

LAS POSAS BASIN POLICY ADVISORY COMMITTEE MEETING

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Las Posas Basin Policy Advisory Committee (PAC) will hold a HYBRID meeting at 3:00 P.M. on Thursday, March 20 2025.

In Person:

Calleguas Municipal Water District, 2100 Olsen Road, Thousand Oaks, CA 91360

via ZOOM:

<https://us06web.zoom.us/j/84816327542?pwd=Y-bN4zt674FOphU6wRyxXw9swYTqvA.9bNuXf3yWWBZyrae>

Webinar ID: 848 1632 7542 | Passcode: 400774

AGENDA

A. Call to Order

B. Roll Call

C. Agenda Review

D. Public Comments

E. PAC Member Comments

F. Regular Agenda

- 1. Approve the Minutes of the March 6, 2025 Regular Meeting**
- 2. FY2025-26 FCGMA/Watermaster Budget**

Vice-Chair Grether will present the recommendation report prepared by a select committee of Directors discussing the Fiscal Year (FY) 2025-26 FCGMA/Watermaster budget currently under development. At the March 6, 2025 PAC meeting, the committee authorized Vice-Chair Grether to organize a small select committee to assist in preparing the recommendation report with Chairperson Prichard functioning as the reviewer on behalf of the PAC. The recommendation report was transmitted to the Watermaster on March 13, 2025.

G. PAC Subcommittee Reports

PAC representatives on subcommittees will provide reports

1. Operations Subcommittee
2. Executive Subcommittee
3. Fiscal Subcommittee
4. TAC Subcommittee

H. Written Communication

None

I. Future Agenda Items

The PAC will consider items for future agendas.

J. Adjourn

Attachments:

F-1 PAC 2025-03-06 Meeting Minutes

F-2 PAC Recommendation Report – FY 2025-26 FCGMA/Watermaster Budget

F-1 2025-03-06 PAC Meeting Minutes

LAS POSAS VALLEY BASIN POLICY ADVISORY COMMITTEE

Meeting Minutes for March 6, 2025

The Las Posas Valley Basin Policy Advisory Committee (PAC) held a regular hybrid meeting at 3:00 PM on Thursday, March 6, 2025, at Calleguas Municipal Water District, 2100 Olsen Road, Thousand Oaks, CA, and via Zoom.

A. Call to Order: Chair Ian Prichard called the meeting to order at 3:04 PM.

B. Roll Call:

The following PAC members were present:

1. Calleguas Municipal Water District – Ian Prichard, Chair
2. West Las Posas Large Agriculture – Rob Grether, Vice-chair
3. Ventura Cty. Waterworks District 1 and 19 – Jeff Palmer (via Zoom – joined at 3:35 PM)
4. Commercial – Art Aseo (via Zoom)
5. Watermaster (non-voting) – Farai Kaseke (via Zoom)
6. Zone Mutual Water Company – John Menne
7. East Las Posas Large Agriculture – David Schwabauer
8. East Las Posas Mutual Water Company – Laurel Servin (Via Zoom)
9. West Las Posas Small Agriculture – Richard Cavaletto
10. West Las Posas Mutual Water Company – Steven Murata

The following PAC member was absent:

1. East Las Posas Small Agriculture – Josh Waters

C. Agenda Review: No changes to the agenda were requested or noted.

D. Public Comments: There were no public comments.

E. PAC Member Comments: PAC member Laurel Servin raised two questions:

1. Following up for information from Watermaster on the issue about the landowner on Sand Canyon who is actively using water but has no allocation listed in the Judgment. Chair Prichard is working with Watermaster on this issue and will report his findings at a future date.
2. Would like to have a discussion with the PAC at a future meeting about the administration of carryover and water market transactions; handling of allocation sales and transfers both internally/within mutual water companies and with other landowners in the LPV. Chair Prichard stated that this item will be included in a future PAC meeting agenda.

F. Regular Agenda

1. Approve the Minutes of the February 20, 2025, Regular PAC Meeting

Vice-chair Grether moved to approve the minutes as stated for the February 20, 2025, meeting; David Schwabauer seconded the motion. The motion passed with a vote of 8-Ayes; 0-Nays; 0-Abstentions; 2-Absent.

