trembley, Mayor, City of Camarillo

INTERIM EXECUTIVE OFFICER

Arne Anselm

December 10, 2024

Bartlett, Pringle & Wolf LLP
Attention: Tracy Solomon
1123 Chapala Street, 3rd Floor
Santa Barbara, CA 93101

SUBJECT: REQUEST FOR AUDITING AND REVIEW ENGAGEMENT SERVICES PROPOSAL FOR LAS POSAS VALLEY WATERMASTER

Dear Ms. Solomon,

The County of Ventura is currently soliciting proposals to perform auditing and review engagement services for Las Posas Valley Watermaster, for Fiscal Years 2023/2024, 2024/2025, and 2025/2026.

The services required for each Fiscal Year are outlined in the below chart. Our Fiscal Year (FY) spans July 1 to June 30, annually. No previous audit or review engagement has been conducted on LPV Watermaster as it is a new entity.

Fiscal Year	Services Required	Anticipated Deadline
2023/2024	Review Engagement	March 3, 2025
2024/2025	Review Engagement	February 13, 2026
2025/2026	Full Certified Audit	February 12, 2027

We invite your proposal to furnish independent review engagement and auditing services to cover the specifications as outlined in the attached formal Request for Proposals (RFP).

Proposals for auditing and review engagement services of LPV Watermaster's accounts for the specified Fiscal Years must be received by our office no later than 5:00 P.M., Friday, January 10, 2025, to be considered. Proposals received earlier than the deadline are appreciated.

For further information in developing your bid, review the LPV Watermaster section of the FCGMA website at <https://fcgma.org/las-posas-valley-watermaster/> or contact us with questions or requests via the email fcgma@ventura.org.

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

Eugene F. West, Chair, *Director, Camrosa Water District*
Kelly Long, Vice Chair, *Supervisor, County of Ventura*
Michael Craviotto, *Farmer, Agricultural Representative*
Lynn Maulhardt, *Director, United Water Conservation District*
Tony Trembley, *Mayor, City of Camarillo*

INTERIM EXECUTIVE OFFICER**Arne Anselm**

Thank you for your attention and interest in our request.

Sincerely,

Arne Anselm,
Interim Executive Officer, Fox Canyon Groundwater Management Agency,
Las Posas Valley Watermaster

Enclosure: Attachment A

REQUEST FOR AUDITING AND REVIEW ENGAGEMENT SERVICES PROPOSAL

LAS POSAS VALLEY WATERMASTER

For services covering Three Fiscal Years:
1st Review Engagement for the Fiscal Year ended June 30, 2024
2nd Review Engagement for the Fiscal Year ending June 30, 2025
Full Certified Audit for the Fiscal Year ending June 30, 2026

I. INFORMATION FURNISHED BY COUNTY

A. General Information

Interested firms should submit proposals to arrive no later than 5:00 p.m., Friday, January 10, 2025. Late responses will not be considered.

Please send proposals to:

Arne Anselm
FCGMA Interim Executive Officer, LPV Watermaster
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009-1610

fcgma@ventura.org

Additionally, questions concerning the Las Posas Valley Watermaster (LPV Watermaster), or this proposal, can be directed to:

Alisha Redican
Accounting Manager, Public Works Agency
(805) 654-2093

B. Nature of Services Required

LPV Watermaster requires two (2) separate reviews of financial statements (review engagements) and one (1) full certified audit to provide services that cover its first three years of operation. No previous audit or review engagement has been conducted on LPV Watermaster as it is a new entity.

The first review engagement will span its first year of operation, the Fiscal Year ended June 30, 2024, and shall include a review report. The second review engagement will cover the Fiscal Year that will end June 30, 2025, and shall include a review report. The review engagements will be made in accordance with generally accepted standards for the Review of Financial Statements embodied in *Statements*

Request for Proposal: LPV Watermaster

Attachment A

on *Standards for Accounting and Review Services*, published by the American Institute of Certified Public Accountants (AICPA) and *Government Auditing Standards*¹ issued by the Comptroller General of the United States.

The full certified audit will cover the Fiscal Year that will end June 30, 2026, and will include a detailed report that includes an overview of findings and recommendations in accordance with generally accepted auditing standards embodied in *Statements on Auditing Standards* issued by the AICPA and *Government Auditing Standards* issued by the Comptroller General of the United States.

Fiscal Year	Services Required	Anticipated Deadline
2023/2024	Review Engagement	March 3, 2025
2024/2025	Review Engagement	February 13, 2026
2025/2026	Full Certified Audit	February 12, 2027

C. Description of Entity and Records to be Reviewed

The Fox Canyon Groundwater Management Agency (FCGMA), an independent special district currently staffed by the County of Ventura, was created to manage and preserve groundwater resources within its boundaries and is considered a special district under the California Water Code. FCGMA was appointed LPV Watermaster by the Courts on July 10, 2023. The LPV Watermaster² implements and administers the judgment entered in *Las Posas Valley Water Rights Coalition, et al. v. Fox Canyon Groundwater Management Agency*, Santa Barbara Sup. Ct. Case No. VENC100509700 (Judgment). FCGMA remains responsible for implementing and complying with SGMA and the Fox Canyon Groundwater Management Agency Act.

Per the LPV Judgment, “the finances of Watermaster shall be subject to an annual audit by a certified public auditing firm. A full certified audit shall be accomplished every three years. An audit review shall be accomplished in the other two years.” (Judgment § 7.7.6.) The Judgment also specifies, “all funds received, held, and disbursed by Watermaster pursuant to the Judgment shall be held in Watermaster account(s) separate from all FCGMA accounts, and subject to separate accounting and an independent audit.” (Judgment § 2.7.4.)

LPV Watermaster would like to clarify that the language used in the Judgment, cited above, specifies an “audit review,” which is interpreted as correlating to the terminology that indicates a review engagement, or a review of financial statements.

LPV Watermaster’s efforts are financed mainly with basin assessment fees and/or penalties/interest on delinquent accounts. LPV Watermaster funds are held separate from FCGMA accounts as of April 2024.

LPV Watermaster is a new entity as of July 10, 2023, and has not previously been audited or reviewed. LPV Watermaster does not anticipate the review engagements

Request for Proposal: LPV Watermaster

Attachment A

to require a lengthy commitment of time each year on the awarded firm's part. LPV Watermaster does anticipate that the two review engagements, once completed, will help to inform the more detailed, involved process of the FY 2025/2026 full certified audit of LPV Watermaster's financial statements.

For more information about LPV Watermaster, visit the website at <https://fcgma.org/las-posas-valley-watermaster/>.

D. Time Considerations and Requirements

1. Proposals must be submitted to arrive on or before 5:00 p.m., Friday, January 10, 2025. Proposals received earlier than the deadline are appreciated.
2. The contract is scheduled to be reviewed and approved by LPV Watermaster Board of Directors, and subsequently awarded by LPV Watermaster, in January 2025.
3. Reports for each element of work contracted are due for completion and delivery promptly to ensure adequate time for Advisory Committee review, followed by Board review and approval for inclusion in an Annual Report due to the California Department of Water Resources (DWR) on April 1, 2025³.

Hence, a review report of financial statements (5 copies) covering Fiscal Year 2023/2024 must be delivered to LPV Watermaster no later than March 3, 2025, for the first review engagement; the review report of financial statements covering Fiscal Year 2024/2025 (5 copies) must be delivered to LPV Watermaster on or before February 13, 2026. Accordingly, the full certified audit of LPV Watermaster's financial statements, covering Fiscal Year 2025/2026 (5 copies), must be delivered to LPV Watermaster on or before February 12, 2027.

II. INFORMATION REQUESTED FROM CPA FIRM

To obtain the maximum degree of comparability for a uniform review process and full certified audit, proposals must be organized in the manner specified.

A. Title Page

Show the Request for Proposal (RFP) subject, the name of your firm, local address, telephone number, name of the contact person, and date.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Letter of Transmittal

Limit to one or two pages.

1. Briefly state your firm's understanding of the work to be done and make a positive commitment to perform the work within the time period.

Request for Proposal: LPV Watermaster

Attachment A

2. Provide the names of the persons who will be authorized to make representations for your firm, their titles, address, and telephone numbers.

D. Profile of the CPA Firm

1. State whether the firm is local, national, or international.
2. Provide the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
3. Describe the range of activities performed by the local office such as audit, accounting, tax services, and management services.
4. Describe the local office's computer systems capability, including the numbers and classifications of personnel skilled in computer sciences who will work on the audit.
5. State whether the firm is: properly licensed for practice as a CPA; meets independence requirements; has any record of substandard performance; and meets all requirements imposed by state and local laws, rules, and regulations.
6. Provide a statement and copy of the most recent peer review opinion letter regarding the firm's participation in a quality control peer review.

E. Summary of Firm Qualifications

1. Identify the partners, managers, and supervisors who will work on the review engagement and/or full audit, including staff from other than the local office. Resumes for key personnel to be assigned to the review should be included as an appendix.
2. Describe recent local and regional office governmental auditing experience similar to the type of engagement review requested and give the names and telephone numbers of responsible client officials of two (2) of the comparable engagements.

F. Scope Section

Clearly describe the scope of your firm's understanding of the required services to be provided in terms of the matters discussed in the following subsections.

1. The review engagements will be made in accordance with AR-C section 90, Review of Financial Statements, embodied in Statements on Standards for Accounting and Review Services published by American Institute of Certified Public Accountants and Government Auditing Standards issued by the Comptroller General of the United States. The audit will be made in accordance with Generally Accepted Auditing Standards, embodied in Statements on Auditing Standards published by the American Institute of Certified Public Accountants and Government Auditing Standards issued by the Comptroller General of the United States.
2. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, the auditor will promptly advise LPV Watermaster's Audit Coordinator. No extended services will be performed unless

Request for Proposal: LPV Watermaster

Attachment A

they are authorized in the contractual agreement or in a written and approved amendment to the agreement.

3. The auditor will provide a work plan with related time estimates for each segment of work required to accomplish each review engagement, and a work plan with related time estimates for each segment of significant work required to accomplish the full certified audit.
4. The auditor will provide a review report for each review engagement, and a full audit report for the certified audit, in accordance with the standards referenced in this request.

G. Additional Information

Since information not specifically requested must be excluded from the foregoing proposal sections, give any additional information considered essential to meeting reporting requirements in this section. Publications of the CPA firm, such as directories, articles, and lists of clients should not be included.

If there is no additional information to present, state in this section, "There is no additional information we wish to present."

H. Compensation

Estimate the total hours, the estimated out-of-pocket costs, and the resulting all-inclusive maximum annual fee for which the requested work will be done. Please include a breakdown of costs for each review engagement, and for the full certified audit.

An appendix stating the hourly rates for each staff classification is required.

State whether data processing will be used in the performance of work and, if so, estimate the data processing resources LPV Watermaster will need to supply in terms of computer time, operator time, and programmer time.

Please provide a payment schedule if partial payments are requested. The payment schedule should include a ten percent (10%) retention to be paid upon receipt of five (5) copies of the audited financial statements for each review engagement or for the full certified audit.

III. EVALUATION OF PROPOSALS

Proposals will be evaluated to ascertain which CPA firm best meets the needs of LPV Watermaster. Oral interviews may be necessary to assist in making the final selection.

Evaluation considerations will include the following:

- A. Responsiveness of the proposal by clearly stating the understanding of the work to be performed.

Request for Proposal: LPV Watermaster

Attachment A

- B. Cost, although a significant factor, may not be the dominant factor. Cost is particularly important when all the other evaluation criteria are relatively equal.
- C. Availability of the team and auditors to ensure timely completion.
- D. A description of the work plan with dates of arrival and completion, and hours by team.
- E. Technical experience of the firm.
- F. Experience and professional activities of the audit team.
- G. Size and structure of the firm.
- H. Past performances of the CPA firm on work previously performed for independent special districts comparable to the FCGMA, or for entities comparable to LPV Watermaster.

The FCGMA, acting as LPV Watermaster, reserves the right to reject any and all proposals submitted and to request additional information from those making proposals. The award will be made to the firm which, in the opinion of LPV Watermaster and its Board of Directors, is best qualified.

After selection of the contractor, LPV Watermaster reserves the right to enter into negotiations with the contractor for additional work, and/or to further define work requirements for the contract period.

Thank you for considering our request for proposals for review engagements and a full certified audit of LPV Watermaster's financial statements. We look forward to receiving your proposal.

¹ The LPV Judgment refers to "audit reviews," which we equate to Review Engagements, as described on p. 172 of GAO-24-106786, Government Auditing Standards, 2024 Revision: <https://www.gao.gov/assets/d24/106786.pdf>, and/or Review of Financial Statements as described by AICPA AR-C Section 90: <https://us.aicpa.org/content/dam/aicpa/research/standards/compilationreview/downloadabledocuments/ar-c-00090.pdf>

² See Judgment § 2.1: <https://s42135.pcdn.co/wp-content/uploads/2023/08/Judgment-w-Exhibits.cleaned.pdf#page=80>

³ See Judgment § 2.7.10: <https://s42135.pcdn.co/wp-content/uploads/2023/08/Judgment-w-Exhibits.cleaned.pdf#page=83>



PROPOSAL

FOR AUDITING AND REVIEW SERVICES

PREPARED FOR
Las Posas Valley Watermaster

JANUARY 10, 2025

PREPARED BY
Brown Armstrong Accountancy Corporation

Brooke Baird, CPA | Partner
4200 Truxtun Avenue, Suite 300
Bakersfield, California 93309

T: (661) 324-4971 | F: (661) 324-4997 | E: hbaird@ba.cpa



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C. Letter of Transmittal

January 10, 2024

Arne Anselm
Interim Executive Officer
Las Posas Valley Watermaster
County of Ventura
800 South Victoria Avenue
Ventura, California 93009-1610

Dear Mr. Anselm:

Brown Armstrong Accountancy Corporation (Brown Armstrong) is pleased to submit this proposal to perform financial review and audit services to the Las Posas Valley Watermaster (LPVW) for the fiscal years ending June 30, 2024, 2025 and 2026. We believe our proposal exceeds the requirements outlined in your request for proposal.

We have thoroughly read your request for proposal (RFP) and understand its requests. We feel that we are the best candidate to meet your needs as listed in the RFP. We are committed to performance and the efficient completion of this audit on or before the dates you desire. At Brown Armstrong, we understand that your timeframes must be met. As one of our key strengths, we develop an approach by which specific deliverables are achieved within set timeframes. We will work with you to develop a timeline that meets your specific requirements, meeting dates, field work dates, status reporting dates, and final report dates.

Known as one of the largest regional accounting firms in Central California, Brown Armstrong's mission is "to exceed expectations and provide opportunities." Our sixty (60) employees lead us in achieving this mission by working with our clients individually to overcome any challenges with a special combination of knowledge and experience in governmental audits. We have audited numerous agencies similar to yours for four decades. We are experts in governmental accounting and auditing and have assisted numerous clients in receiving the Certificate of Achievement for Excellence in Financial Reporting.

Our firm's partners, managers, and seniors are actively involved in trade associations such as the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers. Several of our Partners are pro bono recognized reviewers for the GFOA Certificate of Achievement Award Committee. We enthusiastically contribute our time to this Award process because as we review Annual Comprehensive Financial Reports (ACFRs) from all across the United States, we maintain current, up-to-date knowledge of municipal accounting principles.

1

BAKERSFIELD
4200 Truxtun Avenue, Suite 300
Bakersfield, CA 93309
661-324-4971

FRESNO
10 River Park Place East, Suite 208
Fresno, CA 93720
559-476-3592

STOCKTON
2423 West March Lane, Suite 202
Stockton, CA 95207
209-451-4833

Beyond the activity in trade associations, we offer our clients the education and organization to prepare themselves for upcoming regulation and compliance changes.

