

Las Posas Valley Groundwater Basin Technical Advisory Committee Regular Meeting

Tuesday March 18, 2025, 2:00 PM

Via Zoom:

<https://us02web.zoom.us/j/84168071218?pwd=Kv42H0XegH4TthbvJUgzTrzACgXM8b.1>

Webinar ID: 841 6807 1218

Passcode: 150451

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Las Posas Basin Technical Advisory Committee (TAC) will hold a regular meeting via Zoom at **2 PM on Tuesday March 18, 2025**.

AGENDA

- A. Call to Order**
- B. Roll Call**
- C. Agenda Review**
- D. Public Comments**
- E. TAC Member Comments**
- F. Regular Agenda**
 - 1. Approve Minutes from February 18, 2025 TAC Regular Meeting** (attached, agenda page 3)
 - 2. Committee Consultation Request – Las Posas Valley Basin Annual Audit for period ending June 30, 2024**

The Watermaster requested TAC consultation on the recently completed Annual Financial Audit Review completed as part of the 2025 Las Posas Valley Basin Groundwater Sustainability Plan (GSP) Annual Report Covering Water Year 2024 (Water Year 2024 Annual Report). The Watermaster provided the Annual Financial Audit Review which will be included in Water Year 2024 Annual Report as Appendix C. The judgment entered in the Las Posas Valley Adjudication (Judgment) states:

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.)

The Watermaster complies with this requirement of the Judgment by including annual audits in GSP annual reports. However, the 2024 Annual Financial Audit was not available when the Watermaster submitted the Water Year 2024 Annual Report to the TAC for TAC consultation in January and February 2025.

Watermaster staff plan to bring the Water Year 2024 Annual Report to the Watermaster Board of Directors on March 26, 2025 for approval and subsequent submission to the Department of Water Resources by April 1, 2025. Watermaster staff requested feedback from the TAC by March 14, 2025.

The TAC will discuss this TAC consultation request and the Annual Financial Audit Review, both of which are included as components of this agenda. The TAC consultation request is on agenda page 6. The Annual Financial Audit Review is provided as a separate file associated with this agenda.

3. Update on Committee Consultation Review Schedule

The TAC will receive an update on the schedule for upcoming committee consultations from the Watermaster Representative. Known current and upcoming consultation are summarized in the table below:

Consultation Description	Expected Request Date	Expected Review Due Date
Presentation of Basin Optimization Yield Study Model Scenario Results by Dudek	4/1/25	TBD
Calleguas ASR Project Operations Plan	TBD	TBD

4. Schedule for Completing Committee Consultations and Related Recommendation Reports

The TAC will discuss the schedule for completing consultation requests from the Watermaster.

G. Items for Future Agenda

Potential items for future agenda will be considered by the TAC

H. Adjourn

Attachment 1

Minutes of the February 18, 2025 TAC Regular Meeting

Las Posas Valley Groundwater Basin Technical Advisory Committee Regular Meeting

Meeting Minutes
for
February 18, 2025

A. Call to Order

Chair Chad Taylor called the special meeting to order at 2:01 pm.

B. Roll Call

All voting TAC members present (via Zoom):

- Dr. Bob Abrams – Present
- Vice Chair Tony Morgan - Present
- Chair Chad Taylor - Present

All non-voting TAC members were present (via Zoom):

- Robert Hampson (filling in for Kim Loeb on behalf of Watermaster) – Present
- Bryan Bondy – Present

Chair Taylor reported a quorum with all three voting members of the Las Posas Valley Technical Advisory Committee (TAC) present.

C. Agenda Review

Chair Taylor noted that the agenda for the meeting was short and focused and asked if TAC members or the public had comments on the agenda; none were presented.

D. Public Comments

No public comments on items not on the agenda were received.

E. TAC Member Comments

No TAC member comments on items not on the agenda were received.

F. Regular Agenda

1. Approve the Minutes of the February 11, 2025 Special Meeting

Mr. Taylor asked TAC members for comments on the minutes from the February 11, 2025 regular meeting, which were included in the agenda packet. No TAC member or public comments were submitted.