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2. 2024 Draft Annual Report Committee Consultation

The PAC discussed their draft Recommendation Report for the 2024 Draft Las Posas Basin Groundwater Sustainability Plan Annual Report. Watermaster initially requested PAC's response by March 7, 2025. Watermaster's final report will be presented for approval to the FCGMA Board of Directors at their board meeting on March 26, 2025. The report is due to Department of Water Resources and to the Court in compliance with the Judgment on April 1, 2025.

Watermaster submitted a partial draft annual report to PAC for review on January 15, 2025. The annual report is required to include an annual audit to be conducted by a certified public auditing firm, and this was not included in the draft annual report. The annual audit report was distributed to the PAC the day of the meeting, so members did not have an opportunity to review the audit report before the meeting. Watermaster adjusted its request for return date to March 14, 2025.

The PAC will make every effort to meet the March 14 deadline for submission of its Recommendation Report (report) within the reduced timeframe, although many members stated that going forward, Watermaster should adhere to the dates and timetables provided in the Judgment for committee review. Watermaster remarked that it was due to external issues with the accounting firms that the audit report was not available any earlier.

Given the timeframe for review and compilation of its report, PAC members have agreed to review the annual audit report individually and to provide comments to Chair Prichard, Vice-chair Grether, and PAC Administrator Tony Morgan by March 11, 2025, who will review and compile the information.

Vice-chair Grether made a motion to authorize Chair Prichard to create a Recommendation Report on behalf of the PAC for submission to Watermaster on March 14, 2025. The report will include new and existing PAC member comments and if there are no conflicting statements or material or unusual findings in the audit report, the PAC's report will be submitted without further committee consultation. Should there be a need for further committee review, a special Zoom meeting may be called. John Menne seconded the motion which passed with a vote of 9-Ayes; 0-Nays; 0-Abstentions; 1-Absent.

3. Fiscal Year 2025-26 FCGMA/Watermaster Budget

Watermaster provided a draft annual budget and draft annual workplan for Fiscal Year (FY) 2025-26 for the PAC's consideration and committee consultation in accordance with Section 7.5 of the Judgment.

The PAC held a detailed discussion and review of the draft budget which included additional information as reported by Vice-chair Grether who attended the FCGMA Fiscal Committee meeting on February 27, and reported that it was a productive and collaborative meeting.

There are four main areas of the draft budget that the PAC is initially focused on:

- a. Year-to-date and Year-remaining expenses should be clearly identified.
- b. A review of fees that could possibly be charged to individuals on a per-transaction basis versus having them charged to all constituents through the basin assessments.
- c. A review to ensure that items on the Watermaster budget are for the exclusive benefit of LPV Basin constituents versus general FCGMA obligations.

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- d. A review of internal and external legal expenses to determine what they are for and to ensure that they are not general FCGMA expenses, as Watermaster needs are very specific. Also, tracking of legal expenses should be more accurate and more transparent.

The PAC would like to provide input to the Watermaster/FCGMA Fiscal Committee before their next meeting on March 18, 2025; Vice-chair Grether has prepared a 12-item preliminary list of suggestions which were discussed in detail during the PAC meeting.

David Schwabauer made a motion to authorize the PAC fiscal sub-committee to prepare a recommendation letter based on the 12-item list combined with comments from the PAC, and to submit it to the Watermaster/FCGMA before their upcoming meeting on March 18. Steve Murata seconded the motion which passed with a vote of 9-Ayes; 0-Nays; 0-Abstentions; 1-Absent.

Refinement of the budget and workplan will continue in collaboration with Watermaster/FCGMA, the PAC and the TAC.

4. CMWD Background – *This item was deferred to a future meeting.*

Ian Prichard, Deputy General Manager of Calleguas Municipal Water District, will provide information on the history, operations, and water resource development plans for the district.

G. PAC Subcommittee Reports:

1. Operations Subcommittee: No meeting; nothing to report.
2. Executive Subcommittee: No meeting; nothing to report.
3. Fiscal Subcommittee: Report was given by Vice-chair Grether during Item F.3.
4. TAC Subcommittee: No meeting; nothing to report.