Our approach, people, commitment to timelines, and dedication to financial reporting excellence makes Brown Armstrong the best-qualified firm to meet your needs.

I certify that the requirements of the project as described in the RFP have been reviewed and I have conducted all necessary due diligence to confirm material facts upon which this proposal is based. In addition, I certify that Brown Armstrong and its employees are free from any conflicts of interest.

I will be the engagement partner and primary liaison responsible for all services provided to the LPVW, and I am entitled to represent the firm, empowered to submit this bid, and authorized to negotiate and sign a contract with the LPVW. I can be contacted at 4200 Truxtun Ave, Suite 300, Bakersfield, CA 93309, Tel (661) 324-4971, Fax (661) 324-4997, or by email at bbaird@ba.cpa.

I, the undersigned, certify that I am duly authorized to represent the above named firm and am empowered to submit this bid. In addition, I certify that I am authorized to contract with the LPVW on behalf of the above named firm. Please contact me if I can clarify or expand on any item contained in this proposal. We are available for an oral presentation, if requested. This proposal is a firm and irrevocable offer for one hundred twenty (120) days.

Sincerely,

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



By: Brooke Baird, CPA
Partner

California Corporation Number: C0808648

Incorporation Date: February 10, 1977

Registered as:

Brown Armstrong Accountancy Corporation

4200 Truxtun Avenue, Suite 300

Bakersfield, CA 93309

Title of person signing on behalf of the corporation: Partner

D. Firm Profile

Established in 1974, Brown Armstrong is one of the largest regional accounting firms serving California. We have built a full-service accounting and consulting firm serving clients from San Diego to Humboldt County. The dimension that Brown Armstrong is able to offer the LPVW is dedicated years in public accounting, which has enabled us to become a true advisor to your organization and an assistant to your financial success. Now, with sixty (60) highly skilled employees, Brown Armstrong continues its growth as a regional firm by offering auditing, tax, accounting, consulting, and assurance services to governmental entities, nonprofits, corporations, partnerships and individuals in California.

Office Locations

All staff assigned to your engagement will be employed on a full-time basis from the Bakersfield office.

The firm now employs 60 people as follows:

<i>Our Staff</i>		<i>Bakersfield Office</i>	
Partners	9	Partners	8
Managers	9	Managers	7
Seniors	13	Seniors	10
Staff	13	Staff	9
Support Staff	<u>16</u>	Support Staff	<u>16</u>
	<u>60</u>		<u>50</u>

Services We Provide

Brown Armstrong is a full-service accounting firm. Our accountants have the expertise to provide audit and review, accounting, tax, and business services. In addition to these services, the Firm’s accountants and consultants practice in the areas of risk assessment and Sarbanes-Oxley solutions, state and local tax, estate planning/wealth transfer, and information technology. We also perform peer reviews for other accounting firms. Our main Bakersfield office performs all listed services whereas our Stockton and Fresno offices perform mainly audit engagements.

Our governmental audit staff is made up of forty (40) professionals who are experts in their field. We have crafted expertise in auditing the public sector since the birth of the company. Through tireless planning, relationship building, and knowledge of the realm, we are dedicated to serving our clients and exceeding their needs and expectations.

Information Technology

Brown Armstrong uses Windows Server 2019 virtual servers in a VMWare environment hosted on redundant Cisco UCS physical servers. We use Microsoft 365 for our email, and we have a centralized data storage system running on a Netapp disk array. Our network backbone is comprised of Cisco routers and switches and we have SD-WAN connections to our satellite offices. Our servers are on protected power and have redundant drive arrays to eliminate any single points of failure. All of our data is backed up using Acronis. Acronis maintains a comprehensive information security and compliance program that includes administrative, physical, and technical controls based on ongoing risk assessments. Acronis information security policies and processes are based on broadly accepted international security standards such as ISO/IEC 27000 series or the National Institute of Standards and Technology (NIST), and take into account the requirements of related local regulation frameworks such as European Union’s General Data Protection Regulation (GDPR) and the United States’ Health Insurance Portability and Accountability Act (HIPAA). In addition, our IT department has partnered with a local Managed Service Provider to ensure we always have industry standard security safeguards in place, and that we proactively move to adopt the new standards as the security landscape evolves.

All key personnel assigned to your audit have computer application skills and experience in auditing computerized accounting systems. At least two members of our proposed audit team are considered “power users” with skills above normal users. In addition, Brown Armstrong contracts with an outside IT consulting firm to perform testing on audit client’s EDP and computer logistics on an as-needed basis.

Item 16B TECHNICAL PROPOSAL

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Independence

Our firm, its shareholders and employees are independent of the LPVW and its component units, as defined by generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards*.

License to Practice in California

Our firm, the engagement partner, and all assigned key professional staff are properly licensed to practice public accounting in the State of California and are in good standing with all licensing agencies.



BROWN ARMSTRONG ACCOUNTANCY CORPORATION

LICENSE NUMBER: 1171 LICENSE TYPE: CPA - CORPORATION

LICENSE STATUS: CLEAR ⓘ EXPIRATION DATE: OCTOBER 31, 2025

SECONDARY STATUS: N/A

CITY: BAKERSFIELD STATE: CALIFORNIA COUNTY: KERN ZIP: 93309

Peer Review Report

As part of our commitment to quality control, our firm is a member of the Center for Public Firms Auditors Section (Center) of the American Institute of Certified Public Accountants (AICPA). We have completed several External Quality Control reviews under the AICPA's guidance, all of which included one or more governmental audits. Appendix II of this proposal contains a copy of our most recent report. As indicated in that report, our firm received a peer review rating of a "pass," which is the highest rating available.

E. Summary of Firm Qualifications

Engagement Team

Booke Baird, CPA will be the Engagement Partner and primary liaison responsible for all services to the LPVW and she is authorized to contractually bind the firm. The members of the audit team assigned to your engagement are:

LPV WATERMASTER TEAM



Brooke Baird, CPA

Engagement Partner

- Overall responsibility for the audit and delivery of client service
- Approves the overall audit risk assessment and audit procedures
- Communicates with LPV management, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery



Eric Xin, CPA, MBA

Technical Review Partner

- Responsible for assisting the Engagement Partner in performing the audit risk assessment and design audit procedures
- Assists in review of significant audit areas
- Reviews financial statements to ensure they are in conformance with GAAP and GFOA requirements
- Advises the audit team regarding technical matters and provides concurring approval of financial statements and audit reports



Sarabeth Prior-Dalmas, CPA

Engagement Manager

- Reports to the Partners regarding audit and technical matters
- Assists in the coordination of planning, fieldwork, and reporting matters
- Reviews audit documentation for significant audit areas
- Is in constant communication with executive management and members of LPV regarding audit planning, fieldwork, and reporting
- Reviews financial statements and workpapers before sending the drafts to Partners for further review
- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests and analytical reviews on issues
- Assists in supporting audit planning, fieldwork, and reporting
- Prepares audit reports and workpapers for significant audit areas

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The LPVW requires auditors who can quickly identify and understand the pertinent issues and promptly provide assistance whenever and wherever needed. This cannot be accomplished without a comprehensive knowledge of operations. Brown Armstrong has assembled a key group of professionals that possess a firm grasp of the subject matter, as well as the experience, confidence, and friendliness you deserve. Our staff will be there when you need them, and they will be continually involved in the audit procedures. This will allow you to have access to decision makers and the resources you need at all times.

Resumes of the proposed engagement team can be found at Appendix I.

We want to provide the most stable, consistent staffing available during our partnership. Excessive personnel turnover can complicate engagements and decrease the efficiency of the audit due to “catch-up” time needed. Our mission to the LPVW’ maximum benefit from their working relationship with Brown Armstrong, we will continue to maintain the highest level of staff continuity throughout the course of the engagement. The engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. We understand that the LPVW staff retains the right to approve or reject replacements. We also understand that other audit personnel may be changed at our discretion, provided that replacements have substantially the same or better qualification or experience. If the LPVW wishes to rotate staff members to enhance independence, we are willing to discuss those terms in the engagement.

Similar Engagements

The following are engagements performed in the last five (5) years similar to that of the engagement described in the RFP and can be contacted as references.

Client	Hours	Years of Service	Scope of Work	Engagement Partner
Mojave Public Utility District Damian Rickman (661) 824-4161 damian.mpud@att.net	170	10+ years	Financial Statement Audit	Brooke Baird
Channel Islands Beach Community Services District CJ Dillon (805) 985-6021 cdillon@cibcsd.com	160	1 year	Financial Statement Audit	Brooke Baird

F. Scope

Scope of Work – Review

The objective of a review is to obtain limited assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States. A review includes primarily applying analytical procedures to your financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review does not contemplate obtaining an understanding of LPVW’s internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion regarding the financial statements as a whole.

Review Schedule

The following is a detailed review schedule which includes a breakdown of each phase of the June 30, 2024 review, staff levels, and hours projected for each phase. Our plan would be to obtain the trial balance one week prior to fieldwork, along with other information requested, and complete our review procedures in one week due to our preparation prior. Please note that we anticipate the June 30, 2025 review having an earlier start date, with planning beginning in September, the review procedures occurring in November, and completion and financial reporting taking place in December and January.

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Timing	Phase	Staff	Hours
February	Planning and Scope of Work	Partner	2
	• Entrance conference	Manager	5
	• Establish critical dates list with management	Staff	5
	• Obtain preliminary or final trial balance if available	Clerical	2
	• Provide information request to the LPVW, including inquiry and analytical questionnaires		
February	Review of Financial Data	Partner	1
	• Comparative analysis of financial statement accounts	Manager	15
	• Review of journal entries and adjustments	Staff	30
	• Reconciliation of significant accounts to client support, as needed	Clerical	0
	• Assessing accounting policies		
March	Completion of the Review and Financial Reporting	Partner	2
	• Assist client with the drafting of the financial statements	Manager	15
	• Provide draft of the financial statements to LPVW	Staff	5
	• Manager and partner review of engagement	Clerical	3
	• Detailed Quality Control review by technical partner		
	• Issuance of review report		
		Total Hours	85

Our review will be performed in accordance with AR-C section 90, Review of Financial Statements, embodied in Statements on Standards for Accounting and Review Services published by the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States,

Scope of Work – Audit

The audit will be performed in accordance with audit standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As your auditor, we will evaluate the adequacy of the internal control system and, where weaknesses are noted, make appropriate recommendations for improvements. A management letter will be submitted if material weaknesses are noted or if otherwise deemed appropriate.

If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, the auditor will promptly advise the LPVW's Audit Coordinator.

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TECHNICAL PROPOSAL

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Audit Schedule

The following is a detailed audit schedule which includes a breakdown of each phase of the audit, staff levels, and hours projected for each phase. Our plan would be to obtain the trial balance and requested information one week prior to fieldwork and complete fieldwork in one week due to our preparation prior.

Timing	Phase	Staff	Hours
September	Planning and Scope of Work	Partner	4
	<ul style="list-style-type: none"> Entrance conference Develop audit programs Establish critical dates list with management Provide information request to the LPVW Obtain confirmations from the LPVW for emailing or utilizing confirmation.com 	Manager Staff Clerical	10 10 1
November	Internal Control Evaluation and Audit Risk Assessment, Establishment of Audit Plan, and Field Work	Partner	2
	<ul style="list-style-type: none"> Trial balance and draft financial statements to be obtained to perform analytical and substantive procedures. Document key accounting and compliance processes with management and/or LPVW personnel Obtain support for testing of controls. We will provide sample selections at least one week prior Evaluate internal control testing results and findings, if any Fraud risk assessment and fraud interviews Evaluate key estimates and contingencies Progress conference 	Manager Staff Clerical	40 60 0
December/January	Completion of the Audit and Financial Reporting	Partner	4
	<ul style="list-style-type: none"> Review draft financial statement disclosures and supporting documentation Provide draft of the financial statements to LPVW. Detailed Quality Control review by technical partner Issuance of required audit reports Exit Conference With Board of Directors <ul style="list-style-type: none"> Explain overall audit approach Discuss findings and recommendations Report opinions on financial statements Address required communication topics 	Manager Staff Clerical	20 10 4
		Total Hours	165

Following is our detailed audit work plan to be followed to perform the services included in your request for proposal.

We will begin with scheduling an entrance conference with LPVW Management as soon as possible after award issuance. During this time, we will begin the following procedures:

Planning

During this phase of the audit, we will:

- Confer with management to coordinate our efforts with the LPVW's efforts in terms of confirmations, schedules to be prepared, and critical dates to be met to ensure a smooth flow of the audit process;
- Prepare a preliminary assessment of the LPVW's internal control structure utilizing the LPVW's manuals and programs, including controls over federal and state financial assistance programs;
- Perform review of the Electronic Data Processing (EDP) controls relating to the LPVW's computer system;
- Perform planning analytical procedures consisting of: (1) Comparative analytics (current balances versus budget and prior year); and (2) Predictive analysis (revenues and expenditures/expenses susceptible to such testing based on our expectations);

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- Confer with management regarding the results of our planning;
- Submit questionnaires and requests for information to management regarding internal control. Our approach will emphasize transaction processing; investments, cash receipts, cash disbursements, payroll, capital assets, and external reporting;
- Obtain an understanding of general ledger and related reports available for audit; and
- Obtain basic information from management relating to risk assessment, including fraud risks.

Internal Control Evaluation and Audit Risk Assessment

During this phase we will obtain an understanding of and evaluate key components of the LPVW's internal control structure. We will also assess risk factors, including fraud risk relating to significant audit areas and transaction cycles. Procedures will consist of:

- Reviewing questionnaires and documents obtained from management regarding the internal control structure.
- Performing walk-throughs and tests of compliance with policies and procedures.
- Identifying risk factors, including fraud risk, relating to significant audit areas and transaction cycles.
- Interviewing key management personnel to verify or resolve complicated issues.
- Summarizing potential significant deficiencies and opportunities for efficiencies and improvements for discussion with management.

Establishment of Final Audit Plan

Our audit plan will be based on the following:

- Results of our compliance and control testing;
- Analytical procedures applied to interim financial statements of the LPVW;
- Results of our risk assessment;
- Results of audit brainstorming and team discussions; and
- Discussions with management.

Field Work

We expect to begin the final stages of the work in February (subject to the LPVW's approval).

During this phase, we will perform both analytical and substantive procedures such as variance analysis between prior year actual balances vs. current year actual balances and between current year actual balances vs. budget balances, predictive testing, confirming account balances, vouching revenues and expenditures and reviewing estimates for unpaid claims.

At the end of our field work, we will discuss any proposed adjustments with management, and we will request a representation letter from management regarding the audit.

Completion of the Audit

At the completion of all of the above procedures, we will review the financial statements for GAAP compliance at our manager and partner level. We will then issue drafts of all required reports, draft financial statements, and discuss these drafts with appropriate LPVW personnel. Upon approval by the LPVW, we will issue our reports in final form and be available for a presentation to the Finance Committee and/or present all reports to LPVW Board of Directors at the meeting of their choice.

We will issue the following reports for the LPVW:

1. An auditor's report relating to the examination of the business-type activities of the LPVW's basic financial statements which will state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and will include an opinion as to whether the statements conform to generally accepted accounting principles.

Item 16B TECHNICAL PROPOSAL

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2. An audit report on the study and evaluation of the internal control structure which will identify the LPVW's significant internal accounting controls. The report will identify the controls not evaluated, and the material weaknesses identified as a result of the evaluation.
3. A management letter that includes a statement of audit findings and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, other instances of non-compliance with laws and regulations and any other material matters.