MOTION: Dr. Abrams moved to approve the February 11, 2025 TAC Meeting minutes

SECOND: Vice Chair Morgan seconded the motion

VOTE: Unanimously approved

2. Committee Consultation Request – Appendices A and E of the Draft Las Posas Valley Basin Groundwater Sustainability Plan 2025 Annual Report Covering Water Year 2024

Chair Taylor informed the TAC and public attendees that the Watermaster requested TAC consultation on two appendices to the Draft Las Posas Valley Basin Groundwater Sustainability Plan 2025 Annual Report Covering Water Year 2024 (Water Year 2024 Annual Report). These

were Appendices A and E to the Water Year 2024 Annual Report, which contain Water Year 2023-2024 Annual Allocations Accounting and an Updated Groundwater Allocation Schedule, respectively. These appendices were not included in the draft Water Year 2024 Annual Report when first submitted to the TAC in mid-January. The Watermaster requested that the TAC review these materials for accuracy and completeness.

Mr. Taylor noted that the TAC has no data or information to use in reviewing the appendices for accuracy or completeness and therefore cannot provide a review. He went on to say that as there is no recommendation on this topic the TAC does not plan to prepare a Recommendation Report but will instead inform the Watermaster via email that the TAC has no basis for reviewing the accuracy and/or completeness of these appendices.

The other TAC members agreed that the TAC has no information to support a review of Appendices A and E or the Water Year 2024 Annual Report. Mr. Hampson agreed that a Recommendation Report was unnecessary.

Mr. Bondy informed the TAC that he had reviewed the appendices on behalf of Zone Mutual Water Company (ZMWC) and identified errors in information attributed to ZMWC itself and customers ZMWC delivered water to during the period.

No public comments were provided.

3. Schedule for Completing Committee Consultations and Related Recommendation Reports

Mr. Taylor reminded TAC members at public attendees that there were no additional outstanding committee consultations and that TAC members previously requested regular meetings not be held unnecessarily. The next regular meeting, scheduled for March 4, 2025, would be canceled if no agenda topics arise in consultation with the Watermaster by February 27th.

Dr. Abrams asked for a copy of the revised Recommendation Report on the draft Initial Basin Optimization Plan approved in the previous TAC meeting and Mr. Taylor indicated that he would provide the approved version as submitted to the Watermaster.

No public comments were received.

G. Items for Future Agenda

Mr. Taylor asked for recommendations for items to consider including in future agendas from the TAC and public; none were identified.

H. Adjourn

MOTION: Dr. Abrams moved to adjourn the meeting at 2:14 pm

SECOND: Mr. Morgan seconded the motion

VOTE: Unanimously approved

Attachment 2

**Committee Consultation Request – Las Posas Valley Basin Annual Audit
for period ending June 30, 2024**

FOX CANYON GROUNDWATER MANAGEMENT AGENCY

LAS POSAS VALLEY WATERMASTER



MEMORANDUM

Date: March 06, 2025
To: Las Posas Valley Watermaster Technical Advisory Committee
From: Kudzai F. Kaseke, Assistant Groundwater Manager
Subject: Las Posas Valley Basin Annual Audit (Review Engagement) for period ending June 30, 2024.

Dear Las Posas Valley Watermaster Technical Advisory Committee (TAC):

Attached for your review and consultation in compliance of the judgment entered in the Las Posas Valley Adjudication (Judgment) is Watermaster's Annual Audit – Review Engagement for the period ending June 30, 2024. The Judgment provides: "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.) Annual audits are incorporated into Watermaster's annual reports. (See Judgment, Exh. A, § 2.7.10.)

On January 15, 2025, Watermaster submitted a draft Las Posas Valley Basin Groundwater Sustainability Plan 2025 Annual Report to your committee for consultation. That draft report identified that material components were still being prepared, including the annual audit, and would be sent to your committee as they became available. Staff plans to bring the draft 2025 Las Posas Valley Basin GSP Annual Report to Watermaster for approval and submission to the Department of Water Resources by April 1, 2025, at the Fox Canyon Groundwater Management Agency/Las Posas Valley Watermaster Board of Directors meeting on March 26, 2025. Please provide feedback via the email below to the Watermaster by March 14, 2025. Watermaster acknowledges the short turnaround time but appreciates your comments ahead of the March 26, 2025 Fox Canyon Groundwater Management Agency/Las Posas Valley Watermaster Board of Directors meeting.

