

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

EXECUTIVE OFFICER
John Demers

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fox Canyon Groundwater Management Agency (FCGMA), also sitting as watermaster for the Las Posas Valley Basin (LPV) and the groundwater sustainability agency for the Las Posas Valley Basin, the Pleasant Valley Basin, and the Oxnard Subbasin, will hold a **Fiscal Committee Meeting** at **9:00 A.M.** on **Thursday, June 18, 2026** in the **Lower Plaza Assembly Room**, at the County Government Center, Hall of Administration at 800 South Victoria Avenue, in Ventura, California.

FISCAL COMMITTEE MEETING AGENDA

June 18, 2026

9:00 A.M.

Members: Chair Eugene West
Vice Chair Tony Trembley

- A. Call to Order**
- B. Public Comments** – Audience members may speak about matters not on today's Agenda.
- C. FCGMA Fiscal Year 2026-2027 Budget Development Study Session** – Proposed FCGMA Fiscal Year (FY) 2026-27 Draft Budget evaluation; opportunity to provide feedback or discuss recommendations for modifications.
- D. LPV Watermaster Fiscal Year 2026-2027 Budget Development Study Session** – Proposed LPV Watermaster FY 2026-27 Draft Budget evaluation; opportunity to provide feedback or discuss recommendations for modifications.
- E. Future Agenda Items and Next Meeting Date** – Tuesday, August 28, at 1:30 P.M.
- F. Adjourn Meeting.**

FCGMA Fiscal Committee Meeting
June 18, 2026

STANDING NOTICES

The FCGMA Board and its less-than-a-quorum advisory committees strive to conduct accessible, orderly, and fair meetings where everyone can be heard on the issues. The Committee Chair will conduct the meeting and establish appropriate rules and time limitations for each item.

Public Comments – Public comment is the opportunity for members of the public to participate in meetings by addressing the Fox Canyon Executive Committee in connection with one or more agenda or non-agenda items.

If you wish to make a written comment, please follow the steps below.

1. 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 Fiscal Committee Special Meeting. Please submit your comment to the Clerk of the Board at FCGMA@venturacounty.gov. Please indicate in the subject line of your email the agenda item number (e.g., Item No. 9). Your email will be read by the Committee members and placed in the record.
2. If you would like to make a general public comment (Item 4) 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, limited to 250 words or less, to the Clerk of the Board at FCGMA@venturacounty.gov. 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@venturacounty.gov.

ADA Accommodations: Persons who require accommodation for any audio, visual, or other disability in order to review an agenda or to participate in the Committee 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@venturacounty.gov or via telephone by calling (805) 654-2014. Any such request should be made at least 24 hours prior to the meeting so staff can make the necessary arrangements.

Continuance of Items: The Committee will endeavor to consider all matters listed on this agenda. However, time may not allow the Committee to hear all matters listed. Matters not heard at this meeting may be carried over to the next Committee meeting or to a future Committee 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 and its Committees be taken openly and that their deliberations be conducted openly. Read about the Ralph M. Brown Act via this link:

https://leginfo.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. To learn more about the Committee, please visit <https://fcgma.org/committee-meetings/>. If you would like to be added to our email notification list or speak to a staff member, please contact the FCGMA Clerk of the Board at (805) 654-2014 or via email at FCGMA@venturacounty.gov.

6/18/26 FCGMA FISCAL COMMITTEE AGENDA PACKET

FCGMA FY 2026-27 BUDGET - DRAFT (As of June 18, 2026)