Statistical Sampling

Based on our preliminary assessment of the internal control structure and risk factors, we anticipate performing internal control testing in the following areas:

Review Area	Sample Size
Receipts and revenues	40-60
Disbursements and accounts payable	40-60
Payroll and related liabilities	40-60
Capital assets	40-60
Controls over requirements of federal and state grants, if required	40-60 (per major program)

Staff will perform internal control testing with direct supervision by Ms. Prior-Dalmas. Sample sizes will depend on the extent of reliance placed on the given sample and the volume of transactions involved. Statistical and random sampling will be used to ensure that all samples truly represent the population being tested. We will use audit command language (ACL) software and your on-site automated data system on an "inquiry only" basis for purposes of identifying the postings of items selected for testing. Findings will be discussed with management for accuracy and the process of recommendations immediately started.

Internal Control Structure

Our primary approach to assimilating and gaining an understanding of internal controls is through inquiry and observation of your accounting and compliance staff, performing walkthroughs of all key accounting processes, and preparing detailed documentation annually. During this phase we will obtain an understanding of and evaluate key components of the LPVW's internal control structure. We will also assess risk factors, including fraud risk relating to significant audit areas and transaction cycles. Procedures will consist of:

- Reviewing questionnaires and documents obtained from management regarding the internal control structure.
- Performing walk-throughs and tests of compliance with policies and procedures.
- Identifying risk factors, including fraud risk, relating to significant audit areas and transaction cycles.
- Interviewing key management personnel to verify or resolve complicated issues.
- Summarizing potential significant deficiencies and opportunities for efficiencies and improvements for discussion with management.

Approach to Determining Laws and Regulations

Our experience with various special districts has created a reservoir of knowledge of many laws and regulations. However, by inquiry and observation, we will determine all major programs (over \$750,000 annually) participated in by the LPVW. We then consult the actual law, the Federal Register, Catalogue of Federal programs, or the California State Controllers guide to State and Federal Compliance to obtain understanding of the requirements of the law. For major programs, we specifically test those requirements by inspection of documents.

Approach for Drawing Audit Samples for Compliance Tests

Compliance test samples will be drawn usually by statistical sampling techniques. The universe from which the sample is drawn begins at the beginning of the year under audit, and ends with the end of that year. If a null is picked, it is replaced in draw sequence until sufficient live items comprise the planned sample size.

G. Additional Information

Quality Control

Brown Armstrong's objective is to establish and maintain a system of quality control to provide us with reasonable assurance - that is, a high, but not absolute, level of assurance - that the firm and its personnel comply with professional standards and applicable regulatory and legal requirements, and that the firm issues reports that are appropriate in the circumstances. A system of quality control consists of policies designed to achieve these objectives and the procedures necessary to implement and monitor compliance with those policies.

All employees and members of the firm have immediate and constant access to the firm's "System of Quality Control" and are personally responsible for understanding, implementing, and adhering to these policies and procedures. Brown Armstrong understands the importance of obtaining feedback on the system of quality control from its personnel and any firm member is strongly encouraged to communicate their views or concerns on quality control matters to any audit partner or manager.

The firm's system of quality control is intended to incorporate the six elements of a system of quality control as promulgated by the AICPA Auditing Standards Board's Statement on Quality Control Standards (SQCS) No. 8, "A Firm's System of Quality Control (Redrafted)," AICPA, Professional Standards, QC Section 10. The firm acknowledges that it must establish and maintain a system of quality control that includes policies and procedures addressing each of the following elements:

- Leadership responsibilities for quality and tone at the top
- Ethical requirements
- Acceptance and continuance of relationships
- Human resources
- Engagement performance
- Monitoring

Brown Armstrong has established an Audit Quality Committee that meets at least quarterly. The purpose of this committee is to discuss new GASB pronouncements and develop implementation plans to assist and ensure our clients implement new GASB pronouncements timely, monitor audit quality, and develop policies to train our staff and improve our audit procedures. All partners and managers involved with attestation engagements attend these meetings.

Quality Control of Financial Publications

Our financial typing team of three has a combined total of 28 years of experience. They proforma prior year financial reports, paying close attention to ensure all prior year figures and information are accurately transitioned into the firm's own formatting. The financial statements are then updated to include current year's figures and go through our typing department for the initial review, which includes formatting, footing, and proofreading. Any comments are then provided to the manager. The manager will review, and consult with the City if necessary, regarding material findings or inconsistencies that need to be modified and provide approved changes back to the typing department to be updated. Once revisions are made, they are then verified for accuracy before providing back to the LPVW. The manager will provide a clearly marked "DRAFT" of the financial statements that is password protected. The LPVW may request a "tracked changes" version that will allow them to make changes. The changes are then reviewed and made by the typing department to ensure changes are consistent with what is currently presented in the financial statements. Once the financials are ready to be issued, it is provided to the Partner for final review, from there it will undergo review from the concurring/technical reviewer and then final issuance.

Review Process

In addition, as part of our commitment to quality control, our firm conducts a primary partner review of all engagements and a concurring "cold" review.

Item 16B TECHNICAL PROPOSAL

Las Posas Valley Watermaster

Method of Providing the LPVW with Important Accounting Changes

As the selected firm, we will keep the LPVW informed of new state and national developments affecting government finance and reporting, standards and trends including changes in federal/state grant program accounting, new GASBs and reporting requirements.

Each year Brown Armstrong organizes four days of CPE seminars in Bakersfield (two, two-day sessions covering 32 hours of CPE) for its professional staff and clients' personnel. One of the two-day CPE seminars is in the middle of January. It covers accounting and auditing updates relating to for-profit businesses (FASB, PCAOB, and SAS). Another two-day CPE seminar covering primarily governmental accounting and auditing updates (GASB, Yellowbook, Single Audit) is typically in May. The course material covers emerging issues, current pronouncements, auditing standards, risk alerts, information systems, reporting issues, and other topics of interest which concern auditing and accounting with an emphasis on governmental issues. Course materials are prepared by professional lecturers, our partners, managers, and seniors based on their own experience, research, and learning. Last year's attendance included Brown Armstrong professionals and nearly 60 clients and their accounting staff. All staff assigned to governmental entities meets the CPE requirements in accordance with *Government Auditing Standards*.

Identification of Anticipated Potential Audit Problems

In the event problems are identified during the course of our audit procedures, we will resolve the problem as follows:

- Discussion amongst audit team at the time of identified potential audit problem for consultation and consensus amongst the team.
- Consultation and discussion with appropriate LPVW personnel when identified to ensure all facts are known and agreed upon with the audit team.
- Consultation and discussion with liaison(s).
- Resolution with appropriate LPVW personnel.
- If applicable, a management letter will be submitted documenting the criteria, condition, cause and effect of the issue, along with our recommendation and management's response and corrective action plan.

Auditing Experience

See Appendix III for a listing of our other recent governmental audit clients.

Item 16B
TECHNICAL PROPOSAL

Las Posas Valley Watermaster

H. Compensation

Las Posas Valley Watermaster All Inclusive Maximum Price					
Staff Classification	Hours	Hourly Rates	2024	2025	2026
Financial Statement Review					
Partners	5	\$300	\$ 1,500	\$ 1,500	\$ -
Manager	35	\$210	7,350	7,350	-
Staff	40	\$120	4,800	4,800	-
Clerical	5	\$100	500	500	-
Subtotal			14,150	14,150	-
Initial Year/Drafting			3,500	-	-
Financial Statement Review Total	85		\$ 17,650	\$ 14,150	\$ -
Financial Statement Audit					
Partners	10	\$300	\$ -	\$ -	\$ 3,000
Manager	70	\$210	-	-	14,700
Staff	80	\$120	-	-	9,600
Clerical	5	\$100	-	-	500
Financial Statement Audit Total	165		\$ -	\$ -	\$ 27,800
Total All-Inclusive Maximum Price			\$ 17,650	\$ 14,150	\$ 27,800

Rates for Additional Professional Services

We do not anticipate that additional services will be necessary to complete the audit. If it should become necessary for the LPVW to request Brown Armstrong to render any additional services to either supplement the services requested in the Request for Proposal, or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an amendment to the contract between the LPVW and the Firm. Any such additional work agreed to between the LPVW and the Firm shall be performed at the same rates set forth in the schedule of professional fees.

Data Processing

At this time, we do not estimate any data processing time, beyond supplying requested documents during discovery and related follow-up.

Manner of Payment

Brown Armstrong agrees to progress payments on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with our cost proposal. Interim billings shall cover a period of not less than a calendar month.

Appendix I Resumes



Brooke Baird

Engagement Partner, CPA

Background

Brooke, a partner at the Bakersfield office, is the engagement partner of the project and has 20 years of governmental and non-profit auditing experience at Brown Armstrong. Her auditing and accounting specialties include special districts, non-profits, and retirement systems.

Brooke has always ensured that we have the highest level of audit services for her clients through relationship building. She is active in professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. She and the senior accountant will be easily accessible for them, at all times. Her ability to manage an audit has become invaluable for Brown Armstrong.

Contact

- ✉ bbaird@ba.cpa
- ☎ 661-324-4971
- 📍 Bakersfield, California
- 🌐 www.ba.cpa

Education

California State University, Fresno
Bachelors of Science Degree in Business Administration - Concentration in Accounting
2004

Experience

Retirements

- Community Action Partnership of Madera County 403b
- Community Action Partnership of San Luis Obispo 403b
- Contra Costa County Employees' Retirement Association
- Fresno County Employees' Retirement Association
- Los Angeles City Employees' Retirement System
- Los Angeles County Employees' Retirement Association
- Marin County Employees' Retirement Association
- Proteus, Inc. 403b
- San Bernardino County Employees' Retirement Association
- San Diego County Employees' Retirement Association
- San Mateo County Employees' Retirement Association
- Santa Barbara County Employees' Retirement System
- Tulare County Employees' Retirement Association

Special Districts

- Bear Mountain Recreation and Park District
- Carpinteria Valley Water District
- Cawelo Water District
- Channel Islands Beach Community Services District
- Eastern Kern Air Pollution Control District
- Indian Wells Valley Groundwater Authority
- Kern-Tulare Water District
- Lamont Public Utility District

Roles and Responsibilities

- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management, and members of the LPVW, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery

Non-Profits

- Open Door Network
- Bakersfield Symphony Orchestra
- The Center for Sexuality and Gender Diversity
- Civil Justice Association of California
- Community Action Partnership of Kern
- Community Action Partnership of Madera County
- Community Action Partnership of San Luis Obispo
- Desert Tortoise Preserve
- Global Family Care Network, Inc.
- Greater Bakersfield Legal Assistance, Inc.
- James Penny House, Inc.
- Kern Medical Center Foundation
- La Vida Nueva (fka Kern County Hispanic Commission on Alcohol and Drug Abuse Services)
- New Start Youth Facility, Inc.
- Proteus, Inc.
- Victory Family Services

- Mojave Public Utility District
- North of the River Municipal Water District
- North Kern Cemetery District
- Pixley Public Utilities District
- San Joaquin Valley Air Pollution Control District



Eric H. Xin

Technical Review Partner, CPA, MBA

Contact

✉ exin@ba.cpa

📞 661-324-4971

📍 Bakersfield, California

🌐 www.ba.cpa

Education

Nankai University, China
Bachelors of Science Degree in Business
1989

California State University, Bakersfield
Master's Degree in Business Administration
1996

Experience

Cities

Bakersfield*
Delano
Fresno*
Laguna Woods
Tulare*
Visalia*

Counties

Fresno*
Kern*
Kings*
Merced*
Riverside*
San Diego - TTC
Tulare*
Santa Barbara*

Non-Profits

Bakersfield D.A.R.E., Inc.
Cal State University Bakersfield Foundation
Community Action Partnership of San Luis Obispo
Community Action Partnership of Madera County
Christian Foundation of the West
Ebony Counseling Center
Economic Development Center – Fresno/Kings County
Kern County Probation Officer's Association
Missionary Church Western Region
Pacific Health Education Center

Special Districts

Buena Vista Water Storage District
California Valley Community Services District
First 5 Kern County
First 5 Kings County
First 5 Santa Barbara County
First 5 Stanislaus County
First 5 Merced County

First 5 Monterey County
First 5 San Joaquin
Olcese Water District
San Joaquin Area Flood Control Agency
San Joaquin Valley Air Pollution Control District
South San Joaquin Irrigation District

Background

Eric Xin, a partner at Brown Armstrong's Bakersfield office, will be the Technical Review Partner for this engagement. He has over 25 years of experience in auditing governmental entities and brings expertise in many areas. His primary audit focus is in counties, cities, special districts, and school districts.

Not only does he have experience in the audit process, but he will be an integral member of the team when it comes to keeping standards up to date. He is a reviewer for the GFOA Certificate of Achievement Program and reviews the Governmental Accounting Standards Board (GASB) advisory committees' latest pronouncements.

Roles and Responsibilities

- Responsible for assisting the Engagement Partner in performing the audit risk assessment and design audit procedures
- Assists in audit documentation review in significant areas
- Reviews financial statements to ensure they are in conformance with GAAP and GFOA requirements
- Advises the audit team regarding technical matters and provides concurring approval of financial statements and audit reports



Sarabeth Prior-Dalmas

Engagement Manager, CPA

Background

Sarabeth is the engagement manager of the project and located in our Bakersfield office. She has 11 years of accounting and auditing experience, 8 of which are specialized in governmental auditing at Brown Armstrong. Her primary business focus is governmental entities audit and accounting. Her audit specialties include special districts, transits, and non-profits.

Sarabeth will be highly involved in the field work and a face-to-face presence for Brown Armstrong. She and the senior accountant will be easily accessible to the LPVW at all times. Her ability to manage an audit has become invaluable for Brown Armstrong. She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

Contact

✉ sprior-dalmas@ba.cpa

📞 661-324-4971

📍 Bakersfield, California

🌐 www.ba.cpa

Education

California State University, Bakersfield
Bachelor of Science Degree in Business Administration, Concentration in Accounting

Experience

Special Districts

15th District Agricultural Association Kern County Fair
Bear Mountain Recreation and Park District
Buena Vista Water Storage District
Cawelo Water District
Goleta Water District
Indian Wells Valley Groundwater Authority
Kern Delta Water District
Kern Local Agency Formation Commission
Lake Isabella Community Services District
Lamont Public Utility District
Mojave Air and Space Port
Mojave Public Utility District
North Kern Cemetery District
Port Hueneme Water Agency
San Luis Obispo Integrated Waste Management Authority
South San Joaquin Irrigation District
Ventura Automobile and Insurance Fraud Programs

Roles and Responsibilities

- Reports to the Partners regarding audit and technical matters
- Assists in the coordination of planning, fieldwork, and reporting matters
- Reviews audit documentation for significant audit areas
- Is in constant communication with executive management and members of LPVW regarding audit planning, fieldwork, and reporting
- Reviews financial statements and workpapers before sending the drafts to Partners for further review
- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests and analytical reviews on issues
- Assists in supporting audit planning, fieldwork, and reporting
- Prepares audit reports and workpapers for significant audit areas

Transits

Kern Council of Governments
Stanislaus Council of Governments
Riverside Transit Agency
San Joaquin Council of Governments
San Joaquin Regional Transit District
Tulare County Association of Governments
Tulare County Regional Transit Agency

Retirements

City of Fresno Employees' Retirement System
Ventura County Employees' Retirement System

Non-Profits

Bakersfield ARC, Inc.
Bakersfield Homeless Center
First Assembly of God Church
Hoffman Hospice of the Valley, Inc.
National Test Pilot School

Appendix II

External Quality Control Review Report



6025 SOUTH QUEBEC STREET, SUITE 260
CENTENNIAL, COLORADO 80111
303-792-3020 (o) | 303-792-5153 (f)
WWW.WCRCPA.COM

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 30, 2022

To the Shareholders of
Brown Armstrong Accountancy Corporation
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

RANDY WATSON | JEREMY RYAN | TROY COON | KELLY WATSON | JOHNNIE DOWNING

APPENDICES

Las Posas Valley Watermaster

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown Armstrong Accountancy Corporation has received a peer review rating of *pass*.