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

**LAS POSAS VALLEY
WATERMASTER**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT ACCOUNTANT'S
REVIEW REPORT**

JUNE 30, 2024

**LAS POSAS VALLEY
WATERMASTER
JUNE 30, 2024**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Las Posas Valley Watermaster

We have reviewed the accompanying financial statements of Las Posas Valley Watermaster (Watermaster), which comprise the statement of net position as of June 30, 2024; the related statement of revenues, expenses, and changes in net position and statement of cash flows for the year then ended; and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's 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. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Watermaster and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
March 3, 2025

**LAS POSAS VALLEY WATERMASTER
STATEMENT OF NET POSITION
JUNE 30, 2024**

ASSETS

Current assets:

Cash and investments	\$ 1,067,101
Accounts receivable	75,811
Interest receivable	9,722
Due from County of Ventura	<u>27</u>

Total current assets 1,152,661

Total assets 1,152,661

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	4,973
Due to County of Ventura	<u>16,899</u>

Total current liabilities 21,872

Total liabilities 21,872

NET POSITION

Unrestricted 1,130,789

Total net position \$ 1,130,789

See independent accountant's review report and notes to financial statements.

**LAS POSAS VALLEY WATERMASTER
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

Operating revenues:	
Assessments	<u>\$ 1,279,633</u>
Total operating revenues	1,279,633
Operating expenses:	
Ventura County public works charges	84,708
Attorney services	59,959
Special services	64
Other professional and special services	<u>17,244</u>
Total operating expenses	<u>161,975</u>
Operating income	1,117,658
Nonoperating revenues	
Interest income	9,846
Gain in fair value change	<u>3,285</u>
Total nonoperating revenues	<u>13,131</u>
Change in net position	1,130,789
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ 1,130,789</u></u>

See independent accountant's review report and notes to financial statements.

**LAS POSAS VALLEY WATERMASTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash receipts from extraction fees	\$ 1,203,822
Cash paid to vendors and suppliers for materials and services	<u>(140,103)</u>
Net cash provided by operating activities	<u>1,063,719</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment income and interest earnings	<u>3,382</u>
Net cash provided by investing activities	<u>3,382</u>
Net increase in cash and investments	1,067,101
Cash and investments at beginning of year	<u>-</u>
Cash and investments at end of year	<u><u>\$ 1,067,101</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	<u>\$ 1,117,658</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	
Change in operating assets and liabilities:	
Accounts receivable	(75,811)
Accounts payable and accrued expenses	4,973
Due to County of Ventura	<u>16,899</u>
Total adjustments	<u>(53,939)</u>
Net cash provided by operating activities	<u><u>\$ 1,063,719</u></u>

See independent accountant's review report and notes to financial statements.

**LAS POSAS VALLEY WATERMASTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – REPORTING ENTITY

Organization and Operations of the Reporting Entity

On July 10, 2023, the Santa Barbara Superior Court issued a judgment in *Las Posas Valley Water Rights Coalition, et al. v. Fox Canyon Groundwater Management Agency* (Case No. VENC100509700), adjudicating all groundwater rights in the Las Posas Valley Groundwater Basin (Basin). This Judgment, pursuant to the Sustainable Groundwater Management Act (SGMA), provides for the Basin's sustainable management and appoints the Fox Canyon Groundwater Management Agency (FCGMA) as Watermaster for implementation and administration. FCGMA retains responsibility for complying with SGMA and the Fox Canyon Groundwater Management Agency Act.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the standards promulgated by the Governmental Accounting Standards Board (GASB) commonly referred to as U.S. GAAP (accounting principles generally accepted in the United States of America). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Basis of Accounting and Measurement Focus

The Watermaster reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Watermaster is that the costs of administering the Judgment and complying with SGMA be financed or recovered primarily through user charges (Water Right Holder's Annual Allocation), capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the fiscal year in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as assessments and purchase of professional services, result from exchange transactions associated with the principal activity of the Watermaster. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as nonoperating revenues and expenses.

Financial Reporting

The Watermaster implemented the following new standard during the fiscal year ended June 30, 2024:

- GASB Statement No. 100 – *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*. The implementation of this new accounting standard has no significant impact to the Watermaster's financial statements.