| OPERATING ACCOUNT | | | | | | | | | | |
|--|--------------------|--------------------------|--------------------------|------------------------|------------------------|----------------------------------|----------------------------|----------------------|--|------------------|
| A | B | C | D | E | F | G | H | I | J | K |
| Operating Account | PY Data | 2023-24 Year-End Actuals | 2024-25 Year-End Actuals | 2025-26 Adopted Budget | Allocation to Reserves | 2025-26 Actuals Through May 2026 | 2025-26 Projected Year End | 2026-27 Draft Budget | Increase / Decrease Over Previous Year | % Change Over PY |
| Revenues | | | | | | | | | | |
| Pump Charge ¹ | | \$841,816 | \$1,062,395 | \$800,000 | | \$504,343 | \$800,000 | \$800,000 | \$0 | 0% |
| Groundwater Sustainability Fee ² | | \$2,756,100 | \$3,568,028 | \$2,904,000 | | \$2,638,000 | \$2,904,000 | \$3,206,500 | \$302,500 | 10% |
| Penalties / Interest | | \$299,408 | \$161,265 | \$150,000 | | \$89,973 | \$100,000 | \$150,000 | \$0 | 0% |
| SGM Impl Grant Round 1 (OPV) - DWR ³ | | \$0 | \$2,577,800 | \$0 | | \$0 | \$0 | \$0 | \$0 | - |
| SGM Impl Grant Round 1 (OPV) - Admin ⁴ | | \$92,944 | \$46,472 | \$51,502 | | \$51,501 | \$51,501 | \$0 | (\$51,502) | -100% |
| Interest Earnings (County Pooled Investment Fund) ⁵ | | \$36,068 | \$320,171 | \$130,000 | | \$227,737 | \$350,000 | \$350,000 | \$220,000 | 169% |
| Loan From Surcharges ⁶ | | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | - |
| Misc. Revenue | | \$163 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | - |
| Total Revenues | | \$4,026,499 | \$7,736,130 | \$4,035,502 | | \$3,511,555 | \$4,205,501 | \$4,506,500 | \$470,998 | 12% |
| Expenditures | | | | | | | | | | |
| Public Works Agency Charges ⁷ | | \$1,736,041 | \$2,487,287 | \$2,988,752 | | \$2,317,254 | \$2,784,952 | \$3,755,177 | \$766,425 | 26% |
| General Services Agency Charges ⁸ | | \$18,990 | \$21,169 | \$20,000 | | \$19,523 | \$20,000 | \$22,000 | \$2,000 | 10% |
| FCGMA Online Support / GIS ⁹ | | \$173,025 | \$93,332 | \$200,000 | | \$171,097 | \$200,000 | \$260,200 | \$60,200 | 30% |
| LAFCO Funding ¹⁰ | | \$2,995 | \$3,510 | \$5,192 | | \$5,192 | \$5,192 | \$6,250 | \$1,058 | 20% |
| General Legal (County Counsel) ¹¹ | | \$185,852 | \$119,711 | \$255,000 | | \$78,419 | \$98,500 | \$150,000 | (\$105,000) | -41% |
| Board Member Insurance | | \$4,118 | \$4,085 | \$5,045 | | \$5,430 | \$5,430 | \$6,000 | \$955 | 19% |
| Biennial Audit | | \$4,000 | \$26,820 | \$20,848 | | \$13,505 | \$13,505 | \$33,500 | \$12,652 | 61% |
| Professional Dues / Symposium/Conference | | \$2,501 | \$2,891 | \$3,000 | | \$5,811 | \$6,000 | \$6,000 | \$3,000 | 100% |
| Public Notices | | \$991 | \$1,111 | \$1,500 | | \$1,288 | \$1,500 | \$1,500 | \$0 | 0% |
| GSP Annual Reports (Dudek) ¹² | | \$59,085 | \$65,248 | \$138,000 | | \$136,124 | \$138,000 | \$138,000 | \$0 | 0% |
| Watershed Contributions / Match ¹³ | | \$1,500 | \$0 | \$1,500 | | \$3,000 | \$3,000 | \$1,500 | \$0 | 0% |
| Computer Equipment, Office & Website Software ¹⁴ | | \$3,355 | \$1,572 | \$7,500 | | \$1,522 | \$1,600 | \$2,000 | (\$5,500) | -73% |
| Office Equipment / Supplies / Printing | | \$126 | \$1,442 | \$1,500 | | \$0 | \$1,000 | \$1,500 | \$0 | 0% |
| Misc Hydrology / Office Expenses & Payments | | \$2,033 | \$383 | \$2,500 | | \$1,140 | \$1,000 | \$2,000 | (\$500) | -20% |
| FCGMA Board Compensation | | \$0 | \$0 | \$0 | | \$1,000 | \$3,000 | \$5,000 | \$5,000 | - |
| Special Expenditures | | | | | | | | | | |
| Data Management Systems ¹⁵ | | \$0 | \$0 | \$0 | | \$48,199 | \$48,200 | \$62,240 | \$62,240 | - |
| GSP Implementation (Dudek) ¹⁶ | | \$554,562 | \$592,213 | \$150,000 | | \$44,615 | \$50,000 | \$100,000 | (\$50,000) | -33% |
| SGM Impl. Grant Monitoring Well Install (OPV) ¹⁷ | | \$0 | \$3,039,718 | \$0 | | \$0 | \$0 | \$0 | \$0 | - |
| SGM Impl. Grant Round 1 - Administration ¹⁸ | | \$68,705 | \$102,393 | \$44,800 | | \$130 | \$130 | \$0 | (\$44,800) | -100% |
| Monitoring Wells Network Improvement Planning | | \$0 | \$0 | \$150,000 | | \$0 | \$50,000 | \$100,000 | (\$50,000) | -33% |
| SGM Round 2 Grant Application ¹⁹ | | \$0 | \$0 | \$150,000 | | \$0 | \$0 | \$0 | (\$150,000) | -100% |
| Public Outreach & Strategic Planning ²⁰ | | \$16,086 | \$15,879 | \$100,000 | | \$0 | \$0 | \$100,000 | \$0 | 0% |
| AMI Data Support | | \$12,352 | \$6,627 | \$0 | | \$0 | \$0 | \$0 | \$0 | - |
| Oxnard Well Destruction ²¹ | | \$86,976 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | - |
| Rate Counsel & Consultant ²² | | \$12,623 | \$1,976 | \$25,000 | | \$0 | \$0 | \$40,000 | \$15,000 | 60% |
| Recruitment - Executive Officer | | \$0 | \$30,000 | \$0 | | \$0 | \$0 | \$0 | \$0 | - |
| Repayment of Loan (Initiated FY 2022-23) ²³ | | \$0 | \$0 | \$1,000,000 | | \$0 | \$500,000 | \$500,000 | (\$500,000) | -50% |
| Total Expenditures | | \$2,945,916 | \$6,647,366 | \$5,520,137 | | \$2,853,250 | \$3,931,009 | \$5,292,867 | (\$227,270) | -4% |
| Net Operating Results | | \$1,080,583 | \$1,088,764 | (\$1,484,635) | | \$658,305 | \$274,492 | (\$786,367) | \$698,268 | 47% |
| Operating Reserves | \$1,000,000 | \$1,000,000 | 1,000,000 | | \$1,000,000 | - | - | - | - | - |
| Net Operating Results ²⁴ | \$1,482,658 | \$1,080,583 | \$1,088,764 | | \$3,652,005 | \$658,305 | \$274,492 | (\$786,367) | - | - |
| Transfer In/Out to Working Capital Reserve ²⁵ | - | - | - | | (\$2,837,165) | - | (\$274,492) | \$786,367 | - | - |
| Transfer In/Out to Rate Stabilization Reserve ²⁶ | - | - | - | | (\$1,814,840) | - | - | - | - | - |
| Total Operating Results | \$1,482,658 | \$1,080,583 | \$1,088,764 | | \$0 | \$658,305 | - | - | - | - |

Footnotes:

- FY 26-27 projected pump charge revenue assuming 121,000 AFY extraction at \$6.00 per AF.
- Projected groundwater sustainability fee revenues assuming 121,000 AF extractions. Per Resolution 2025-06, WY 2027 Sustainability fee is \$29/AF. For FY 2025-26, the fee was \$24/AF. Fiscal Committee recommends keeping fee at \$24/AF during FY 2026-27/ WY 2026-27.
- Reimbursement from DWR for SGM Implementation Grant Round 1 funds for FCGMA projects in the Oxnard & Pleasant Valley Basins in FY2024-25.
- Reimbursement from subgrantees City of Camarillo, UWCD, and PVCWD for consultant grant administration services per Board direction (7/20/2022).
- Annual interest earnings apportionments projected to be received from the County Pooled Investment Fund. VC FY2026-27 Budget Development Manual estimates 3% interest earnings rate.
- Loan from Designated Surcharges Account approved by Board as part of FY 2022-23 Budget; Fiscal Committee recommends repaying loan in split installments during FY 2025-26 and FY 2026-27.
- Projected PWA charges to implement annual Work Plan. FY 2026-27 includes PWA CS Fiscal allocation and assumes all positions fully staffed.
- County General Services Agency (GSA) fees for Board room and AV fees, etc.
- FY 26-27 Estimate for IT services to support, maintain, and improve FCGMA Online Data Management System. Costs are split evenly between FCGMA and LPV Watermaster. Budget amount includes \$40,700 CSD IT annual cost allocated quarterly, \$112,500 for Erik Esola's services billed through Signature Staffing, and \$107,000 for ITSD services.
- Payment to LAFCO Per Govt. Code Sect. 56381 (b) (1).
- County Counsel services for general FCGMA legal services.
- GSP Annual Report expense. Modification dated 04/23/2025 extended Dudek contract to 10/01/25.
- Includes contributions to Santa Clara Watershed Committee (\$1,500).
- Equipment cost related to computer hardware and software. Standard software licenses such as Adobe or MS Office; also includes website software (WordPress, Elementor, Zoom).
- Contract cost for Environmental Science Associates (ESA) to administer groundwater data strategy and the initial configuration of a data platform.
- Projected GSP implementation consultant costs (e.g. project coordination, analyze incentive programs, stakeholder engagement on rampdown and strategic planning).
- DWR SGM Implementation Grant Round 1 for Oxnard & Pleasant Valley Basins.
- Consultant expenses for grant application for DWR SGM Implementation Grant Round 1 for projects in Oxnard & Pleasant Valley Basins.
- Estimated grant application consultant expenses for DWR SGM Impl. Grant Round 2 for projects in LPVB in FY 2025-26; project and cost not re-budgeted for FY 2026-27.
- FY 2024-25 reflected Hallmark contract costs to complete staffing needs analysis; FY 2026-27 line item cost estimate, independent of Hallmark, is per Board / Fiscal Committee recommendation to develop 5-year strategic plan and build rampdown outreach strategy.
- FY 2023-24 project cost to destroy Oxnard well, delayed due to interest from County Airport in taking over well.
- Rate counsel and consultant for fee schedule development.
- \$1,000,000 loan from Designated Surcharges Account to Operating Account approved by Board as part of FY2022-23 budget to be repaid in FY2025-26 and FY2026-27.
- Total Operating Account fund balance of \$3,652,005. The amount allocated to Working Capital Reserve and Rate Stabilization Reserve per new Reserve policy adopted 04/22/2026.
- Line Item for Working Capital Reserve transfers. Target level is 180 days of annual budgeted operating costs, maintaining minimum balance equal to 120 days of the total Annual Operating Budget and maximum balance of 240 days of the total Annual Operating Budget. Contributions transferred from what was previously referred to as Operating Carryforward and Operating reserves. Staff proposes contributions occur annually at start of new FY, and be reviewed during Mid-Year Review by Fiscal Committee. For initial transfer, calculated 180 days of FY 2025-26 budget plus additional funds after meeting Rate Stabilization reserve target.
- Line Item for Rate Stabilization Reserve. Target level is 120 days of annual budgeted operating costs, maintaining minimum balance equal to 60 days of the total Annual Operating Budget. Calculated 120 days of FY 2025-26 budget.