Watson Coon Ryan, LLC

Appendix III Summary of Recent Governmental Experience

TRANSITS

Anaheim Transportation Network
Antelope Valley Transit Authority
Central Contra Costa Transit Authority
Eastern Contra Costa Transit Authority
Fresno County Transportation Authority
Gold Coast Transit District
Golden Empire Transit District
Kern Council of Governments
Kings County Area Public Transit Agency
Marin County Transit District
Napa Valley Transportation Authority
Peninsula Corridor Joint Powers Board
Riverside County Transportation Commission
Riverside Transit Agency
San Bernardino County Transportation Authority
San Joaquin Council of Governments
San Joaquin Regional Transit District
San Luis Obispo Council of Governments
San Luis Obispo Regional Transit Authority
Santa Barbara Metropolitan Transit District
Santa Cruz Metropolitan Transit District
Solano County Transit
Stanislaus Council of Governments
Stanislaus Regional Transit Authority
Tulare County Association of Governments
Tulare County Regional Transit Agency

NON-PROFITS

Bakersfield ARC
California Association of County Treasurers
and Tax Collectors
California Association of Public Authorities
for IHSS
Civil Justice Association of California
Community Action Partnership of Kern
Community Action Partnership of San Luis Obispo
Community Action Partnership of Madera County
Kern County Bar Association
Missionary Church Western Regional
Tranquil Waters Guidance Center
Valley Consortium for Medical Education
Women's Center – High Desert

COUNTY RETIREMENTS

Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Merced	Stanislaus
Mendocino	Tulare
Sacramento	Ventura
San Bernardino	

SPECIAL DISTRICTS

Antelope Valley East Kern Water Agency
Bear Mountain Recreation and Park District
Buena Vista Water Storage District
California Valley Community Services District
Carpinteria Valley Water District
Cawelo Water District
Channel Islands Beach Community Services District
East Bay Regional Park District
Eastern Kern Air Pollution Control District
Golden Valley Municipal Water District
Goleta Water District
Indian Wells Valley Groundwater Authority
James Water Bank Authority
Kern Local Agency Formation Commission
Kern Delta Water District
Kern Tulare Water District
Kern Water Bank Authority
Lake Isabella Community Services District
Lamont Public Utility District
Lebec County Water District
Mojave Public Utility District
Napa Local Agency Formation Commission
North Kern Cemetery District
North Coast Unified Air Quality Management District
Olcese Water District
Riverside County Habitat Conservation Agency
Pixley Public Utility District
Plumas Eureka Community Services District
Port Hueneme Water Agency
San Joaquin Area Flood Control Agency
San Joaquin Valley Air Pollution Control District
San Luis Obispo County Integrated Waste
Management Authority
Shafter Recreation and Park District
Sonoma County Public Safety Consortium
South San Joaquin Irrigation District
West Valley County Water District
Westside Mosquito and Vector Control District

HEALTHCARE

Liberty Health Advantage
Heritage Provider Network
Heritage California Medical Group
Heritage New York Medical Group
Southwest Health Care District
Riverside County Health System - Medical Center

OTHER RETIREMENTS

City of Fresno Employees' Retirement Systems
Los Angeles Fire and Police Pension System
Los Angeles City Employees' Retirement System
San Francisco Bay Area Rapid Transit District
Money Purchase Plan and Deferred Compensation Plan
San Joaquin Regional Transit District Retirement Plans
San Luis Obispo County Employees' Pension Trust

CITIES

Bakersfield
Fresno
Huron
Laguna Woods
Morro Bay
Paso Robles
St. Helena
Tulare
Turlock

COUNTIES

Fresno
Kern
Merced
Riverside
San Joaquin
Santa Barbara
Santa Cruz
Stanislaus
Tulare
Napa

FIRST 5

Kern
Merced
Monterey
Napa
San Mateo
Sonoma
Stanislaus
Ventura

APPENDICES

Las Posas Valley Watermaster

Appendix IV Hourly Rates

Schedule of Hourly Billing Rates	
Staff Classification	Hourly Rates
Partners	\$300
Manager	\$210
Staff	\$120
Clerical	\$100

PROFESSIONAL SERVICES CONTRACT
WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION

LAS POSAS VALLEY WATERMASTER AUDITING AND REVIEW SERVICES

This contract is made and entered into this 22nd day of January 2025, by and between the Fox Canyon Groundwater Management Agency (AGENCY), acting as the court-appointed watermaster for the Las Posas Valley Groundwater Basin, and Brown Armstrong Accountancy Corporation (CONSULTANT) for CONSULTANT's performance of the work and services described in Exhibit A hereto (collectively, the "Work"). Hereinafter, AGENCY and CONSULTANT may be referred to individually as a "Party" and collectively as the "Parties."

NOW, THEREFORE, in consideration of the mutual promises and other valuable consideration contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Scope of Work; Standard of Performance

AGENCY hereby retains CONSULTANT to perform the Work described in Exhibit A hereto. The Work shall be performed in accordance with the terms and conditions of this contract. In performing the Work CONSULTANT shall exercise the degree of skill and care customarily exercised by professionals in the State of California when providing similar services with respect to similarly complex work and projects.

2. Time Schedule

All Work and any portion thereof separately identified shall be completed within the time provided in the "Time Schedule" attached hereto as Exhibit B. AGENCY will issue a suspension of the contract time when CONSULTANT is delayed by any public agency reviewing documents produced by CONSULTANT under this contract, or to the extent due to acts or omissions of AGENCY. CONSULTANT shall promptly notify AGENCY of any such delays.

3. Fees and Payments

Payment shall be made monthly, or as otherwise provided, on presentation of a completed AGENCY Consultant Services Invoice form in accordance with the "Fees and Payment" provisions attached hereto as Exhibit C.

4. Term; Termination

A. The term of this CONTRACT shall be from January 22, 2025, to February 12, 2027, as specified in Exhibit B, unless sooner terminated as provided in this CONTRACT.

B. Upon receiving any notice of termination from AGENCY, CONSULTANT shall stop performing and providing all Work and cooperate with AGENCY to close out CONSULTANT's obligations under this CONTRACT. AGENCY shall pay CONSULTANT for all Work satisfactorily performed prior to CONSULTANT receiving notice of termination; provided, however, that such payments shall not exceed the "Not To Exceed Limit" specified in Exhibit C for completion of any separately identified task or phase of the Work which, at the time AGENCY received notice of termination, has been started by request of AGENCY.

**PROFESSIONAL SERVICES CONTRACT
WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION**

5. Right to Review

AGENCY shall have the right to review the Work at any time during CONSULTANT's usual working hours. Review, checking, approval or other action by the AGENCY shall not relieve CONSULTANT of CONSULTANT's responsibility for the accuracy and completeness of the Work.

6. Correction of Work

If any Work performed by CONSULTANT does not conform to the requirements and professional standards of this contract, AGENCY may require CONSULTANT to correct the Work until it conforms to said requirements and standards at no additional cost to AGENCY. AGENCY may withhold payment for disputed Work until CONSULTANT correctly performs the Work or the dispute is otherwise resolved in accordance with this contract. When the Work to be performed is of such a nature that CONSULTANT cannot correct its performance, AGENCY may reduce the CONSULTANT's compensation to reflect the reduced value of the Work received by AGENCY. If CONSULTANT fails to promptly re-perform the Work, AGENCY may have the Work performed by a third party in conformance with the requirements and professional standards of this contract and charge CONSULTANT, or withhold from payments due CONSULTANT, any costs AGENCY incurs that are directly related to the performance of the corrective work. AGENCY shall not unreasonably withhold or reduce payment for CONSULTANT's Work under this section.

7. Sub Consulting

With the prior written consent of AGENCY, CONSULTANT may engage the professional services of sub consultants for the performance of a portion of the Work ("sub consultants"). CONSULTANT shall be fully responsible for all Work performed by sub consultants which must be performed in accordance with all terms and conditions of this contract. All insurance requirements set forth in Section 13 below, "Insurance Requirements", shall apply to each sub consultant, except to the extent such requirements are modified or waived in writing by AGENCY. CONSULTANT shall ensure that each sub consultant obtains and keeps in force and effect during the term of this contract the required insurance.

8. Independent Contractor

In performing the Work CONSULTANT is an independent contractor and neither CONSULTANT nor its employees, agents or sub consultants shall be deemed employees of AGENCY for any reason. AGENCY shall have no responsibility or liability for the payment of any salary, wages, unemployment benefits, Workers' Compensation or disability benefits, federal, state or local taxes, or other compensation, benefits, or taxes for any of CONSULTANT's employees, agents, Sub consultants, or any of their respective employees or agents.

9. Duty of Loyalty; Conflicts of Interest

- a. CONSULTANT owes AGENCY a duty of undivided loyalty in performing the Work under this contract, including the obligation to refrain from having economic interests and participating in activities that conflict with AGENCY's interests with respect to the Work and subject project. CONSULTANT shall take reasonable measures to ensure that CONSULTANT, its principals, officers, employees and Sub consultants do not possess a financial conflict of interest with respect to the Work and subject project. CONSULTANT shall promptly inform AGENCY of any matter that could reasonably be interpreted as creating a conflict of interest for CONSULTANT with respect to the Work and subject project.

**PROFESSIONAL SERVICES CONTRACT
WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION**

- b. CONSULTANT acknowledges that the California Political Reform Act (“Act”), Government Code section 81000 et seq., provides that principals, employees and agents of consultants retained by a public agency may be deemed “public officials” subject to the Act if they make or advise AGENCY on decisions or actions to be taken by AGENCY. To the extent AGENCY determines that the Act applies to CONSULTANT or its principals or employees, each designated person shall abide by the Act, including the requirement for public officials to prepare and file statements disclosing specified economic interests, as directed by AGENCY. In addition, CONSULTANT acknowledges and shall abide by the contractual conflict of interest restrictions imposed on public officials by Government Code section 1090 et seq.
- c. During the term of this contract CONSULTANT shall not employ or compensate AGENCY’s current employees.

10. Defense and Indemnification

CONSULTANT shall defend (with counsel acceptable to AGENCY), indemnify, and save harmless the AGENCY, including all of its boards, agencies, departments, officers, employees, agents and volunteers (collectively, “Indemnitee”), against any and all claims, lawsuits, judgments, debts, demands and liabilities that arise out of, pertain to, or relate to, and to the extent caused by, the negligence, recklessness or willful misconduct of CONSULTANT or its officers, employees, agents or Sub consultants in the performance of this contract. This indemnity provision does not apply to liability, damages or other loss arising from the sole negligence or willful misconduct of Indemnitee.

11. Insurance Requirements

- a. Without limiting CONSULTANT’s duty to defend and indemnify AGENCY as required herein, CONSULTANT shall, at CONSULTANT’s sole cost and expense and throughout the term of this contract and any extensions hereof, carry one or more insurance policies that provide at least the following minimum coverage:
 - i. Commercial General Liability insurance shall provide a minimum of \$100,000.00 coverage for each occurrence and \$200,000.00 in general aggregate coverage.
 - ii. Automobile Liability insurance shall provide a minimum of either a combined single limit (CSL) of \$1,000,000.00 for each accident or all of the following: \$250,000.00 bodily injury (BI) per person, and \$500,000.00 bodily injury per accident, and \$100,000.00 property damage (PD). Automobile Liability insurance is not required if the CONSULTANT does no traveling in performing the Work.
 - iii. Workers’ Compensation insurance in full compliance with California statutory requirements for all employees of CONSULTANT in the minimum amount of \$1,000,000.00. This Workers’ Compensation insurance requirement may only be waived by AGENCY in writing if CONSULTANT is a sole proprietor with no employees and CONSULTANT provides AGENCY with evidence of such before commencing any work under the contract.
- b. With respect to any coverage written on a “claims made” basis, CONSULTANT shall maintain such policy for two years after the term of this contract and such policy shall allow for reporting of circumstances or incidents that may give rise to future claims.
- c. CONSULTANT shall notify AGENCY immediately if CONSULTANT’s general aggregate of insurance is exceeded by valid litigated claims in which case additional levels of

**PROFESSIONAL SERVICES CONTRACT
WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION**

insurance must be obtained to maintain the above-stated requirements. All required insurance shall be written by a financially responsible company, or companies authorized to do business in the State of California.

- d. The Commercial General Liability and Automobile Liability policies shall contain the following provisions or endorsements: The County of Ventura, AGENCY, and their respective officials, employees, and agents shall be named as additional insureds (“Additional Insureds”). All required insurance shall be primary coverage as respects the Additional Insureds, and any insurance or self-insurance maintained by Additional Insureds shall be in excess of CONSULTANT's insurance coverage and shall not contribute to it. Coverage shall apply separately to each insured, except with respect to the limits of liability, and an act or omission by one of the named insureds shall not reduce or avoid coverage to the other named insureds. AGENCY shall be notified by the insurance company or companies within 3 working days of cancellation or substantial modification of the policy.
- e. CONSULTANT hereby waives all rights of subrogation against AGENCY, the County of Ventura, all special districts governed by the Board of Supervisors, and each of their boards, directors, employees and agents for losses arising directly or indirectly from the activities or Work under this contract. The Commercial General Liability, Automobile Liability and Workers' Compensation policies shall contain a provision or endorsement needed to implement CONSULTANT's waiver of these rights of subrogation.
- f. Prior to commencement of the Work, CONSULTANT shall furnish AGENCY with certificates of insurance and endorsements effecting all coverage required hereunder. Copies of renewal certificates and endorsements shall be furnished to AGENCY within 30 days of the expiration of the term of any required policy. CONSULTANT shall permit AGENCY at all reasonable times to inspect any policies of insurance required hereunder.

12. Claims and Disputes

- a. Administrative Review. To assert any claim against AGENCY seeking payment of money or damages regarding the Work, an extension of contract time, or an interpretation or adjustment of the terms of this contract, including “pass-through” claims asserted by CONSULTANT on behalf of a Sub consultant (collectively referred to hereinafter as “claim”), CONSULTANT shall first exhaust its administrative remedies by attempting to resolve the claim with AGENCY's staff in the following sequence: 1) Project Manager, and 2) Executive Officer. CONSULTANT shall initiate the administrative review process no later than 30 days after the claim has arisen by submitting to the Project Manager a written statement describing each claim and explaining why CONSULTANT believes AGENCY is in error, as well as all correspondence and evidence regarding each claim. CONSULTANT may appeal the decision made by the Project Manager to the Executive Officer, provided that AGENCY receives such appeal in writing no later than seven days after the date of the decision being appealed. If CONSULTANT does not appeal a decision to the next level of administrative review within this seven-day period, the decision shall become final and binding and not subject to appeal or challenge.
- b. Arbitration. All CONSULTANT claims not resolved through the administrative review process stated above shall be resolved by arbitration unless AGENCY and CONSULTANT agree in writing, after the claim has arisen, to waive arbitration and to have the dispute litigated in a court of competent jurisdiction. Arbitration shall be pursuant to Article 7.1 (commencing with section 10240) of Chapter 1 of Part 2 of the Public Contract Code and the regulations promulgated thereto, Chapter 4 (commencing with section 1300) of

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Division 2 of Title 1 of the California Code of Regulations (collectively, "Rules for Public Works Contract Arbitrations"). Arbitration shall be initiated by a complaint in arbitration prepared, filed and served in full compliance with all requirements of the Rules for Public Works Contract Arbitrations. CONSULTANT consents and agrees that AGENCY may join it as a party to any arbitration involving third party claims asserted against AGENCY arising from or relating to any Work performed by CONSULTANT hereunder.