Basic Financial Statements

The basic financial statements are comprised of the statement of net position; the statement of revenues, expenses, and changes in net position; the statements of cash flows; and the related notes to the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Substantially all the Watermaster's cash is invested in interest-bearing accounts. The Watermaster considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Accounts Receivable and Allowance for Uncollectible Accounts

The Watermaster extends credit to customers in the normal course of operations. Receivables primarily consist of assessments levied on Water Right Holders within the Basin. When management deems customer accounts uncollectible, the Watermaster uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2024, no allowance for uncollectible accounts receivable was considered necessary as all accounts receivable were deemed fully collectable.

Net Position

The Watermaster follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- Net investment in capital assets – this component of net position consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted – this component of net position consists of amounts with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted – this component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

Net Position Flow Assumption

When an agency fund outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

Assessments

Primary revenue is based on basin assessments derived from annual allocations of groundwater granted to each party. Revenue is recognized when earned, and related receivables are recorded when assessments or fees are levied. The Judgment authorizes the Watermaster to levy and collect Basin Assessments from Water Right Holders to fund the administration of the Judgment and implementation of projects.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Policies

The Watermaster adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments at June 30, 2024, are classified in the accompanying financial statements as follows:

Cash and investments	<u>\$ 1,067,101</u>
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The Watermaster's Joint Powers Agreement designates its treasurer to be the Treasurer of Ventura County (the County) (a member agency), pursuant to Section 6505.5 of the California Government Code. Therefore, all cash and investments of the Watermaster as of June 30, 2024, are held in the investment pool managed by the County Treasurer.

As provided for by California Government Code Section 53635, the cash balances are invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. The County Treasurer invests the Watermaster's funds in accordance with State statutes and the County's Investment Policy Statement (IPS), as approved by the Treasury Oversight Committee and the County Board of Supervisors.

The policy, drafted in accordance with state law, emphasizes safety, liquidity, and yield and follows the "prudent investor rule." Investments permitted by the IPS include obligations of the U.S. Treasury, agencies and instrumentalities, or commercial paper rated A-1 or better by Standard and Poor's Ratings Services (S&P) or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, corporate notes, negotiable certificates of deposit, obligations of the State of California, and obligations of any local agency within California. Investment earnings are allocated based on the average daily balance in the Treasurer's pool for the calendar quarter. The earnings are distributed to participants twice per quarter as cash is received and accrued at year-end. The investment pool includes both voluntary and involuntary participants for whom cash and investments are held by the County Treasurer.

The total percentage share of the investment pool related to involuntary participants is estimated at 4.58%. All investments are reported at fair value, which is either the market price or amortized cost.

The Watermaster's total cash and investments of \$1,067,101 at June 30, 2024, consist of a ratable portion of the total investment pool of the County.

NOTE 4 – RISK MANAGEMENT

The Watermaster is primarily exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To protect itself, the Watermaster contract with the County for legal services and maintains a wrongful act or offense policy of \$1,000,000.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Watermaster contracts with the County for professional specialty services. The employees of the County provide professional, technical, financial, billing, administrative, clerical, and computer information services to the Watermaster. The Watermaster compensates the County for time spent by County employees on the Watermaster's business and for the services provided to the Watermaster by the County. The Watermaster's total expense paid to the County for Public Works charges other than administrative services for the year ended June 30, 2024, are shown as the County Public Works charges in the statement of revenues, expenses, and changes in net position. As of June 30, 2024, due from the County amounted to \$27 and due to the County amounted to \$16,899.

NOTE 6 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE

GASB has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of the Watermaster.

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Watermaster has not fully judged the effect of the implementation of GASB Statement No. 101 as of the date of the financial statements.

GASB Statement No. 102 – *Certain Risk Disclosures*. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Watermaster has not fully judged the effect of the implementation of GASB Statement No. 102 as of the date of the financial statements.

GASB Statement No. 103 – *Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Watermaster has not fully judged the effect of the implementation of GASB Statement No. 103 as of the date of the financial statements.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Watermaster has not fully judged the effect of the implementation of GASB Statement No. 104 as of the date of the financial statements.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2024, through March 3, 2025, the date at which the financial statements were available to be issued and have determined that no adjustments were necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.