FCGMA FY 2026-27 BUDGET - DRAFT (As of June 18, 2026)
 DESIGNATED ACCOUNTS & RESERVE ACCOUNTS

| | A | B | C | D | E | G | H | I | J | |
|----|--|--------------------------|--------------------------|--------------------------|----------------------|----------------------------------|----------------------------|----------------------|--|------------------|
| | Designated Accounts | 2022-23 Year-End Actuals | 2023-24 Year-End Actuals | 2024-25 Year-End Actuals | 2025-26 Draft Budget | 2025-26 Actuals Through May 2026 | 2025-26 Projected Year End | 2026-27 Draft Budget | Increase / Decrease Over Previous Year | % Change Over PY |
| 2 | GEMES ACCOUNT | | | | | | | | | |
| 3 | <i>Revenues</i> | | | | | | | | | |
| 4 | GEMES Reserve Fee ¹ | \$1,776,295 | \$2,137,678 | \$2,486,964 | \$2,420,000 | \$1,876,204 | \$2,420,000 | \$2,420,000 | \$0 | 0% |
| 5 | LPV Watermaster legal fees for Rules Appeal ² | - | - | \$200,000 | - | - | - | - | - | - |
| 6 | <i>Expenditures</i> | | | | | | | | | |
| 7 | Special Counsel ³ | (\$2,049,926) | (\$1,466,690) | (\$1,001,490) | (\$1,560,000) | (\$605,681) | (\$785,681) | (\$1,300,000) | \$260,000 | 17% |
| 8 | County Counsel ⁴ | (\$249,100) | (\$242,813) | (\$73,507) | (\$215,000) | (\$65,972) | (\$80,972) | (\$115,000) | \$100,000 | 47% |
| 9 | Net Results | (\$522,731) | \$428,175 | \$1,611,967 | \$645,000 | \$1,204,551 | \$1,553,348 | \$1,005,000 | \$360,000 | -56% |
| 10 | WATER SUPPLY SUSTAINABILITY RESERVE | | | | | | | | | |
| 11 | <i>Revenues</i> | | | | | | | | | |
| 12 | GMA Pumping Surcharges ⁵ | \$1,027,229 | \$895,179 | \$1,085,523 | \$1,000,000 | \$709,567 | \$1,000,000 | \$1,000,000 | \$0 | 0% |
| 13 | Designated Acct. Interest Earnings ⁶ | \$76,645 | \$241,377 | - | - | - | - | - | - | - |
| 14 | Repayment of Loan to Operations ⁷ | - | - | - | \$1,000,000 | - | \$500,000 | \$500,000 | (\$500,000) | -50% |
| 15 | <i>Expenditures</i> | | | | | | | | | |
| 16 | Loan to Operations ⁸ | (\$1,000,000) | - | - | - | - | - | - | - | - |
| 17 | Net Results | \$103,874 | \$1,136,556 | \$1,085,523 | \$2,000,000 | \$709,567 | \$1,500,000 | \$1,500,000 | (\$500,000) | -25% |
| 18 | WORKING CAPITAL RESERVE⁹ | | | | | | | | | |
| 19 | <i>Revenues</i> | | | | | | | | | |
| 20 | Annual Budgeted Operating Costs - 180 days target / 240 days max | - | - | - | - | \$2,837,165 | \$2,837,165 | \$3,111,657 | - | - |
| 21 | Transfer In/Out ¹⁰ | - | - | - | - | - | \$274,492 | (\$786,367) | - | - |
| 22 | Transfer In/Out ¹¹ | - | - | - | - | - | - | \$74,719 | - | - |
| 23 | <i>Expenditures</i> | | | | | | | | | |
| 24 | TBD | - | - | - | - | - | - | - | - | - |
| 25 | Net Results | \$0 | \$0 | \$0 | \$0 | \$2,837,165 | \$3,111,657 | \$2,400,009 | - | - |
| 26 | RATE STABILIZATION RESERVE¹² | | | | | | | | | |
| 27 | <i>Revenues</i> | | | | | | | | | |
| 28 | One-half of positive net Operating Results - 120 days target | - | - | - | - | \$1,814,840 | \$1,814,840 | \$1,814,840 | - | - |
| 29 | Transfer In/Out ¹³ | - | - | - | - | - | - | (\$74,719) | - | - |
| 30 | Transfer In/Out | - | - | - | - | - | - | - | - | - |
| 31 | <i>Expenditures</i> | | | | | | | | | |
| 32 | TBD | - | - | - | - | - | - | - | - | - |
| 33 | Net Results | \$0 | \$0 | \$0 | \$0 | \$1,814,840 | \$1,814,840 | \$1,740,121 | - | - |

Footnotes:

- Reserve Fee of \$20.00 per AF to replenish GEMES Account per Resolution 2020-05 effective 1/1/2021, renewed for four years on 9/25/24 with Resolution 2024-05.
- Board approved for LPV Watermaster to repay 50% legal fees for LPV Watermaster Appeal on 9/13/24.
- Special Counsel fees related to ongoing and anticipated litigation. Includes LPV Basin Adj., City of Oxnard, OPV Coalition. FY 2026-27 amounts reflect the estimates provided by the County Counsel.
- County Counsel costs for ongoing and anticipated litigation. Includes LPV Basin Adjudication, City of Oxnard, OPV Coalition. FY 2026-27 amounts reflect estimates from the County Counsel.
- Projected Surcharges revenue assumptions based on past Surcharge revenues.
- Interest earnings from the County Pooled Investment fund reallocated to Operating Account per Fiscal Committee as of FY 2024-25.
- Fiscal Committee recommends repaying \$1,000,000 loan from Water Supply Sustainability Reserve in split installments during FY2025-26 and FY2026-27.
- Transfer from Designated Surcharges Fund to Operating Accounts in FY 2022-23.
- Initially funded from \$3,652,005 Operating Account Fund Balance and existing \$1,000,000 Designated Operating Reserves. Calculated 180 days of FY 2025-26 budget plus additional funds after meeting Rate Stabilization reserve target.
- Projected Year End Transfer In/Out from Operating Account.
- Projected transfer In from Rate Stabilization Reserve, an adjustment due to lower FY2026-27 budget.
- Initially funded from \$3,652,005 Operating Account Fund Balance and existing \$1,000,000 Designated Operating Reserves. Calculated 120 days of FY 2025-26 budget per Reserve policy adopted 04.22.2026.
- Projected Transfer Out to Working Capital Reserve due to lower FY2026-27 budget, adjusting target amount.

FCGMA FY 2026-27 BUDGET - DRAFT (As of June 18, 2026)

TRANSFER TO RESERVES

| | A | B | C | D | E |
|---|---|--|---|---------------------|---|
| | Account prior to Reserve Policy approval | 2025-26 Actuals Through March 2026 | Account after Reserve Policy approval ¹ | Allocation | |
| 1 | | | | | |
| 2 | Designated GEMES Account | \$1,295,762 | Designated GEMES Account | \$1,295,762 | |
| 3 | Designated Surcharges Account | \$6,244,789 | Water Supply Sustainability Reserve ² | \$6,244,789 | |
| 4 | Designated Operating Reserves ³ | \$1,000,000 | Working Capital Reserve ⁴ | \$2,837,165 | |
| 5 | Operating Account Fund Balance ³ | \$3,652,005 | Rate Stabilization Reserve ⁵ | \$1,814,840 | |
| 6 | Net Operating Results | \$435,367 | Net Operating Results | \$435,367 | |
| 7 | Total Fund Balance⁶ | \$12,627,923 | Total Fund Balance | \$12,627,923 | |

| | | |
|---|--|-------------|
| 8 | Total Reserves & Operating Account Fund Balance ³ | \$4,652,005 |
|---|--|-------------|

9 Allocation calculation⁷:

| | FY2025-26 | Total | 120 days | 180 days | 240 days |
|----|-------------------------|-------------|-------------|-------------|-------------|
| 10 | Annual Operating Budget | \$5,520,137 | \$1,814,840 | \$2,722,259 | \$3,629,679 |

Footnotes:

- 1 New Reserve policy adopted 04/22/2026
- 2 Water Supply Sustainability Reserve is funded by Surcharges. Designated Surcharges Account becomes Water Supply Sustainability Reserve.
- 3 Total existing Designated Operating Reserves and Operating Account balance is \$4,652,005. The amount allocated to Working Capital Reserve and Rate Stabilization Reserve per new Reserve policy adopted 04/22/2026. Initially funded from Operating Account Fund Balance and Designated Operating Reserves. Target level is 180 days of annual budgeted operating costs, maintaining minimum balance equal to 120 days of the total Annual Operating Budget and maximum balance of 240 days of the total Annual Operating Budget. Calculated 180 days of annual budgeted operating costs plus additional funds after meeting the Rate Stabilization Reserve target .
- 4 Calculated 120 days of FY 2025-26 budget. Initially funded from Operating Account Fund Balance and Designated Operating Reserves. Target level is 120 days of annual budgeted operating costs, but may increase as directed in order to plan for anticipated increases in operating costs.
- 5 Total fund balance as of March 31, 2026
- 6 Allocation calculation was based on FY2025-26 Annual Operating Budget \$5,520,137.

Year-over-Year data:

| | F | G | H | I |
|----------------|---|----------------------|----------------------|--|
| | | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through March 2026 |
| GEMES Acct | | | | |
| Beg Balance | | (\$1,477,130) | (\$1,048,955) | \$563,013 |
| FY Net Results | | \$428,175 | \$1,611,967 | \$732,750 |
| YE Balance | | (\$1,048,955) | \$563,013 | \$1,295,762 |

| | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through March 2026 |
|-------------------------------------|----------------------|----------------------|--|
| Water Supply Sustainability Reserve | | | |
| Beg Balance | \$3,337,855 | \$4,474,411 | \$5,559,934 |
| FY Net Results | \$1,136,556 | \$1,085,523 | \$684,855 |
| YE Balance | \$4,474,411 | \$5,559,934 | \$6,244,789 |

| | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through March 2026 |
|-----------------|----------------------|----------------------|--|
| Operating Acct. | | | |
| Beg Balance | \$1,482,658 | \$2,563,241 | \$0 |
| FY Net Results | \$1,080,583 | \$1,088,764 | \$435,367 |
| YE Balance | \$2,563,241 | \$3,652,005 | \$435,367 |

| | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through March 2026 |
|--------------------------------|----------------------|----------------------|--|
| Working Capital Reserve | | | |
| Beg Balance | \$0 | \$0 | \$0 |
| Allocated after Reserve policy | \$0 | \$0 | \$2,837,165 |
| YE Balance | \$0 | \$0 | \$2,837,165 |

| | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through March 2026 |
|--------------------------------|----------------------|----------------------|--|
| Rate Stabilization Reserve | | | |
| Beg Balance | \$0 | \$0 | \$0 |
| Allocated after Reserve policy | \$0 | \$0 | \$1,814,840 |
| YE Balance | \$0 | \$0 | \$1,814,840 |

FCGMA FY 2026-27 BUDGET - DRAFT (As of June 18, 2026)

STATEMENT OF FINANCIAL POSITION

| A | B | C | D | E | F |
|---------|---|----------------------------------|----------------------------|----------------------|---------------------|
| Account | Actuals after Reserve Policy 04.22.2026 | 2025-26 Actuals Through May 2026 | 2025-26 Projected Year End | 2026-27 Draft Budget | |
| 1 | | | | | |
| 2 | Designated GEMES Account | \$1,295,762 | \$1,767,564 | \$2,116,360 | \$3,121,360 |
| 3 | Water Supply Sustainability Reserve | \$6,244,789 | \$6,269,501 | \$7,059,934 | \$8,559,934 |
| 4 | Working Capital Reserve | \$2,837,165 | \$2,837,165 | \$3,111,657 | \$2,400,009 |
| 5 | Rate Stabilization Reserve | \$1,814,840 | \$1,814,840 | \$1,814,840 | \$1,740,121 |
| 6 | Operating Account | \$435,367 | \$658,305 | \$0 | \$0 |
| 7 | Total Fund Balance | \$12,627,923 | \$13,347,375 | \$14,102,791 | \$15,821,424 |