H. Written Communication: None.

I. Future Agenda Items:

- 1) Ian Prichard, Deputy General Manager of Calleguas Municipal Water District, will provide a presentation on the history, operations, and water resource development plans for the district
- 2) Discussion about managing carryover and the water market, and how to implement allocation sales and transfers based on Judgment requirements.

J. Adjournment: Chair Prichard adjourned the meeting at 5:22 PM, until the next regular hybrid PAC meeting which is scheduled for March 20, at 3:00 PM.

F-2 2025-03-13 LPV PAC Letter to Watermaster RE: Draft FY2025-26 Budget

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

March 13, 2025

Re: PAC Review of 2/21/2025 Draft LPV FY 2025-2026 Watermaster Budget

Chair West:

At its March 6, 2025, meeting, the Las Posas Basin Policy Advisory Committee (PAC) reviewed the Draft Las Posas Valley Watermaster Budget for Fiscal Year 2025-2026 (FY25-26). PAC Vice Chairman Rob Grether provided an update on the February 18 Fox Canyon Groundwater Management Agency (FCMGA) Fiscal Committee meeting. The PAC appreciates the Fiscal Committee's diligence and thorough evaluation of the budget.

The PAC has identified several budget items that warrant revision, many of which align with the Fiscal Committee's recommendations.

1. The PAC recommends that the FY25-26 Watermaster Budget expenses be clearly described and segregated from any expenses incurred by FCGMA in its duties managing Ventura County water basins, including the Las Posas Valley Water Basin. The objective is that there is no duplication of expenses for the same task allocated to both Watermaster and FCGMA. In order to confirm appropriate segregation of expenses, the PAC requests review of the FY25-26 FCGMA Budget concurrently with review of the FY25-26 Watermaster Budget.
2. Year-to-date (YTD) actuals in the budget are through January 31, 2025, seven months into the fiscal year. PAC appreciates having YTD actuals but believes the budget would be much more informative if year-to-go (YTG) projections were included, as well, so that we can better estimate the total FY24-25 expenses and project ending reserves. Without refined YTG projections, the safest assumption is that YTG expenses will be approximately five-sevenths YTD expenses and carryover reserves will be approximately \$1.6 million.

	FY 2024-25
FY 2024-25 Beginning Year Account Balance	\$1,127,505
Basin Assessment Fee YTD (75% of 2 assessments @ \$16.145 x 40,000)	972,177
Basin Assessment Fee YTG (2 assessments @ \$16.145 x 40,000)	1,291,600
Basin Assessment Interest	16,283
Investment Income	6,167
Total Revenues	2,286,227
Total Expenditures YTD (7 of 12 months)	(931,991)
Total Expenditures YTD (5 of 12 months)	(665,708)
Operating Reserve	(214,827)
Total FY 2024-25 Expenditures	(1,812,526)
Projected Year End Watermaster Budget	\$1,601,206

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3. This projected year-end surplus suggests the 3rd and 4th installments of the FY24-25 Watermaster Assessment will not be required for the Watermaster to maintain a positive cash balance, and therefore the assessments should not be levied. Or, per the PAC’s February 7, 2025 letter, the assessments could be reserved for future replenishment actions.
4. Budget line items 16, 18, 19 and 20 should all be removed from the Watermaster Budget as they are all for work performed by Watermaster in response to a Water Rights Holder making a request or seeking approval. According to the Judgment, these costs should be borne by the Water Rights Holder:

7.4 Processing Fees. Watermaster shall develop, impose, and publish a schedule of fees sufficient to offset the expenses borne by Watermaster in processing requests for approvals as specified in this Judgment.

New Uses / Subscription Projects is described in section 4.6; Change of Point of Extraction is in section 4.13; New or Replacement Well is in section 4.14; and Transfers is in section 4.12, with fees specifically addressed in section 4.12.7:

Transfer Costs. All costs of Transfers will be borne by the Parties to the Transfer. Watermaster shall develop a reasonable schedule of fees for processing Transfers.