13. Compliance with Laws and Regulations; Permits and Licenses

CONSULTANT shall perform its obligations hereunder in compliance with all applicable federal, state, and local laws and regulations. CONSULTANT certifies that it possesses and shall continue to maintain or shall cause to be obtained and maintained, at no cost to AGENCY, all approvals, permissions, permits, licenses, and other forms of documentation required for it and its employees, agents and Sub consultants to comply with all applicable statutes, ordinances, and regulations, or other laws, that apply to performance of the Work. AGENCY is entitled to review and copy all such applications, permits, and licenses which CONSULTANT shall promptly make available upon AGENCY's request.

14. [RESERVED]

15. Work Product; Records and Audit.

- a. On completion or termination of the contract, AGENCY shall be entitled to immediate possession of, and CONSULTANT shall promptly furnish, on request, all reports, drawings, designs, computations, plans, specifications, correspondence, data and other work product prepared or gathered by CONSULTANT except those items defined as audit documentation under professional standards promulgated by the American Institute of Certified Public Accountants (AICPA), which will be the property of CONSULTANT, arising out of or related to the Work (collectively, "Work Product"). AGENCY has a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and authorize others to use, Work Product, except those items defined as audit documentation as described above, which will be the property of CONSULTANT, of which workpapers will be reviewable by request from AGENCY or any successor auditor without charge, for government purposes. CONSULTANT may retain copies of the Work Product for its files. Work Product prepared by CONSULTANT pursuant to this contract shall not be modified by AGENCY unless CONSULTANT's name, signatures and professional seals are completely deleted. CONSULTANT shall not be responsible for any liabilities to AGENCY for the use of such Work Product that is modified by persons other than CONSULTANT.
- b. CONSULTANT shall maintain all records required by the various provisions of this contract, including but not limited to (i) those items defined as audit documentation under professional standards promulgated by the American Institute of Certified Public Accountants (AICPA) used, relied on, and/or prepared by CONSULTANT in relation to this contract and (ii) those materials required by applicable federal, state, county, and municipal laws, ordinances, regulations, and directions, for a minimum of seven years from the completion or any termination of this contract. CONSULTANT may fulfill its obligation to maintain records by substitute photographs, micrographs, or other authentic reproduction of such records.
- c. Any authorized representative of AGENCY shall have access to any books, documents, papers, records, including but not limited to those items defined as audit documentation under professional standards promulgated by the American Institute of Certified Public

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Accountants (AICPA) maintained by CONSULTANT pursuant to Section 15(b) above, that AGENCY determines to be pertinent to this contract, for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by CONSULTANT.

16. Miscellaneous

- a. This contract constitutes the entire agreement between the Parties regarding the subject matter of hereof and supersedes all previous contracts, agreements, promises, understanding and negotiations, whether written or oral, between the Parties regarding the subject matter hereof.
- b. All notices, requests, claims, and other official communications under the contract shall be in writing and transmitted by one of the following methods:
 - (1) Personally delivered.
 - (2) Sent by email where receipt is confirmed.
 - (3) Sent by courier where receipt is confirmed.
 - (4) Sent by registered or certified mail, postage prepaid, return receipt requested.

Such notices and communications shall be deemed given and received upon actual receipt in the case of all except registered or certified mail; and in the case of registered or certified mail, on the date shown on the return receipt or the date delivery during normal business hours was attempted. All notices and communications shall be sent to CONSULTANT at the current address on file with AGENCY for contract payment purposes, and shall be sent to AGENCY as follows:

Las Posas Valley Watermaster
c/o Fox Canyon Groundwater Management Agency
800 South Victoria Avenue, L#1610
Ventura, CA 93009-1610
Email: FCGMA@ventura.org

Either Party may change its contact information by providing written notice of the change to the other Party in accordance herewith:

- c. No modification, waiver, amendment or discharge of this contract shall be valid unless the same is in writing and signed by duly authorized representatives of both Parties.
- d. This contract is for the professional services of CONSULTANT and is non-assignable without prior written consent by AGENCY.
- e. Nothing contained herein shall create a contractual relationship with, or a cause of action in favor of, a third party against either CONSULTANT or AGENCY.
- f. Time limits stated herein are of the essence. CONSULTANT is relieved from meeting the time limits due to delays outside its control.
- g. This contract shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California, and the venue for any action, suit, arbitration or other proceeding thereon shall be proper only in the Superior Court for Ventura County, California.

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**BROWN ARMSTRONG ACCOUNTANCY
CORPORATION**

**FOX CANYON GROUNDWATER MANAGEMENT
AGENCY**

Signature

Signature

Print Name and Title

Arne Anselm
Interim Executive Officer

Date

Date

DRAFT

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EXHIBIT A - SCOPE OF WORK AND SERVICES

1. Overview of Project and Services

The AGENCY has engaged CONSULTANT to provide professional services to aid AGENCY in administering the following for LPV Watermaster: two (2) separate reviews of financial statements (review engagements) and one (1) full certified audit to provide services that cover its first three years of operation. LPV Watermaster's efforts are financed mainly with basin assessment fees and/or penalties/interest on delinquent accounts. LPV Watermaster funds are held separate from AGENCY accounts as of April 2024.

Description of AGENCY and Records to be Reviewed

AGENCY, the Fox Canyon Groundwater Management Agency (FCGMA), an independent special district currently staffed by the County of Ventura, was created to manage and preserve groundwater resources within its boundaries and is considered a special district under the California Water Code. FCGMA was appointed LPV Watermaster by the Courts on July 10, 2023. The LPV Watermaster implements and administers the judgment entered in Las Posas Valley Water Rights Coalition, et al. v. Fox Canyon Groundwater Management Agency, Santa Barbara Sup. Ct. Case No. VENC100509700 (Judgment). AGENCY remains responsible for implementing and complying with SGMA and the Fox Canyon Groundwater Management Agency Act.

Per the LPV Judgment, "the finances of Watermaster shall be subject to an annual audit by a certified public auditing firm. A full certified audit shall be accomplished every three years. An audit review shall be accomplished in the other two years." (Judgment § 7.7.6.) The Judgment also specifies, "all funds received, held, and disbursed by Watermaster pursuant to the Judgment shall be held in Watermaster account(s) separate from all FCGMA accounts, and subject to separate accounting and an independent audit." (Judgment § 2.7.4.)

The language used in the Judgment, cited above, specifies an "audit review," which is interpreted in this Contract Exhibit as correlating to the terminology that indicates a review engagement, or a review of financial statements.

The first review engagement will span the first year of operation of LPV Watermaster, the Fiscal Year ended June 30, 2024, and shall include a review report. The second review engagement will cover the Fiscal Year that will end June 30, 2025, and shall include a review report. The review engagements will be made in accordance with generally accepted standards for the Review of Financial Statements embodied in *Statements on Standards for Accounting and Review Services*, published by the American Institute of Certified Public Accountants (AICPA) and *Government Auditing Standards* issued by the Comptroller General of the United States.

The full certified audit will cover the Fiscal Year that will end June 30, 2026, and will include a detailed report that includes an overview of findings and recommendations in accordance with generally accepted auditing standards embodied in *Statements on Auditing Standards* issued by the AICPA and *Government Auditing Standards* issued by the Comptroller General of the United States. As auditor, CONSULTANT will evaluate the adequacy of the internal control system and, where weaknesses are noted, make appropriate recommendations for improvements. A management letter will be submitted if material weaknesses are noted or if otherwise deemed appropriate. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may

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exist, or if any other circumstances are encountered that require extended services, CONSULTANT will promptly advise the AGENCY Audit Coordinator.

2. Scope of Services

CONSULTANT shall provide the following services and work to AGENCY as detailed in CONSULTANT’s January 10, 2025, proposal:

The first review engagement will span the first year of operation of LPV Watermaster, the Fiscal Year ended June 30, 2024, and shall include a review report.

The objective of a review is to obtain limited assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States. A review includes primarily applying analytical procedures to LPV Watermaster financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review does not contemplate obtaining an understanding of LPV Watermaster’s internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, CONSULTANT will not express an opinion regarding the review of the financial statements as a whole.

Task 1 – Fiscal Year 2023-2024 Financial Statement Review

The following is a detailed review schedule which includes a breakdown of each phase of the June 30, 2024, review, staff levels, and hours projected for each phase. CONSULTANT plans to obtain the trial balance one week prior to fieldwork, along with other information requested, and complete review procedures in one week due to prior preparation.

Timing	Task	Staff	Hours
February 2025	Task 1.1	Partner	2
	1.1 Planning and Scope of Work	Manager	5
	1.1.2 Entrance Conference	Staff	5
	1.1.3 Establish Critical Dates List with Management	Clerical	2
	1.1.4 Obtain Preliminary or Final Trial Balance if Available		
	1.1.5 Provide information request to Watermaster, including inquiry and analytical questionnaires		
	1.1.6 Obtain Confirmations from Watermaster for Delivery and Utilization		
Total Hours for Task 1.1 Planning:			14
Timing	Task 1.2	Staff	Hours

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February 2025	1.2 Review of Financial Data	Partner	1
	1.2.1 Comparative Analysis of Financial Statement Accounts	Manager	15
	1.2.2 Review of Journal Entries and Adjustments	Staff	30
	1.2.3 Reconciliation of Significant Accounts to Client Support, as Needed	Clerical	0
	1.2.4 Assessing Accounting Policies		
Total Hours for Task 1.2 Review of Financial Data:			46
Timing	Task 1.3	Staff	Hours
March 2025	1.3 Completion of the Review and Financial Reporting	Partner	2
	1.3.1 Assist with Drafting of the Financial Statements	Manager	15
	1.3.2 Provide Draft Financial Statements to AGENCY	Staff	5
	1.3.3 Manager and Partner Level Review of Engagement	Clerical	3
	1.3.4 Detailed Quality Control Review by Technical Partner		
	1.3.5 Issuance of Review Report		
Total Hours for Task 1.3 Completion and Reporting:			25
Task 1 Total Hours:			85

Task 2 – Review of Financial Statements by CONSULTANT for Fiscal Years Ended June 30, 2024

The second review engagement will cover the Fiscal Year that will end June 30, 2025, and shall include a review report.

CONSULTANT anticipates the June 30, 2025, review having an earlier start date, with planning beginning in September, the review procedures occurring in November, and completion and financial reporting taking place in December and January.

Timing	Task	Staff	Hours
September 2025	Task 2.1	Partner	2
	2.1 Planning and Scope of Work	Manager	5
	2.1.2 Entrance Conference	Staff	5
	2.1.3 Establish Critical Dates List with Management	Clerical	2
	2.1.4 Obtain Preliminary or Final Trial Balance if Available		
	2.1.5 Provide information request to Watermaster, including inquiry and analytical questionnaires		

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	2.1.6 Obtain Confirmations from Watermaster for Delivery and Utilization		
Total Hours for Task 2.1 Planning:			14
Timing	Task 1.2	Staff	Hours
November 2025	2.2 Review of Financial Data	Partner	1
	2.2.1 Comparative Analysis of Financial Statement Accounts	Manager	15
	2.2.2 Review of Journal Entries and Adjustments	Staff	30
	2.2.3 Reconciliation of Significant Accounts to Client Support, as Needed	Clerical	0
	2.2.4 Assessing Accounting Policies		
Total Hours for Task 2.2 Review of Financial Data:			46
Timing	Task 2.3	Staff	Hours
December 2025 and January 2026	2.3 Completion of the Review and Financial Reporting	Partner	2
	2.3.1 Assist with Drafting of the Financial Statements	Manager	15
	2.3.2 Provide Draft Financial Statements to AGENCY	Staff	5
	2.3.3 Manager and Partner Level Review of Engagement	Clerical	3
	2.3.4 Detailed Quality Control Review by Technical Partner		
	2.3.5 Issuance of Review Report		
Total Hours for Task 2.3 Completion and Reporting:			25
Task 2 Total Hours:		85	

Task 3 – FY 2025-2026 Financial Statement Audit

LPV Watermaster financial statements to be audited by CONSULTANT for the fiscal year ended June 30, 2026. CONSULTANT'S audit will use electronic paperless audit software and facilitate the collection of source documents through an electronic portal.

In addition, CONSULTANT will:

- Examine compliance with laws, regulations that may have a material effect on the financial statements.
- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information required by the Governmental Accounting Standards Board (GASB) as mandated by generally accepted auditing standards.
- Examine internal accounting controls and accounting procedures and render written reports on findings and recommendations to the General Manager.

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- Test compliance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance) for the Agency, if necessary.
- Provide GASB 68 adjustments to present to Agency staff upon completion of the audit fieldwork.
- Apply CONSULTANT's internal control structure to determine and utilize sample sizes for compliance testing
 - CONSULTANT sample sizes will be determined in accordance with the AICPA's Audit and Accounting Guide, Audit Sampling, and will be selected using professional judgment or CONSULTANT software, depending upon circumstance, as permitted by Statement on Auditing Standards. CONSULTANT sample sizes will depend upon preliminary assessment of control risk, planned substantive testing and analytical procedures as well as CONSULTANT'S professional judgement.
 - Compliance test samples will be drawn usually by statistical sampling techniques. The universe from which the sample is drawn begins at the beginning of the year under audit and ends with the end of that year. If a null is picked, it is replaced in draw sequence until sufficient live items comprise the planned sample size.
 - CONSULTANT anticipates performing internal control testing in the following areas: receipts and revenues, disbursements and accounts payable, payroll and related liabilities, capital assets, and controls over requirements of federal and state grants, if required.
 - Sample sizes will depend on the extent of reliance placed on the given sample and the volume of transactions involved. Statistical and random sampling will be used to ensure that all samples truly represent the population being tested. CONSULTANT will use audit command language (ACL) software and your on-site automated data system on an "inquiry only" basis for purposes of identifying the postings of items selected for testing. Findings will be discussed with management for accuracy and the process of recommendations immediately started.
- Prepare and print AGENCY financial statements, including printing of the reports (including a PDF copy).
- Offer practical observations and recommendations relating to internal control issues, implementation of accounting standards and the policies and procedures regarding both.
- Identify opportunities for operating efficiencies which can be used to decrease operating costs of AGENCY.
- Perform other services as required per this Exhibit.

3.1 Planning

- 3.1.1 Entrance conference to meet with AGENCY management for pre-audit planning.

Confer with management to coordinate efforts in terms of confirmations, schedules to be prepared, and critical dates to be met to ensure a smooth flow of the audit process;

- 3.1.2 Preliminary risk assessment procedures.

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Prepare a preliminary assessment of the LPVW's internal control structure utilizing the LPVW's manuals and programs, including controls over federal and state financial assistance programs;

- 3.1.3 Perform review of the Electronic Data Processing (EDP) controls relating to AGENCY computer system;
- 3.1.4 Perform planning analytical procedures consisting of:
 - (1) Comparative analytics (current balances versus budget and prior year); and
 - (2) Predictive analysis (revenues and expenditures/expenses susceptible to such testing based on our expectations);
- 3.1.5 Confer with AGENCY management regarding the results of CONSULTANT planning;
- 3.1.6 Submit questionnaires and requests for information to management regarding internal control. CONSULTANT's approach will emphasize transaction processing; investments, cash receipts, cash disbursements, payroll, capital assets, and external reporting;
- 3.1.7 Obtain an understanding of general ledger and related reports available for audit; and
- 3.1.8 Obtain basic information from management relating to risk assessment, including fraud risks.

3.2 Internal Control Evaluation and Audit Risk Assessment

During this phase CONSULTANT will obtain an understanding of and evaluate key components of LPV Watermaster's internal control structure. CONSULTANT will assess risk factors, including fraud risk relating to significant audit areas and transaction cycles. Procedures will consist of:

- 3.2.1 Reviewing questionnaires and documents obtained from management regarding the internal control structure.
- 3.2.2 Performing walk-throughs and tests of compliance with policies and procedures.
- 3.2.3 Identifying risk factors, including fraud risk, relating to significant audit areas and transaction cycles.
- 3.2.4 Interviewing key management personnel to verify or resolve complicated issues.
- 3.2.5 Summarizing potential significant deficiencies and opportunities for efficiencies and improvements for discussion with management.