Year-over-Year data:

| 8 | | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through May 2026 | Projected Year End FY2025-26 | Draft Budget FY2026-27 |
|----|-------------------|-------------------|-------------------|------------------------------------|------------------------------|------------------------|
| 9 | GEMES Acct | | | | | |
| 10 | Beg Balance | (\$1,477,130) | (\$1,048,955) | \$563,013 | \$563,013 | \$2,116,360 |
| 11 | FY Net Results | \$428,175 | \$1,611,967 | \$1,204,551 | \$1,553,348 | \$1,005,000 |
| 11 | Ending Balance | (\$1,048,955) | \$563,013 | \$1,767,564 | \$2,116,360 | \$3,121,360 |

| 12 | | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through May 2026 | Projected Year End FY2025-26 | Draft Budget FY2026-27 |
|----|--|-------------------|-------------------|------------------------------------|------------------------------|------------------------|
| 13 | Water Supply Sustainability Reserve | | | | | |
| 14 | Beg Balance | \$3,337,855 | \$4,474,411 | \$5,559,934 | \$5,559,934 | \$7,059,934 |
| 15 | FY Net Results | \$1,136,556 | \$1,085,523 | \$709,567 | \$1,500,000 | \$1,500,000 |
| 16 | Transfer In/ Out | - | - | - | - | - |
| 17 | Ending Balance | \$4,474,411 | \$5,559,934 | \$6,269,501 | \$7,059,934 | \$8,559,934 |

| 18 | | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through May 2026 | Projected Year End FY2025-26 | Draft Budget FY2026-27 |
|----|---|-------------------|-------------------|------------------------------------|------------------------------|------------------------|
| 19 | Working Capital Reserve (180 days target/240 days max) | | | | | |
| 20 | Beg Balance | - | - | \$2,837,165 | \$2,837,165 | \$3,111,657 |
| 21 | Transfer In/Out ¹ | - | - | - | \$274,492 | (\$786,367) |
| 22 | Transfer In/Out ² | - | - | - | - | \$74,719 |
| 22 | Ending Balance | \$0 | \$0 | \$2,837,165 | \$3,111,657 | \$2,400,009 |

| 23 | | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through May 2026 | Projected Year End FY2025-26 | Draft Budget FY2026-27 |
|----|---|-------------------|-------------------|------------------------------------|------------------------------|------------------------|
| 24 | Rate Stabilization Reserve (120 days target) | | | | | |
| 25 | Beg Balance | - | - | \$1,814,840 | \$1,814,840 | \$1,814,840 |
| 26 | Transfer In/Out ³ | - | - | - | - | (\$74,719) |
| 26 | Ending Balance | \$0 | \$0 | \$1,814,840 | \$1,814,840 | \$1,740,121 |

| 27 | | Actuals FY2023-24 | Actuals FY2024-25 | Actuals FY2025-26 through May 2026 | Projected Year End FY2025-26 | Draft Budget FY2026-27 |
|----|------------------------------|-------------------|-------------------|------------------------------------|------------------------------|------------------------|
| 28 | Operating Acct. | | | | | |
| 29 | Beg Balance | \$1,482,658 | \$2,563,241 | - | - | - |
| 30 | FY Net Results | \$1,080,583 | \$1,088,764 | \$658,305 | \$274,492 | (\$786,367) |
| 31 | Transfer In/Out ⁴ | - | - | - | (\$274,492) | \$786,367 |
| 31 | Ending Balance | \$2,563,241 | \$3,652,005 | \$658,305 | \$0 | \$0 |

| 32 | | FY2026-27 Total | 120 days | 180 days | 240 days |
|----|--------------------------------------|-----------------|-------------|-------------|-------------|
| 33 | Annual Operating Budget ⁵ | \$5,292,867 | \$1,740,121 | \$2,610,181 | \$3,480,241 |

Footnotes:

- 1 Transfer In of Projected Year End \$274,492 Net Operating Results from Operating account. Transfer Out \$786,367 to offset negative budgeted Net Operating Results.
- 2 Transfer In from Rate Stabilization reserve due to lower FY2026-27 budget amount. 120 days target for Rate Stabilization Reserve is \$1,740,121.
- 3 Reducing Rate Stabilization reserve due to lower FY2026-27 budget amount, 120 days target is \$1,740,121.
- 4 Transfers In/ Out of Operating Account to result in \$0 FYE balance.
- 5 FY2026-27 Annual Operating Account budget used in Reserve accounts adjustment calculations.

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*
Richard Cavaletto, Farmer, *Agricultural Representative*
Lynn Maulhardt, *Director, United Water Conservation District*
Tony Trembley, *Councilmember, City of Camarillo*