5. PAC appreciates the efforts by FCGMA staff to estimate expenses for FY25-26 by line item. However, PAC recommends that the combined budget for FY25-26 for Watermaster Administration and Allocations & Record Keeping be contemplated against the baseline of combined relevant expenses in FY24-25. YTD expenditures in these categories combined was only \$94,129. Assuming YTG expenses keep pace, total FY24-25 expenses will be ~\$161,000. The budget for FY25-26 is more than twice as high for the same responsibilities. In the table below, the section budgets are combined and then User Fee-Based Items and Enforcement (because it is new) are removed. PAC recommends the budgets for these sections be no more than \$200,000, which is still 23% higher than FY24-25.

	YTD through Jan 31, 2025	YTG Projections (5/7ths of YTD)	Total FY 2024-25	FY 2025-26 Budget
Watermaster Administration	77,421	55,301	132,722	249,057
Allocations & Record Keeping	16,708	11,934	28,642	206,355
				455,412
16 New Uses / Subscription				9,518
18 Transfers				22,962
19 Change of Point of Extraction				17,551
20 New or Replacement Well				17,551
User Fees-Based to be Removed				67,582
				387,830
Enforcement - new				56,947
Combined without User Fee Items and Enforcement	94,129	67,235	161,364	330,883

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6. Budget item 23, Enforcement, should include appropriate funding for legal services to assist Watermaster in enforcing the Judgment, captured either here or in the Legal Services section below.
7. Item 25, GSP Update, should be removed from the Watermaster Budget as preparing the GSP Update is the responsibility of the FCGMA:

Judgment Section 1.55 GSP Updates – The regular and periodic evaluations and updates to the GSP to be undertaken by the FCGMA pursuant to SGMA. (Wat. Code, § 10728.2.)

8. Item 34, Insurance, should be removed as it was determined that the PAC and TAC are already covered by the existing policy:

2. Each of the following is also an insured:

- a. **Elected Or Appointed Officials.** Your elected or appointed officials, including elected or appointed officials of your operating authorities, boards, commissions, districts, or other governmental units but only for acts within the course and scope of their duties for the insured public entity or its operating authorities, boards, commissions, districts or other governmental units.

Your Public Officials and Management Liability coverage began upon appointment and covers acts within the course and scope of your duties for LPV Watermaster or its operating authorities.

Attached is the 2024-2025 FCGMA Package Policy for the Committees to review.

Regards,

LPV Watermaster

9. Item 37, Basin Assessments, should be more clearly defined. The budget in FY25-26 appears to be \$65,704 (\$40,704 + \$25,000), but to date none of the budget for contract work has been spent and it is unclear how much of the \$6,238 spent YTD in the Budget & Assessments category was spent on Basin Assessments.
10. Item 38, Processing Fees. PAC has the same request for further definition and basis for the \$43,742 budget.
11. Item 44, Calleguas ASR Project Operations Study, should be removed from the budget as its development is a shared financial responsibility of Calleguas and the FCGMA:

Section 8.4.7. Calleguas ASR Study Group Budget and Cost Sharing. The budget for the Calleguas ASR Study Group work to be performed pursuant to the Judgment shall be determined by unanimous agreement of all the members of the Calleguas ASR Study Group. The costs of the Calleguas ASR Study Group work, which must be unanimously authorized by the Calleguas ASR Study Group, shall be shared as follows: the FCGMA will pay 20% and Calleguas will pay 80%. Parties shall bear their own costs for attendance at meetings and analysis of completed work.

12. Additionally, the Watermaster budget should not cover any expenses for FCGMA staff or consultants participating in the ASR Study Group, as this is the responsibility of the FCGMA, not the Watermaster:

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8.4.1. Participants. The Calleguas ASR Study Group shall consist of representatives, who shall be either licensed engineers with relevant Groundwater experience or certified hydrologists or similarly qualified, of the FCGMA, Calleguas, and the Landowners. It is anticipated the representatives will include equal representation of the overlying landowners and Calleguas, and a Watermaster representative.