3.3 Establishment of Final Audit Plan

CONSULTANT's audit plan will be based on the following: results of compliance and control testing, analytical procedures applied to interim financial statements of LPV Watermaster, results of completed risk assessment, results of audit brainstorming and team discussions; and discussions with management.

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3.4 Field Work

CONSULTANT anticipates beginning Field Work in February 2026, subject to AGENCY approval.

- 3.4.1 Procedural analysis. During this phase, CONSULTANT will perform both analytical and substantive procedures such as variance analysis between prior year actual balances vs. current year actual balances and between current year actual balances vs. budget balances, predictive testing, confirming account balances, vouching revenues and expenditures and reviewing estimates for unpaid claims.
- 3.4.2 At the end of field work, CONSULTANT will discuss any proposed adjustments with management, and we will request a representation letter from management regarding the audit.
- 3.4.3 Based on the representation letter and discussions with management, CONSULTANT will determine whether, based on substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for CONSULTANT opinion(s).

3.5 Completion of the Audit

At this phase of the Audit, CONSULTANT will:

- 3.5.1 Review the financial statements for GAAP compliance at their manager and partner level.
- 3.5.2 Issue drafts of all required reports, draft financial statements, and discuss drafts with appropriate AGENCY personnel.
- 3.5.3 Upon AGENCY approval, issue reports in final form and be available for a presentation to the Fiscal Committee and/or present all reports to LPVW Board of Directors at the meeting of their choice.

Timing	Task 3: FY 2025-2026 Full Certified Audit	Staff	Hours
September 2026	Task 3.1: Planning	Partner	4
	3.1 Planning and Scope of Work	Manager	10
	3.1.2 Entrance Conference	Staff	10
	3.1.3 Develop Audit Programs	Clerical	1
	3.1.4 Establish Critical Dates List with Management		
	3.1.5 Provide information request to Watermaster, including inquiry and analytical questionnaires		
	3.1.6 Obtain Confirmations from Watermaster for Delivery and Utilization		
Total Hours for Task 3.1:			25
Timing	Task 3.2: Evaluation, Assessment, Establishment, and Field Work	Staff	Hours

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November 2026	3.2 Trial balance and draft financial statements to be obtained to perform analytical and substantive procedures.	Partner	2	
	3.2.1 Document Key Accounting and Compliance Processes with Management	Manager	40	
		Staff	60	
		Clerical	0	
		3.2.2 Provide Sample Selections and Obtain Support for Control Testing; Evaluate Results and Findings, if any		
		3.2.3 Fraud Risk Assessment and Fraud Interviews		
3.2.4 Evaluate Key Estimates and Contingencies				
3.2.5 Progress Conference				
Total Hours for Task 3.2:			102	
Timing	Task 3.3: Completion of the Audit and Financial Reporting	Staff	Hours	
December 2026 and January 2027	3.3 Review Draft Statement Disclosures and Documentation	Partner	4	
	3.3.1 Provide Draft of Financial Statements to AGENCY	Manager	20	
	3.3.2 Detailed Quality Control Review	Staff	10	
	3.3.3 Issuance of Required Audit Reports	Clerical	4	
	3.3.4 Exit Conference with Board of Directors			
Explain Overall Audit Approach, Discuss Findings and Recommendations, Report Opinions on Financial Statements, and Address Required Communication Topics				
Total Hours for Task 3.3:			38	
Task 3 Total Hours:		165		

Deliverables:

1. An auditor's report relating to the examination of the business-type activities of the LPVW's basic financial statements which will state the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards and will include an opinion as to whether the statements conform to generally accepted accounting principles.
2. An audit report on the study and evaluation of the internal control structure which will identify the LPVW's significant internal accounting controls. The report will identify the controls not evaluated, and the material weaknesses identified as a result of the evaluation.
3. A management letter that includes a statement of audit findings and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, other instances of non-compliance with laws and regulations and any other material matters.

[End of Exhibit A]

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EXHIBIT B - TIME SCHEDULE

1. Schedule

Notwithstanding Section 2 (Term) of the Contract, all Work to be performed by CONSULTANT on this Contract shall be completed **by February 12, 2027**.

CONSULTANT shall complete tasks as follows:

Fiscal Year	Services Required	Deadline
2023/2024	Review Engagement	March 3, 2025
2024/2025	Review Engagement	February 13, 2026
2025/2026	Full Certified Audit	February 12, 2027

Time Considerations and Requirements

Reports for each element of work contracted are due for completion and delivery promptly to ensure adequate time for Advisory Committee review, followed by Board review and approval for inclusion in an Annual Report due to the California Department of Water Resources (DWR) on April 1, 2025ⁱ.

Hence, a review report of financial statements (5 copies) covering Fiscal Year 2023/2024 must be delivered to AGENCY no later than March 3, 2025, for the first review engagement; the review report of financial statements covering Fiscal Year 2024/2025 (5 copies) must be delivered to AGENCY on or before February 13, 2026. Accordingly, the full certified audit of LPV Watermaster's financial statements, covering Fiscal Year 2025/2026 (5 copies), must be delivered to AGENCY on or before February 12, 2027.

2. Delays

If all work under this contract cannot be completed by the dates specified in Exhibit B through no fault of CONSULTANT, the fee for the work not then completed may be adjusted to reflect increases in cost which occur, due to delay, from the date that the work was required to be complete as specified in Exhibit B until the time the work can actually be completed. Any payments of additional fee as described in this paragraph must be authorized by AGENCY with a modification to this contract.

[End of Exhibit B]

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EXHIBIT C – Fees and Payments

1. Compensation Summary

The following summarizes the maximum amount of compensation available to CONSULTANT under this contract. The actual amount of compensation shall be established and paid in accordance with the applicable provisions of the contract including this Exhibit C.

Maximum Fees for Basic Services:	\$ 59,600.00
Task 1: FY 2023-2024 Financial Statement Review:	\$17,650.00
Task 2: FY 2024-2025 Financial Statement Review:	\$14,150.00
Task 3: FY 2025-2026 Financial Statement Audit:	\$27,800.00
Total Amount Not to Exceed:	\$59,600.00

2. Fees for Basic Services

AGENCY agrees to pay CONSULTANT the following fees for the performance of Basic Services

An **hourly rate** compensation, for actual hours of Basic Services performed that is based upon the hourly rates set forth in the following rate schedule, which rates shall remain fixed for the duration of the contract, not to exceed the **maximum fee amount of the Contract of \$59,600.00**. The maximum fees for the respective tasks identified in Exhibit A as well as the total maximum fee amount are shown in the below Task table. In no case shall a fee for a specific task exceed that listed below without prior written approval by the AGENCY. Rates to be charged are identified in the Rate Table listed below.

Schedule of Hourly Billing Rates	
Staff Classification	Hourly Rates
Partners	\$300
Manager	\$210
Staff	\$120
Clerical	\$100

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Rate and Task Table					
Staff Classification	Hours	Hourly Rates	Task 1: FY 2023-2024 Financial Statement Review	Task 2: FY 2024-2025 Financial Statement Review	Task 3: FY 2025-2026 Financial Statement Audit
<i>Financial Statement Review</i>					
Partners	5	\$300	\$ 1,500	\$ 1,500	\$ -
Manager	35	\$210	7,350	7,350	-
Staff	40	\$120	4,800	4,800	-
Clerical	5	\$100	500	500	-
<hr/>			<hr/>		
Subtotal			14,150	14,150	-
Initial Year/Drafting			3,500		
<hr/>			<hr/>		
Financial Statement Review Total	85				\$ -
<hr/>			\$ 17,650	\$ 14,150	
<i>Financial Statement Audit</i>					
Partners	10	\$300	\$ -	\$ -	\$ 3,000
Manager	70	\$210	-	-	14,700
Staff	80	\$120	-	-	9,600
Clerical	5	\$100	-	-	500
<hr/>			<hr/>		
Financial Statement Audit Total	165		\$ -	\$ -	\$ 27,800
<hr/>			<hr/>		
Total All-Inclusive Maximum Price Per Task			\$ 17,650	\$ 14,150	\$ 27,800

Task Table

Task	Description	Maximum Fee
1	FY 2023-2024 Financial Statement Review:	\$14,150
1.2	Initial Year Drafting	\$3,500
2	FY 2024-2025 Financial Statement Review	\$14,150
3	FY 2025-2026 Financial Statement Audit	\$27,800

PROFESSIONAL SERVICES CONTRACT
BETWEEN BROWN ARMSTRONG ACCOUNTANCY CORPORATION
AND FCGMA FOR LPV WATERMASTER
JANUARY 22, 2025
EXHIBITS

	<u>Total</u>	<u>\$59,600</u>
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4. Delays

If Work cannot be completed by the dates specified in Exhibit B through no fault of CONSULTANT, the fees for the Work not then completed may be adjusted to reflect increases in cost which occur, due to delay, from the date that the Work was required to be complete as specified in Exhibit B until the time the Work can actually be completed. Any payments of such additional fees must be authorized by AGENCY with a written modification to this contract.

5. Payment

Pursuant to Section 4 of the Contract, AGENCY shall make payments to CONSULTANT as follows:

Requests for Payment

Each request for payment shall include: (i) personnel time records for Basic Services at the rates specified in this Exhibit C if applicable; (ii) receipts for all authorized reimbursable expense, along with the written AGENCY authorization for any specific reimbursable expenses requested for payment if required above.

CONSULTANT shall submit all requests for payment to:

Fox Canyon Groundwater Management Agency, LPV Watermaster
800 South Victoria Avenue, L#1610
Ventura, CA 93009-1670
FCGMA@ventura.org

Payment Schedule

Payments shall be made monthly by AGENCY upon presentation of a properly completed AGENCY claim form that has been approved by AGENCY.

Timely Invoicing

Timely invoicing by CONSULTANT is required. Delays in invoicing for services performed increases the management effort required by AGENCY to ensure accurate payments to CONSULTANT and manage project budgets. Accordingly, CONSULTANT shall request payment for services no later than 30 calendar days after the date that the services were performed.

CONSULTANT shall submit a final invoice within 30 days of the earliest of the following events: 1) completion and acceptance by AGENCY of all Work required by the contract; or 2) termination of the contract.

[End of Exhibit C]

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

Eugene F. West, Chair, Director, Camrosa Water District
Kelly Long, Vice Chair, Supervisor, County of Ventura
Michael Craviotto, Farmer, Agricultural Representative
Lynn Maulhardt, Director, United Water Conservation District
Tony Trembley, Councilmember, City of Camarillo

INTERIM EXECUTIVE OFFICER

Arne Anselm

January 22, 2025

Board of Directors
Fox Canyon Groundwater Management Agency
800 South Victoria Avenue
Ventura, CA 93009-1600

SUBJECT: Del Norte Water Company (WMID 3500) Basin Assessment Protest and Request for Refund – (Returning Item)

RECOMMENDATIONS: (1) Receive a presentation from Agency staff on Del Norte Water Company's (DNWC) protest of payment of Water Year (WY) 2023 Las Posas Valley Adjudication Basin Assessment; and (2) Deny the DNWC protest and request for refund.

BACKGROUND:

The judgment entered in the Las Posas Valley (LPV) Adjudication (Judgment) requires the Agency, as the court-appointed Watermaster, to levy and collect a Basin Assessment from Water Right Holders: "Watermaster shall set, levy, and collect Basin Assessments and fees from Water Right Holders[.]" (Judgment, § 7.1.) The Judgment also provides that Watermaster "may reduce the amount of the Basin Assessments levied on Water Right Holders that pay an assessment to [United Water Conservation District] if Watermaster determines, after Committee Consultation, that such a reduction is appropriate as a matter of equity." (Judgment, § 7.9.)

Under the Judgment, "[a]ny Party may seek judicial review of a Basin Management Action" by filing a motion with the Court. (Judgment, § 9.2.) However, prior to seeking judicial review, the disputing party "must timely exhaust [] opportunities for relief through the submission of written comments to Watermaster...concerning the Basin Management Action," and Watermaster and the disputing Party(ies) shall first engage in mediation unless both Watermaster and the disputing Party(ies) agree in writing to forego mediation." (Judgment, §§ 9.2.1.1, 9.2.1.2.) But, "Watermaster may waive the requirement to engage in mediation in which case a Party that has exhausted its administrative remedies with Watermaster and [sic] may seek judicial review without having engaged in mediation." (Judgment, § 9.2.1.2.) In addition, the Judgment requires that administrative remedies be exhausted, and a motion be filed, within certain time frames. Specifically, "[a] Party must request mediation within 60 days of Watermaster taking a Basin Management Action." (Judgment, 9.2.1.2.) Similarly, "[a] Party must seek

judicial review of a Basin Management Action within 30 days after the mediation is concluded, waived, or the mediator issues a notice of impasse.” (Judgment, 9.2.1.2.)

DISCUSSION:

On December 15, 2023, your Board adopted Resolution 2023-03¹, approving the levy of a \$64/AF WY 2023 Basin Assessment and its collection in two equal installments. Subsequently, your Board rescinded the second installment with the adoption of Resolution 2024-04².

On April 18, 2024, DNWC submitted a written protest challenging payment of the WY 2023 Basin Assessment, claiming its WY 2023 Basin Assessment should be reduced under Section 7.9 of the Judgment because it paid assessments to United Water Conservation District (United), and requesting a refund of duplicative amounts (April 2024 DNWC Letter, attached as Exhibit 17A). Subsequently, on July 12, 2024, DNWC submitted a second letter indicating its intent to seek judicial review of the WY 2023 Basin Assessment as applied to DNWC, claiming that it pays an assessment to United for “replenishment activities that benefit DNWC and its Shareholders,” and that the “Watermaster assessment is for activities and administration that either duplicate the activities of the UWCD or has no benefit to DNWC and its Shareholders” (July 2024 DNWC Letter, attached as Exhibit 17B).

On July 17, 2024, as required by the Judgment, Watermaster referred the April 2024 DNWC Letter to the Las Posas Valley Policy Advisory Committee (PAC) (Watermaster Memo to PAC dated July 17, 2024, attached as Exhibit 17C) requesting consultation on DNWC’s protest and whether equity demanded Watermaster refund all or some part of DNWC’s WY 2023 Basin Assessment because DNWC pays a United assessment, “such [that] a reduction is appropriate as a matter of equity.” (Judgment, § 7.9.) The PAC refused to provide a recommendation, and instead claimed that the matter involved technical issues and requested the matter be referred to the Las Posas Valley Technical Advisory Committee (TAC) (PAC Recommendation Report dated August 16, 2024, attached as Exhibit 17D). On October 23, 2024³, your Board denied PAC’s request to refer the matter to the PAC and directed PAC to provide its recommendations to Watermaster by November 8, 2024, commenting that the Basin Assessment issue was purely a policy issue and does not involve any technical issue or analysis (Watermaster Memo to PAC dated October 29, 2024, attached as Exhibit 17E). To date, PAC has not provided a recommendation in response to the committee consultation request on the April 2024 DNWC Letter (PAC Recommendation Report dated November 10, 2024, attached as Exhibit 17F).