EXECUTIVE OFFICER
John Demers



Fiscal Year 2026-2027

DRAFT PROPOSED BUDGET REPORT

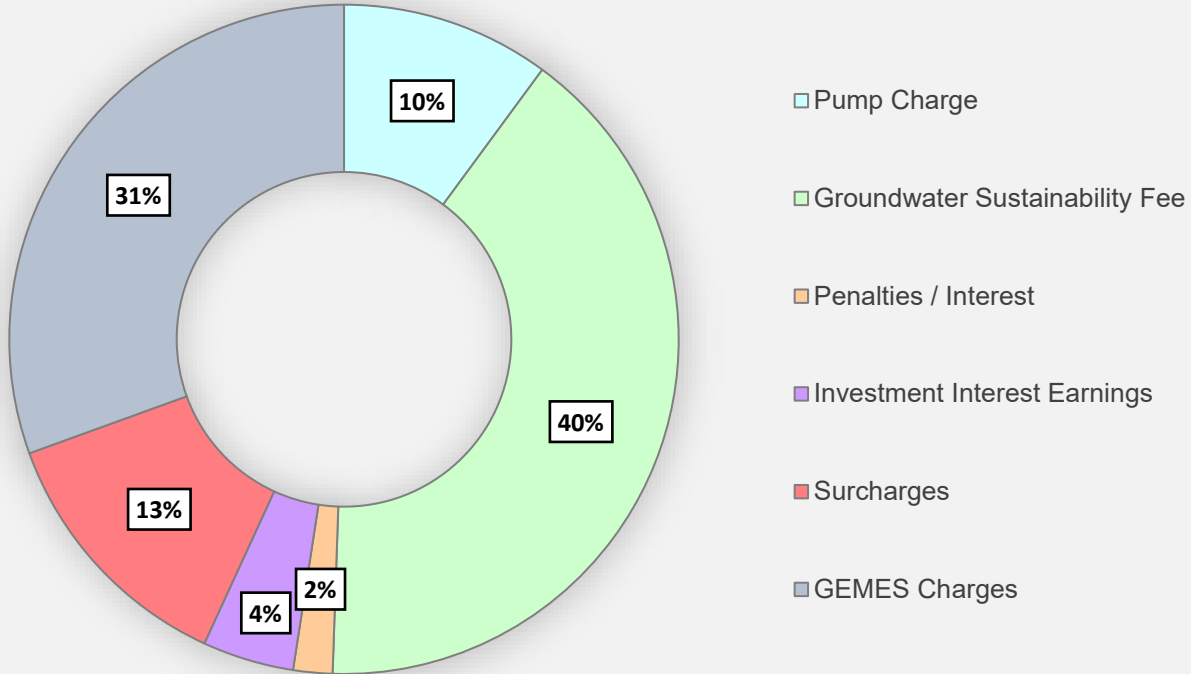
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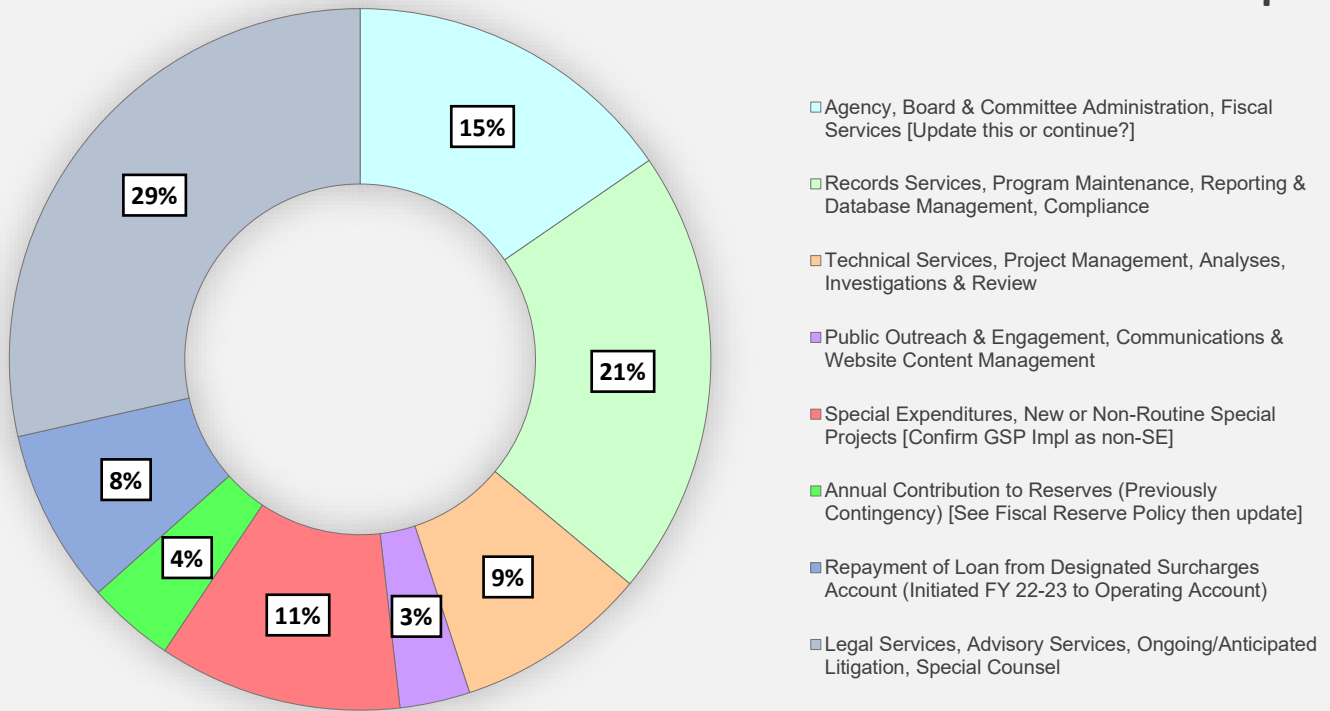
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Where the Funds Come From



i FY 26-27 Revenues.

UPDATE POST FC REVIEW Where the Funds Are Spent



ii FY 25-26 Expenditures. Includes Estimated Designated GEMES Account Expenditures for Legal Services. Update post FC Review

II. FY 2026-27 BUDGET AT A GLANCE

A. Executive Officer's Transmittal Letter

Welcome to the Fox Canyon Groundwater Management Agency (FCGMA) Fiscal Year (FY) 2026-2027 Proposed Budget Report, a work-in-progress aimed at increasing clarity and transparency in the Agency's funding and expenses. This third annual Proposed Report is designed to be read online, as hyperlinks are included for reference. It is our goal to effect continuous improvement to this format with each budget cycle. Future iterations will be improved with feedback from our Board of Directors and our stakeholders, bolstered by annual Board and Committee strategy development. Over the years, Proposed Reports will become effective at clearly communicating the Agency's funding needs and work priorities.

The Proposed Budget Report does not present different scenarios for the Board to choose from. It is designed to present Agency staff's recommended assumptions, based on conversations with the Fiscal Committee, that may be changed by Board direction, and to highlight considerations for the Board to discuss during budget adoption.

New for this year, my inaugural role as the Agency's Executive Officer:

- The Agency has implemented Reserve Policy reforms to the budget with the adoption of the FCGMA Fiscal Reserve Policy, which goes into effect with FY 2026-27. (For an overview of how the accounts have been restructured, please see the section *Explanation of Budget Accounting*.)
- During FY 2025-26, the Agency implemented the Board Compensation Ordinance, allowing members who qualify per the Ordinance to be compensated for the expenses for the first time in the Agency's history. (For more information, please see the section *Agency Profile* and its corresponding subsection.)

- In the interest of transparency, and to encourage a larger solicitation pool for requests for proposal or requests for qualifications, the Agency has implemented an eProcurement system called PlanetBids. (Read more under the subsection *Consultants and Contractors.*)

1. At A Glance – Agency Operations

Expenditures are forecasted to be higher than revenues in FY 2026-27, but the Agency is closer to a neutral “Net Operating Results” than ever before in its history thanks to the implementation of the FCGMA Fiscal Reserve Policy.

Recommended for partial repayment during this Fiscal Year is the loan to the Operating Account from the Designated Surcharges Account; the loan was approved by the FCGMA Board during adoption of the FY 2022-23 Budget, to be repaid in FY 2024-25. During adoption of the FY 2024-25 Budget, the Board postponed repayment to FY 2026-27; the Fiscal Committee has recommended half be repaid during FY 2025-26, and the other half during this Fiscal Year.

| Operating Account | 2023-24 Year-End Actuals | 2024-25 Year-End Actuals | 2025-26 Adopted Budget | 2026-27 Draft Budget |
|--------------------------|---------------------------------|---------------------------------|-------------------------------|-----------------------------|
| Revenues | \$4,026,499 | \$7,336,130 | \$4,035,502 | \$4,506,500 |
| Expenditures | \$2,945,916 | \$6,647,366 | \$5,520,137 | \$5,292,867 |
| Net Operating Results | \$1,080,583 | \$1,088,764 | (\$1,484,635) | (\$786,367) |

2. Overview of the Proposed Budget Report

Following this transmittal letter, the Budget Report provides a profile of the Agency and how we are structured (and why), with a deep dive into how we are staffed, with an update on the status of vacancies, proposed new roles, and recruitment, then the Board Compensation Ordinance, which went into effect January 13, 2026. The Report then discusses the Agency's current financial management processes, providing insights into the procedures, Agency tasks, and Board priorities that help inform the draft budget. The Financial Management section includes an overview of the FCGMA audit schedule.