13. However, there should be a budget line created for the Landowners' representative on the Calleguas ASR Study Group as approved by the PAC. PAC will return to the Watermaster in the coming weeks with an estimated expense for this based on feedback from Calleguas regarding the anticipated time commitment.
14. Item 49, Judicial Review (outside counsel) should be broken into three explicitly defined line items:
 - a. Administrative – a modest amount to cover the expense of attending status conferences with the Court, etc.
 - b. Enforcement – noted above in item 6.
 - c. Defense of a Decision Appeal – a budget for Watermaster to defend an appeal by a Water Rights Holder against the Watermaster based on an action taken by Watermaster under the Judgment. PAC recommends Watermaster work with counsel to estimate the cost of defending one appeal per year, noting that we have not had an appeal to date.
15. Item 49, Judicial Review (outside counsel) should not include any additional, undefined budget for any activities that do not fall within the three categories listed in item 14. The PAC maintains its position that legal fees associated with the FCGMA's appeal of the Judgment should be borne by FCGMA as a party to the adjudication, recovered through FCGMA extraction fees, and not solely by the LPV landowners, recovered through the basin assessment.

The FCGMA agreed to serve as Watermaster for the Las Posas Basin and to perform the duties assigned to it under the Phase 3 Settlement and Judgment, consistent with the Judgment's terms and the Watermaster Rules and Regulations. This includes establishment of the Physical Solution, establishment of the PAC and TAC, and the Basin Optimization Plan.

The Judgment allows for certain legal fees to be borne by the Watermaster, but these are for implementation of the Judgment, not for contesting the Judgment. Contesting the Judgment via an appeal strikes the PAC as the FCGMA's "own costs" as described in Section 12.4 of the Judgment:

12.4 Costs Except subject to any existing Court orders and stipulations or separate agreement of one or more Parties, each Party shall bear its own costs and attorneys' fees arising from the Comprehensive Adjudication.

16. PAC anticipates that the final FY 2025-26 Watermaster Budget can be trimmed down by at least \$1,000,000 and the Basin Assessment can be reduced to \$50 per AF:

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	Labor Cost	Contract Cost	Combined
Watermaster Administration, Allocations & Record Keeping			
Combined Labor Cost Estimate - all activities	200,000		
Extraction and Use Monitoring and Reporting - contract Enforcement	56,947	61,800	
Subtotal - Admin and Allocation & Record Keeping	256,947	61,800	318,747
Basin Management			
2025 Basin Optimization Yield Study	34,346	125,000	
Annual Report	42,530	60,326	
Initial Basin Optimization Plan	35,649	58,000	
Subtotal - Basin Management	112,525	243,326	355,851
Committee Coordination - all items excl. insurance	62,919	542,233	605,152
Budgets and Assessments			
Watermaster Budget	27,805		
Basin Assessments	10,000		
Processing Fees	10,000		
Audits	6,063	15,000	
CSD Fiscal Services Staff		37,290	
Subtotal - Budget and Assessments	53,868	52,290	106,158
IT Services and Support	49,079	200,000	249,079
Calleguas ASR Study Group - Landowner Representative		25,000	25,000
Legal Services			
Advisory		125,000	
Staff Time - assuming this explicitly supports the 3 categories below	79,045		
Admin		25,000	
Enforcement		50,000	
Defense of Rights Holder Appeal		50,000	
	79,045	125,000	204,045
TOTAL FY 2025-26 Budget	614,383	1,224,649	1,839,032
Projected FY 2024-25 Expenditures			1,812,526
YOY Change			1.5%
Operating Reserves at 10%			181,253
Grand Total:			1,993,778
Total Annual Allocation (AF):			40,000
Basin Assessment per AF (rounded up to nearest dollar):			\$50.00
Quarterly Assessment			\$12.50

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The PAC is grateful that the Watermaster has started the process of developing and refining the FY 2025-26 Watermaster Budget well in advance of the next fiscal year and believe that together we can shape it into a budget that is detailed and reasonable. Thank you for your consideration of PAC's recommendations.

Sincerely,



Ian Prichard, Chair, Las Posas Valley Basin PAC