The April 2024 DNWC Letter protesting the WY 2023 Basin Assessment and request for a refund should be denied. DNWC claims that the WY 2023 Basin Assessment “is for activities and administration that either duplicate the activities of the UWCD or has no

¹ Resolution 2023-03: https://s42135.pcdn.co/wp-content/uploads/2024/04/Resolution-2023-03_website.pdf

² Resolution 2024-04: <https://s42135.pcdn.co/wp-content/uploads/2024/07/Resolution-2024-04.pdf>

³ Minutes of 10/23/2024 Board meeting: <https://ventura.primegov.com/portal/viewer?id=371366&type=2>

benefit to DNWC and its Shareholders,” (Exhibit 17B, DNWC Protest Letter, at p. 2.) The Judgment provides that “[t]he Watermaster Budget will be funded by the Basin Assessment,” and the Watermaster Budget shall include the estimated annual costs of (i) administrative management of the Basin, investigations, inspections, compliance with and enforcement of the Judgment, personnel and consultant costs, infrastructure maintenance, utilities, general operation and maintenance; (ii) construction, operation, maintenance, and administration of Groundwater enhancement or Basin Optimization Project identified in the Basin Optimization Yield Plan; and (iii) any adjustments to Basin Assessment previously approved (Judgment, § 7.5). In WY 2023 and WY 2024, a significant majority (if not all) of Watermaster’s budget and costs have been dedicated to implementing and administering the several new requirements and processes included in the Judgment; the education of Water Right Holders and enforcing these new requirements; and preparing plans and complying with existing requirements of the Sustainable Groundwater Management Act (i.e., preparation of evaluations of groundwater sustainability plans), which the Judgment makes the responsibility of Watermaster (Judgment, § 3.3). The April 2024 DNWC Letter (Exhibit 17A) does not explain or identify any specific activity, service, or project performed by United that is duplicative or does not benefit DNWC. It is assumed that DNWC is referring to the water replenishment services that United provides to DNWC and other Water Right Holders “located in the western portion of the Basin within UWCD’s service area” (Judgment, § 7). However, to date, none of Watermaster’s annual budgets allocate funds for Basin Management Activities (e.g., projects, replenishment water) that might be considered duplicative of United’s replenishment services, and thus none of the WY 2023 Basin Assessment was used for purposes similar to United’s activities.

Moreover, in the absence of Basin Management Activities, Watermaster cannot duplicate any service provided by United. When a Watermaster Budget does not include funding for Basin Management Activities, Basin Assessments are collected to fund “administrative management of the Basin” and “investigations, inspections, compliance with and enforcement of the Judgment.” (Judgment, § 7.5.) United is not responsible for the entire LPV Basin; its service area extends to only a part of the LPV Basin. Similarly, United is not responsible for the implementing and enforcing the provisions of the Judgment. The Judgment expressly appoints the Agency “[t]o assist the Court in the administration of [the] Judgment” and “to perform the tasks assigned to it by [the] Judgment” (Judgment, §§ 3.3, 5.1).

All of the WY 2023 Basin Assessments collected from Water Rights Holders, including those collected from DNWC, were used to fund implementation and administration of the Judgment, which is a responsibility of the Agency, not United. No amount of Basin Assessments collected were used to fund any type of water replenishment project or activity provided by United during WY 2023 to Water Right Holders in the western part of the LPV Basin. There was no duplication of projects or services between Watermaster and United during WY 2023, and thus there is no inequitable treatment of DNWC.

In addition, in the July 2024 DNWC Letter, DNWC requested (i) an amended notice of basin assessment that reflects a reduction of the alleged duplicative amount; and (ii) a

refund of the alleged duplicative amount. This letter continues: “Please be advised that DNWC intends to seek relief pursuant to the provision of Section 9.2 of the Judgment.” (Exhibit 17B, July 2024 DNWC Letter, at p. 1.) The Judgment requires that mediation occur prior to judicial review unless Watermaster agrees to forego or waive the mediation requirement; however, the disputing Party “must request mediation within 60 days of Watermaster taking a Basin Management Action.” (Judgment, § 9.2.1.2.) Here, your Board adopted Resolution 2023-03, approving the levy of the WY 2023 Basin Assessment, on December 15, 2023. DNWC did not submit its protest until April 18, 2024, approximately 125 days after the WY 2023 Basin Assessment was approved by your Board. Under the Judgment, DNWC’s request for mediation is not timely.

CONCLUSION:

It is recommended that your Board deny the DNWC protest and request for refund of all or part of the WY 2023 Basin Assessment paid by DNWC.

This letter has been reviewed by Agency Counsel. If you have any questions, please call me at (805) 654 2954.

Sincerely,



Kudzai Farai Kaseke (PhD, PH, PMP, CSM)
Assistant Groundwater Manager

Attachments:

- Exhibit 17A – Del Norte Water Company Protest Letter (April 18, 2024)
- Exhibit 17B – Del Norte Water Company Protest Letter (July 12, 2024)
- Exhibit 17C – Watermaster Memo to PAC (July 17, 2024)
- Exhibit 17D – PAC Recommendation Report Letter (August 16, 2024)
- Exhibit 17E – Watermaster Memo to PAC (October 29, 2024)
- Exhibit 17F – PAC Recommendation Report Letter (November 10, 2024)

Del Norte Water Company

Post Office Box 4065
Ventura, California 93007
Phone (805) 647-1092 Fax (805) 647-2805

April 18, 2024

Via E-Mail Transmission

Las Posas Valley Watermaster
LPV.Watermaster@ventura.org

Re: Protest of Basin Assessment - Release Date: 03/05/2024

Dear Sir or Madam:

Del Norte Water Company (“DNWC”) received a Notice of Basin Assessment Release Date: 03/05/2024 made pursuant to Final Judgment filed 07/10/2023 in *Las Posas Valley Water Rights Coalition, et al. v. Fox Canyon Groundwater Management Agency, et al.*, Case No. VENCI00509700. A copy of said Notice is attached hereto as Exhibit “A”.

As you are aware, appeals of the Judgment are pending, although it has not been stayed.

On April 6, 2024, DNWC forwarded a check to the Watermaster of the funds collected by it from its Shareholders in response to the Notice of Assessment.

DNWC, for itself and each of its Shareholders (see List of WMIDs attached hereto as Exhibit “B”), hereby Protests the payment of the Basin Assessments made, with full reservation of all applicable rights against the Las Posas Valley Watermaster, because of the provisions of Section 7.9 of the Judgment which reads:

“7.9 Adjustments to Basin Assessments for UWCD Assessments. Water Right Holders located in the western portion of the Basin within the UWCD’s service area presently pay assessments to UWCD, a portion of which is used to finance UWCD’s ongoing activities that are designed to replenish the Basin and neighboring basins. Watermaster may reduce the amount of the Basin Assessments levied on Water Right Holders that pay an assessment to UWCD if Watermaster determines, following Committee Consultation, that such a reduction is appropriate as a matter of equity.”

DNWC completed the UWCD’s Semi-Annual Groundwater Production Statements (attached hereto as Exhibit “C”) for the period 07/01/2023 to 12/31/2023. DNWC has partially paid 25% of the \$187,832 that was due and will pay the balance on June 30, 2024.

Item 17A – Del Norte Water Company Protest Letter (April 18, 2024)

Las Posas Valley Watermaster

April 18, 2024

Page 2

The UWCD assessment is based on replenishment activities that benefit DNWC and its Shareholders. DNWC is informed and believes the Watermaster assessment is for activities and administration that either duplicate the activities of the UWCD or has no benefit to DNWC and its Shareholders.

DNWC apologizes that, due to clerical error, this ~~Protest~~ was not made at the time the assessment monies were forwarded to the Watermaster on April 6, 2024.

Very Truly Yours,

DEL NORTE WATER COMPANY


JOHN C. ORR, President

JCO:mjr

cc: Shareholders of DNWC

Del Norte Water Company

Post Office Box 4065
Ventura, California 93007
Phone (805) 647-1092 Fax (805) 647-2805

July 12, 2024

Via E-Mail Transmission

Las Posas Valley Watermaster
LPV.Watermaster@ventura.org

Re: Protest of Basin Assessment-Release Date 03/05/2024

Dear Sir or Madam:

By letter dated April 18, 2024, Del Norte Water Company (“DNWC”) sent a letter to the Watermaster protesting the payment of the Basin Assessment based on Section 7.9 of the Final Judgment (the “April 18 Protest”). [A copy of the April 18 Protest is attached hereto as Exhibit “1”.] No response has been received from the Watermaster. Please be advised that DNWC intends to seek relief pursuant to the provisions of Section 9.2 of the Final Judgment:

Section 9.2.1.1 of the Final Judgment provides: “Any Party seeking judicial review of a Basin Management Action must have timely exhausted opportunities for relief through the submission of written comment(s) to Watermaster, either individually or through a written report submitted by PAC or TAC, concerning the Basin Management Action.”

Section 9.2.1.2 of the Final Judgment provides: “Prior to seeking judicial review of a Basin Management Action, Watermaster and the disputing Party(ies) shall first engage in mediation unless both Watermaster and the disputing Party(ies) agree in writing to forego mediation. Watermaster may waive the requirement to engage in mediation in which case a Party that has exhausted its administrative remedies with Watermaster may seek judicial review without having engaged in mediation.”

The April 18 Protest was DNWC’s good faith attempt to initiate a dialogue with Watermaster regarding Section 7.9 assessment reductions. Having received no response from Watermaster on the protested matter, DNWC has exhausted administrative remedies and will continue to pursue its sought-after remedies through the above-referenced channels. The Watermaster assessment is for activities and administration that either duplicate the activities of

Item 17B – Del Norte Water Company Protest Letter (July 12, 2024)

Las Posas Valley Watermaster
July 12, 2024
Page 2

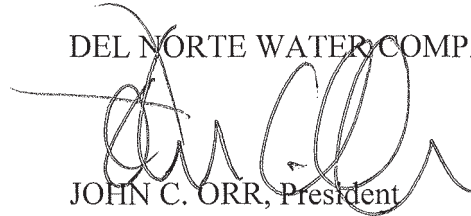
the UWCD or has no benefit to DNWC and its Shareholders. Notwithstanding the protest, DNWC complied with the Notice of Assessment and paid the \$187,832.00 basin assessment in full. DNWC seeks the following remedies:

- 1) An Amended Notice of Assessment reflecting a reduction that is proportionate to the duplicative or non-beneficial activities and administration referenced above; and
- 2) Reimbursement that is proportionate to the reduction in the Amended Notice of Assessment.

DNWC remains hopeful that an agreement can be reached without resorting to mediation or judicial review. Please advise whether mediation or review by the Santa Barbara Superior Court will be necessary to enforce Section 7.9 of the Final Judgment.

Very truly yours,

DEL NORTE WATER COMPANY

A handwritten signature in black ink, appearing to read "John C. Orr", is written over the printed name and title.

JOHN C. ORR, President

JCO:nsh
Attachment

cc: DNWC Board of Directors – *Via E-Mail Transmission*
Barbara Brenner, Esq. – *Via E-Mail Transmission*

Item 17, Exhibit 17C – Watermaster Memo to PAC (July 17, 2024)
FOX CANYON GROUNDWATER MANAGEMENT AGENCY

LAS POSAS VALLEY WATERMASTER



MEMORANDUM

Date: July 17, 2024
To: Las Posas Valley Watermaster Policy Advisory Committee
From: Kudzai F. Kaseke, Assistant Groundwater Manager
Subject: Protest of Water Year 2023 Basin Assessment levied on Del Norte Water Company (WMID 3500).

Dear Las Posas Valley Watermaster Policy Advisory Committee (PAC):

Attached for committee consultation is communication from Del Norte Water Company (WMID 3500) protesting the Water Year 2023 Basin Assessment levied against the company and its shareholders.

The Las Posas Valley Adjudication Judgment states that, the Watermaster, following Committee Consultation, may reduce the amount of the Basin Assessments levied on Water Right Holders that pay an assessment to United Water Conservation District (UWCD), if such a reduction is appropriate as a matter of equity. (Judgment § 7.9). The Las Posas Valley Adjudication Judgment also provides that, “Any Party seeking judicial review of a Basin Management Action must have timely exhausted opportunities for relief through the submission of written comment(s) to Watermaster, either individually or through a written report submitted by PAC or TAC, concerning the Basin Management Action;” (Judgment § 9.2.1.1).

Watermaster brings this issue before the PAC for discussion in compliance with the Judgment. Please provide feedback to the Watermaster by August 9, 2024.

Please contact me at 805 654 2010 or LPV.Watermaster@ventura.org with any questions or concerns.

Del Norte Water Company

Post Office Box 4065
Ventura, California 93007
Phone (805) 647-1092 Fax (805) 647-2805

July 12, 2024

Via E-Mail Transmission

Las Posas Valley Watermaster
LPV.Watermaster@ventura.org

Re: Protest of Basin Assessment-Release Date 03/05/2024

Dear Sir or Madam:

By letter dated April 18, 2024, Del Norte Water Company (“DNWC”) sent a letter to the Watermaster protesting the payment of the Basin Assessment based on Section 7.9 of the Final Judgment (the “April 18 Protest”). [A copy of the April 18 Protest is attached hereto as Exhibit “1”.] No response has been received from the Watermaster. Please be advised that DNWC intends to seek relief pursuant to the provisions of Section 9.2 of the Final Judgment:

Section 9.2.1.1 of the Final Judgment provides: “Any Party seeking judicial review of a Basin Management Action must have timely exhausted opportunities for relief through the submission of written comment(s) to Watermaster, either individually or through a written report submitted by PAC or TAC, concerning the Basin Management Action.”

Section 9.2.1.2 of the Final Judgment provides: “Prior to seeking judicial review of a Basin Management Action, Watermaster and the disputing Party(ies) shall first engage in mediation unless both Watermaster and the disputing Party(ies) agree in writing to forego mediation. Watermaster may waive the requirement to engage in mediation in which case a Party that has exhausted its administrative remedies with Watermaster may seek judicial review without having engaged in mediation.”

The April 18 Protest was DNWC’s good faith attempt to initiate a dialogue with Watermaster regarding Section 7.9 assessment reductions. Having received no response from Watermaster on the protested matter, DNWC has exhausted administrative remedies and will continue to pursue its sought-after remedies through the above-referenced channels. The Watermaster assessment is for activities and administration that either duplicate the activities of

Exhibit 17C – Watermaster Memo to PAC (July 17, 2024)

Las Posas Valley Watermaster
July 12, 2024
Page 2

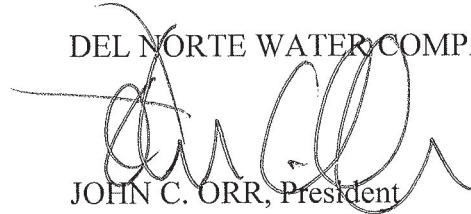
the UWCD or has no benefit to DNWC and its Shareholders. Notwithstanding the protest, DNWC complied with the Notice of Assessment and paid the \$187,832.00 basin assessment in full. DNWC seeks the following remedies:

- 1) An Amended Notice of Assessment reflecting a reduction that is proportionate to the duplicative or non-beneficial activities and administration referenced above; and
- 2) Reimbursement that is proportionate to the reduction in the Amended Notice of Assessment.

DNWC remains hopeful that an agreement can be reached without resorting to mediation or judicial review. Please advise whether mediation or review by the Santa Barbara Superior Court will be necessary to enforce Section 7.9 of the Final Judgment.

Very truly yours,

DEL NORTE WATER COMPANY

A handwritten signature in black ink, appearing to read 'John C. Orr', is written over the printed name and title.

JOHN C. ORR, President

JCO:nsh
Attachment

cc: DNWC Board of Directors – *Via E-Mail Transmission*
Barbara Brenner, Esq. – *Via E-Mail Transmission*

Exhibit 17C – Watermaster Memo to PAC (July 17, 2024)

EXHIBIT “1”

[DNWC’S APRIL 18 PROTEST]

Del Norte Water Company

Post Office Box 4065
Ventura, California 93007
Phone (805) 647-1092 Fax (805) 647-2805

April 18, 2024

Via E-Mail Transmission

Las Posas Valley Watermaster
LPV.Watermaster@ventura.org

Re: Protest of Basin Assessment - Release Date: 03/05/2024

Dear Sir or Madam:

Del Norte Water Company (“DNWC”) received a Notice of Basin Assessment Release Date: 03/05/2024 made pursuant to Final Judgment filed 07/10/2023 in *Las Posas Valley Water Rights Coalition, et al. v. Fox Canyon Groundwater Management Agency, et al.*, Case No. VENCI00509700. A copy of said Notice is attached hereto as Exhibit “A”.