The main focus of the Report follows in the section titled "Explanation of Budget Accounting," which begins with a overview of the accounts Agency funds are held in, how revenue from different fees is allocated to those accounts and which expenses are paid from them, recommendations regarding some of these fees, and ends with a detailed look at the Operating Account which funds main Agency endeavors. This section has been updated to reflect the changes to reserve account structure as directed by the FCGMA Fiscal Reserve Policy, adopted by the Board in April 2026, which becomes effective beginning FY 2026-27.

Readers will then be brought to our "Recommendations and Considerations" section, where all recommendations contextualized within this report are gathered into an overview for Fiscal Committee and Board discussion, and an accounting of past recommendations follows. The appendices contain supporting information about staffing, Agency structure, and pending goals for future planning.

Readers may navigate back to the Table of Contents and click through to any section; the footer on every page of this report features a link to return to the Table of Contents.

The draft budget assumes a fully staffed Agency and is intended to allocate funding and staff resources to maintain high levels of service, while investing in enhancements to

Agency services and infrastructure to continue the preservation and management of groundwater resources within our jurisdiction for the common benefit of all users.

It's been a pleasure to familiarize myself with the Agency, its priorities, and its passionate stakeholders. As ever, we remain committed to listening to and incorporating your feedback. Please get in touch should you have any.

Respectfully,

John Demers
Executive Officer

A. Quick Links

The following FCGMA Fiscal Year 2026-27 Budget materials, linked below, appear as they will be presented to the Board of Directors on **July 22, 2026.**

(Confirm all spreadsheets & embed individual links to each here, post FC review)

Integrate better into relevant report section, or move links earlier in report, as this mention is supposed to be a reminder/shortcut?

III. AGENCY PROFILE

A. About FCGMA

The Fox Canyon Groundwater Management Agency (FCGMA) manages and protects both confined and unconfined aquifers within several groundwater basins underlying the southern portion of Ventura County. All lands lying above the deep Fox Canyon aquifer account for more than half of the water needs for 450,000 residents in the cities of Ventura, Oxnard, Port Hueneme, Camarillo, and Moorpark, plus the unincorporated communities of Saticoy, El Rio, Somis, Moorpark Home Acres, Nyeland Acres, Leisure Village, Point Mugu and Montalvo. The FCGMA is an independent special district, separate from the County of Ventura or any city government. It was created by California Legislature to oversee Ventura County's vital groundwater resources, per the adoption of Assembly Bill No. 2995 Chapter 1023¹, which was approved by the Governor and filed with the Secretary of State in September 1982. The Sustainable Groundwater Management Act (SGMA)² identified the Agency as the exclusive Groundwater Sustainability Agency (GSA) for the basins within its jurisdiction. The Agency also acts as watermaster for the Las Posas Valley Basin³. LPV Watermaster is funded under separate revenue, and no expenses are included in the FCGMA budget.

¹ <https://s42135.pcdn.co/wp-content/uploads/2024/04/AB-2995-FCGMA-Enabling-Legislation.pdf>

² SGMA: <https://water.ca.gov/programs/groundwater-management/sgma-groundwater-management#>

³ <https://fcgma.org/las-posas-valley-watermaster/>

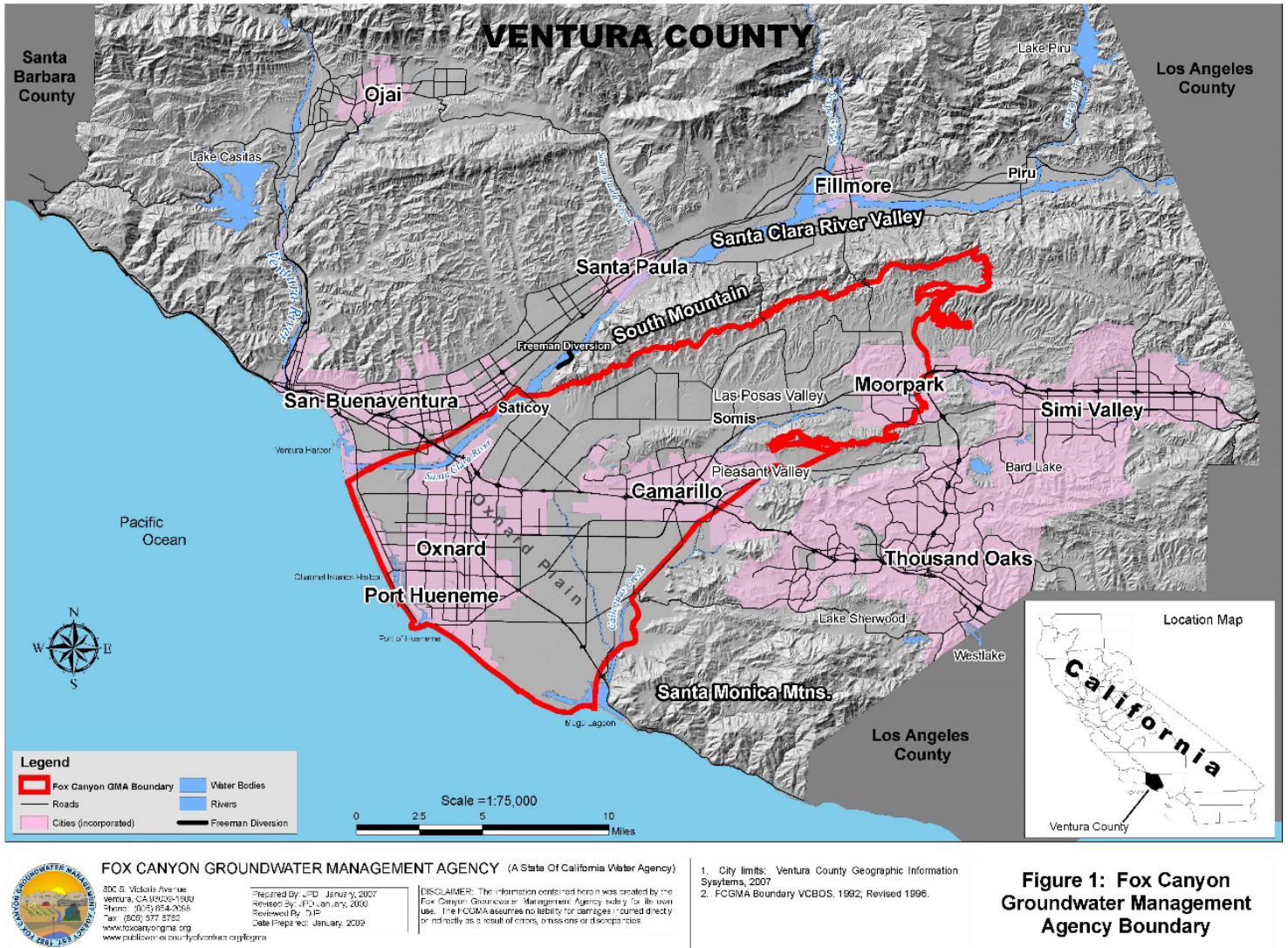
B. Mission Statement

The Fox Canyon Groundwater Management Agency is dedicated to the preservation and management of groundwater resources within its jurisdiction for the common benefit of all users.⁴

⁴ The above mission statement was revised and approved by the Board of Directors on March 22, 2023.