As you are aware, appeals of the Judgment are pending, although it has not been stayed.

On April 6, 2024, DNWC forwarded a check to the Watermaster of the funds collected by it from its Shareholders in response to the Notice of Assessment.

DNWC, for itself and each of its Shareholders (see List of WMIDs attached hereto as Exhibit “B”), hereby Protests the payment of the Basin Assessments made, with full reservation of all applicable rights against the Las Posas Valley Watermaster, because of the provisions of Section 7.9 of the Judgment which reads:

“7.9 **Adjustments to Basin Assessments for UWCD Assessments.** Water Right Holders located in the western portion of the Basin within the UWCD’s service area presently pay assessments to UWCD, a portion of which is used to finance UWCD’s ongoing activities that are designed to replenish the Basin and neighboring basins. Watermaster may reduce the amount of the Basin Assessments levied on Water Right Holders that pay an assessment to UWCD if Watermaster determines, following Committee Consultation, that such a reduction is appropriate as a matter of equity.”

DNWC completed the UWCD’s Semi-Annual Groundwater Production Statements (attached hereto as Exhibit “C”) for the period 07/01/2023 to 12/31/2023. DNWC has partially paid 25% of the \$187,832 that was due and will pay the balance on June 30, 2024.


Exhibit 17C – Watermaster Memo to PAC (July 17, 2024)

Las Posas Valley Watermaster
April 18, 2024
Page 2

The UWCD assessment is based on replenishment activities that benefit DNWC and its Shareholders. DNWC is informed and believes the Watermaster assessment is for activities and administration that either duplicate the activities of the UWCD or has no benefit to DNWC and its Shareholders.

DNWC apologizes that, due to clerical error, this Protest was not made at the time the assessment monies were forwarded to the Watermaster on April 6, 2024.

Very Truly Yours,

DEL NORTE WATER COMPANY

JOHN C. ORR, President

JCO:mjr

cc: Shareholders of DNWC



Item 17, Exhibit 17D – PAC Recommendation Report Letter (August 16, 2024)

Gene West, Chair
Las Posas Valley Watermaster
800 S. Victoria Ave.
Ventura, CA 93009

August 16, 2024

Re: PAC Recommendation Report concerning Del Norte Protest

Chair West:

At its August 1 and 15, 2024 meetings, the PAC discussed the Del Norte basin assessment protest letters submitted for committee consultation by Watermaster staff July 17, 2024.

The PAC understands Del Norte's position to be that United Water Conservation District (UWCD) provides sufficient basin management to protect and maintain Del Norte's pumping capacity, and that no activity on the part of the Watermaster, administrative or otherwise, can benefit Del Norte in any way that is not duplicative of UWCD activities. As such, as matter of equity, Del Norte believes it should not pay any basin assessment.

After much discussion, two central questions presented themselves to the PAC:

1. Where does Del Norte's water come from? That is, how much of the water produced at their wells comes from UWCD's recharge efforts and how much from other basin inflows?
2. What is the generalized benefit to the Del Norte service area of being in the Las Posas Valley Basin and party to the Judgment? That is, can the benefit accrued to Del Norte's wells of Watermaster activity be quantified? And, if so, what would that value be?

There are clearly policy aspects to the second question, but there are hydrogeological aspects to it, as well, and the PAC determined that without a technical foundation, it cannot develop any policy recommendations for the Watermaster.

As such, at this juncture, the PAC recommends, per Section 6.4 of the Judgment, that Watermaster assign this issue to TAC for review. Once a TAC recommendation report has been developed and returned to the PAC, the PAC can discuss the policy implications and develop a recommendation report to the Watermaster regarding the Del Norte protest.

Thank you for the opportunity to weigh in on this important matter of equity.

Sincerely,



Ian Prichard, Chair, LPV Watermaster PAC



MEMORANDUM

Date: October 29, 2024

To: Las Posas Valley Watermaster Policy Advisory Committee

From: Kudzai F. Kaseke, Assistant Groundwater Manager

Subject: Policy Advisory Committee Request for Technical Advisory Committee Consultation on Del Norte Water Company (WMID 3500) Basin Assessment Protest.

Dear Las Posas Valley Watermaster Policy Advisory Committee (PAC):

On October 23, 2024, the Watermaster Board (Board) discussed your committee's request that Watermaster assign the Del Norte Water Company Basin Assessment Protest for Water Year 2023 to the Technical Advisory Committee (TAC) for review. The Board adopted the staff recommendation to deny the PAC request for TAC consultation and directed staff to return the item to the PAC for consideration, with direction to prepare and provide a recommendation report to the Watermaster no later than November 08, 2024 (attached as Item 26).

As such, staff return the Del Norte Water Company Basin Assessment Protest for Water Year 2023 to the PAC for deliberation per the Board's direction. Please provide feedback to the Watermaster by November 08, 2024.

Please contact me at 805 654 2010 or LPV.Watermaster@ventura.org with any questions or concerns.

FOX CANYON

GROUNDWATER MANAGEMENT AGENCY

A STATE OF CALIFORNIA WATER AGENCY



BOARD OF DIRECTORS

Eugene F. West, *Chair, Director, Camrosa Water District*
Kelly Long, *Vice Chair, Supervisor, County of Ventura*
Michael Craviotto, *Farmer, Agricultural Representative*
Lynn Maulhardt, *Director, United Water Conservation District*
Tony Trembley, *Mayor, City of Camarillo*

INTERIM EXECUTIVE OFFICER

Arne Anselm

October 23, 2024

Board of Directors

Fox Canyon Groundwater Management Agency
800 South Victoria Avenue
Ventura, CA 93009-1600

SUBJECT: Policy Advisory Committee Request for Technical Advisory Committee Consultation on Del Norte Mutual Water Company (WMID 3500) Basin Assessment Protest – (New Item)

RECOMMENDATIONS: (1) Receive a presentation from Agency staff on the Las Posas Valley (LPV) Watermaster Policy Advisory Committee (collectively, the PAC) request for LPV Watermaster Technical Advisory Committee (collectively, the TAC) consultation on Del Norte Mutual Water Company’s protest to payment of Water Year (WY) 2023 LPV Adjudication Basin Assessment; and (2) Deny the PAC request for TAC consultation and refer the matter back to the PAC for deliberation and recommendation.

BACKGROUND:

The LPV Adjudication Judgment (Judgment) requires the Watermaster to levy and collect a Basin Assessment from Water Right Holders: “Watermaster shall set, levy, and collect Basin Assessments and fees from Water Right Holders[.]” (Judgment, § 7.1.) The Judgment also provides that the Watermaster “may reduce the amount of the Basin Assessments levied on Water Right Holders that pay an assessment to [United Water Conservation District] if Watermaster determines, after Committee Consultation, that such a reduction is appropriate as a matter of equity.” (Judgment, § 7.9.)

DISCUSSION:

On December 15, 2023, with the adoption of Resolution 2023-03¹, Watermaster Board adopted a \$64 WY 2023 Basin Assessment and levied it in two equal installments, effective March 1, 2024, and June 1, 2024, although the second installment was later rescinded by the Watermaster Board with the adoption of Resolution 2024-04².

On April 18, 2024, DNMWC submitted a written protest challenging payment of the WY 2023 Basin Assessment, claiming its WY 2023 Basin Assessment should be reduced under Section 7.9 of the Judgment because it paid assessments to United Water Conservation District (attached as Exhibit 26A). Subsequently, on July 12, 2024, DNMWC submitted a second protest letter

¹ Resolution 2023-03: https://s42135.pcdn.co/wp-content/uploads/2024/04/Resolution-2023-03_website.pdf

² Resolution 2024-04: <https://s42135.pcdn.co/wp-content/uploads/2024/07/Resolution-2024-04.pdf>

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invoking Sections 9.2.1.1 and 9.2.1.2 of the Judgment, which prescribe potential avenues for resolving Basin Management Actions before Judicial Review (attached as Exhibit 26B).

DNMWC's total WY 2023 Basin Assessment was \$75,272.96 with an additional \$112.55 in accrued interest. DNMWC has protested the full amount because, "DNWC is informed and believes the Watermaster assessment is for activities and administration that either duplicate the activities of the UWCD or has no benefit to DNWC and its Shareholders."

On July 17, 2024, Watermaster staff submitted DNMWC's protest letters to the PAC for consultation as required by Section 7.1 of the Judgment (attached as Exhibit 26C).

The PAC discussed the issue at its August 1 and 15, 2024 meetings and submitted their recommendation report on August 16, 2024 (attached as Exhibit 26D). The PAC states that, "There are clearly policy aspects to the second question, but there are hydrogeological aspects to it, as well, and the PAC determined that without a technical foundation, it cannot develop any policy recommendations for the Watermaster. As such, at this juncture, the PAC recommends, per Section 6.4 of the Judgment, that Watermaster assign this issue to TAC for review. Once a TAC recommendation report has been developed and returned to the PAC, the PAC can discuss the policy implications and develop a recommendation report to the Watermaster regarding the Del Norte protest."

Under the Judgment, the "PAC is the primary advisory body to Watermaster on policy-related matters of a non-technical nature to be considered by Watermaster," while the "TAC is the primary advisory body to Watermaster on all matters requiring expertise to be considered by Watermaster relating to Groundwater management and sustainability of the Basin." (Judgment, § 6.10.1, 6.11.1.)

Although the PAC's responsibilities are limited to "policy-related matters of a non-technical nature," the PAC may request that the Watermaster assign **a matter involving a technical question** to TAC for review and issuance of a Recommendation Report to Watermaster." (Judgment, § 6.4 (emphasis added).) But the DNMWC protest does not involve a "technical question." Basin Assessments are calculated based on a Water Right Holder's annual allocation once calculated by staff, reviewed and approved by the PAC and the TAC, and adopted by your Board. (Judgment, §§ 4.2, 7.2.) Nor does adjustment of Basin Assessments under Section 7.9 of the Judgment require any "technical foundation" or understanding of "hydrogeological aspects" of the LPV Basin. Section 7.9 of the Judgment authorizes the Watermaster to reduce the Basin Assessments of those "Water Right Holders that pay an assessment to United Water Conservation District[.]" Consideration of factors other than whether the Water Right Holder paid an assessment to United Water Conservation District are irrelevant. The only issue is whether the Water Right Holder paid a United Water Conservation District assessment, which does not involve technical experience or expertise. Finally, the plain language of Section 7.9 is clear that any decision to reduce a Basin Assessment shall be determined "as a matter of equity" rather than on any technical basis or evaluation.

CONCLUSION:

Whether DNMWC's WY 2023 Basin Assessment should be reduced under Section 7.9 of the Judgment does not involve a technical matter. Watermaster forwarded the matter to the PAC, as required by the Judgment, for its members and their constituents to provide policy opinions and recommendations on whether DNMWC should be allowed to avoid paying its total WY 2023 Basin

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Assessment only because it paid a United Water Conservation District assessment the same year. No technical assistance or evaluation from the TAC would aid the PAC in providing a recommendation on this issue. Accordingly, staff recommends that your Board deny the PAC request for TAC consultation on the DNMWC protest, and direct staff to return the item to the PAC for their consideration with direction to prepare and provide a recommendation report to the Watermaster no later than November 8, 2024.

This letter has been reviewed by Agency Counsel. If you have any questions, please call me at (805) 654 2954.

Sincerely,



Kudzai Farai Kaseke (PhD, PH, PMP, CSM)
Assistant Groundwater Manager

Attachments:

- Exhibit 26A – Del Norte Water Company Protest Letter (April 18, 2024)
- Exhibit 26B – Del Norte Water Company Protest Letter (July 12, 2024)
- Exhibit 26C – Watermaster Memo to PAC (July 17, 2024)
- Exhibit 26D – PAC Recommendation Report Letter (August 16, 2024)

FCGMA Board Meeting

January 22, 2025

Item 17, Exhibit 17F – PAC Recommendation Report Letter (November 10, 2024)

TO: Las Posas Valley Watermaster

FROM: Las Posas Valley Watermaster Policy Advisory Committee (PAC)

RE: Recommendation Report – DNWC Protest

DATE: November 10, 2024

Recommendation:

The PAC authorized the Chair to submit a report that states the PAC is unable to make a determination regarding the equity of Del Norte’s protest.

Policy Rationale for Recommendation:

Having been denied access to the TAC, as requested in the PAC’s letter of August 16, 2024, the PAC determined that it has insufficient data to inform any policy decision regarding the Del Norte Water Company’s protest.

Summary of Facts in Support of Recommendation:

In its August 15, 2024 letter, the PAC recommended Watermaster submit two questions to TAC to develop a technical basis for policymaking. The Watermaster Board, at its October 23, 2024 meeting, denied that request.

Tally of Committee Member Votes:

	YES	NO	ABSTAIN	ABSENT
Ian Prichard, Callegaus MWD	X			
David Fleisch, VC WWD No. 1 & 19	X			
John Menne, Zone MWC	X			
VACANT, Commercial				X
Rob Grether, West LPV Large Ag			X	
David Schwabauer, East LPV Large Ag	X			
Josh Waters, East LPV Small Ag				X
Richard Cavaletto, West LPV Small Ag	X			
Laurel Servin, East LPV MWC				X
Steven Murata, West LPV MWC	X			

Report of Bases for Majority and Minority Committee Member Positions:

Having received no new information since its last report, the PAC has no new recommendation.

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

DIRECTORS

Eugene F. West (Chair) – Small Water Districts (805) 657-2121 (*Term Exp 2-28-25*)
Executive Committee, Fiscal Committee

Kelly Long (Vice Chair) – Ventura County Board of Supervisors (805) 654-2276 (*Term Exp 2-28-27*)
Executive Committee

Michael Craviotto – Farming Interests (805) 766-9602 (*Term Exp 2-28-26*)
Operations Committee, Flynn Award Selection Subcommittee

Lynn Maulhardt – United Water Conservation District (805) 982-0780 (*Term Exp 2-28-26*)
Operations Committee

Tony Trembley – Five Cities (805) 388-5307 (*Term Exp 2-28-26*)
Fiscal Committee, Flynn Award Selection Subcommittee

ALTERNATE DIRECTORS

Raul Avila – Small Water Districts (818) 798-8745 (*Term Exp 2-28-25*)

Vianey Lopez – Ventura County Board of Supervisors (805) 654-2613 (*Term Exp 2-28-27*)

David Borchard – Farming Interests (805) 485-3525 (*Term Exp 2-28-26*)

Bert Perello – Five Cities (805) 240-6194 (*Term Exp 2-28-26*)

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Jason Canger – Agency Assistant Legal Counsel (805) 654-2879

Farai Kaseke – Assistant Groundwater Manager (805) 654-2954

Kathleen Riedel – Groundwater Specialist Ret. PT (805) 654-2064

Robert Hampson – Groundwater Specialist (805) 654-3952

John Gauthier – Groundwater Specialist (805) 654-5164

Raya Nour – Engineer II (805) 654-2454

Kathy Jones – Staff Services Specialist (805) 645-1372

Cynthia Rodriguez – Administrative Assistant (805) 662-6831

Erin Ware – Administrative Assistant (805) 654-2032

Fatima Perez – Management Assistant (805) 650-4073

Kylen Wooley – Water Resources Compliance Specialist (805) 658-4374

Briana Barajas – Water Resources Specialist (805) 654-2021

Elka Weber – Clerk of the Board (805) 654-2014