C. Boundary of the Agency

The FCGMA boundary encompasses 183 square miles and includes land from the Oxnard coastline to Happy Camp Canyon east of Moorpark.



iii FIGURE 1 – FCGMA Boundary Map

Within this boundary are all, or parts of, five (5) incorporated cities, including Moorpark, Oxnard, Port Hueneme, Camarillo, and Ventura. Also within the Agency boundary are several water companies of various sizes. Although imported water is vital to almost

everyone in southern Ventura County, and surface water diversions supplement a valuable percentage of irrigation needs, groundwater still supplies the main source of water (about 67%) used by approximately 350,000 people and hundreds of farms within the FCGMA boundaries.

D. Organizational Structure

1. Roles, Responsibilities, and Relationships

As expressly stated in the FCGMA enabling legislation⁵, and as echoed in our mission statement, the goals and objectives of FCGMA include the planning, management, preservation, and regulation of the use of groundwater for the common benefit of water users within FCGMA territory. These goals are primarily achieved through the development, implementation, and enforcement of groundwater management plans and policies that are designed to protect the quality and quantity of groundwater within FCGMA's territory.

In accordance with the enabling legislation, FCGMA has not historically involved itself in activities normally undertaken by member agencies, including construction, operation, and maintenance of capital facilities. Many of these facilities such as dams, spreading grounds, pipelines, flood control structures, and water distribution facilities are operated by member agencies both within and outside the FCGMA boundary, with the goals of the FCGMA in mind, and to aid or assist FCGMA groundwater management efforts. Within its mandate, via tactics such as mitigation planning or compliance reviews, the Agency aims to support projects that help to further sustainability goals identified in our Groundwater Sustainability Plans.

⁵ <https://s42135.pcdn.co/wp-content/uploads/2022/10/AB-2995-FCGMA-Enabling-Legislation.pdf>

The Agency’s governing Board of Directors, Agency staff, member agencies, and individual stakeholders all share stewardship for the successful operation of the Agency and for the groundwater it manages. These roles and responsibilities are summarized below.

A. Board of Directors

The Board has the responsibility for establishing and revising policy through the adoption of laws, ordinances, and resolutions that support FCGMA’s mission statement, goals, and objectives. All Agency rules must also be in conformance with State laws. The Board is responsible for providing the means and resources necessary for the Executive Officer and staff to administer FCGMA’s policies.

B. Agency Staff

Under Board direction, Staff takes responsibility for initiating, preparing, and securing the appropriate reviews and approval for agenda items, including ensuring all necessary staff members, Board committees, and stakeholders have been involved and informed where appropriate; authoring and scheduling agenda items; working with Agency Counsel on legal aspects of the item, including providing all background information to allow Counsel to prepare appropriate documentation, including contracts, proposals, presentations, and reports, and to ensure sufficient time to adhere to public hearing notice requirements and/or reading of ordinances; and prepare presentations for the Board’s information.

Staff are responsible for administering the policies adopted by the Board. Under the leadership and direction of the Executive Officer, FCGMA staff does not make policy decisions; staff provides technical studies, policy analysis and logistical support to the Board of Directors to assist the Board in adopting, monitoring, and evaluating meaningful and effective policies. FCGMA management are responsible for directing

staff, implementing policies adopted by the Board, and ensuring that Board directives are carried out effectively. 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.

FCGMA also contracts with consultants who perform as staff, whether due to understaffing or specific needs of a special project. Current contracts are discussed further in section “Expenditures – Personnel.”

C. Member Agencies and Stakeholders

“Member Agencies” refers to entities that are purveying water within Agency boundaries. Currently, there are five cities (Camarillo, Moorpark, Oxnard, Port Hueneme, and Ventura), two major wholesalers (Calleguas Municipal and United Water Conservation District), and seven mutual water companies (1) Alta Mutual Water Company, (2) Pleasant Valley County Water District, (3) Berylwood Mutual Water Company, (4) Calleguas Municipal Water District, (5) Camrosa Water District, (6) Zone Mutual Water Company, and (7) Del Norte Mutual Water Company who are purveying water either partially or totally within the territory of the FCGMA. Under many circumstances, these member agencies also serve as de facto representatives for individual property owners, well operators, and other stakeholders that their agencies serve within FCGMA boundaries. These individuals are also FCGMA stakeholders.

Stakeholders are responsible for “self-reporting” groundwater extractions to the FCGMA accurately and in a timely manner (e.g. twice per Water Year, reporting on March 31, and September 30, annually). It is critical that this group provide meaningful input to the staff and Board by accurately self-reporting groundwater use on a timely

basis and by providing the fees, data, and feedback necessary to enable the FCGMA to manage groundwater resources and to pay for expenses incurred in doing so.

2. About the FCGMA Board of Directors

FCGMA is governed by five Board Members. They represent (1) the County of Ventura, (2) the United Water Conservation District, (3) the seven water districts within the Agency [Alta Mutual Water Company, Pleasant Valley County Water District, Berylwood Mutual Water Company, Calleguas Municipal Water District, Camrosa Water District, Zone Mutual Water Company, and Del Norte Mutual Water Company], (4) the five incorporated cities within the Agency [Ventura, Oxnard, Camarillo, Port Hueneme, and Moorpark], and (5) the farmers. Members and Alternates are appointed by their respective organizations or groups. Agricultural representatives are appointed jointly by the Ventura County Farm Bureau (VCFB) and the Ventura County Agricultural Association (VCAA).

All member, Directors or Alternates, serve a two-year term. In 2007, the Board offset the terms of the City Council and the Agricultural representatives from the remaining three representatives by one year to prevent a complete turnover of all Directors at the same time. City and Farm representatives are elected in even-numbered years; with UWCD, County, and Water District representatives elected in odd-numbered years.

To date, no Alternate Farmers Representative has been appointed by VCFB and VCAA for the term beginning March 1, 2026. The Farmers Representative Alternate position is currently vacant.

| Representative | Term Expirations | Current Board Member | Current Alternate | Term Expires |
|----------------------------|-------------------------|-----------------------------|--------------------------|---------------------|
| Farmers Representative | Even Years | Richard Cavaletto | VACANT | 02-28-2028 |
| Five Cities Representative | Even Years | Tony Trembley | Bert Perello | 02-28-2028 |

| | | | | |
|-------------------------------------|------------|-------------------------|--------------|------------|
| United Water Conservation District | Even Years | Lynn Maulhardt | Keith Ford | 02-28-2027 |
| Ventura County Board of Supervisors | Odd Years | Kelly Long (Vice Chair) | Vianey Lopez | 02-28-2027 |
| Seven Water Districts | Odd Years | Eugene F. West (Chair) | Reddy Pakala | 02-28-2027 |

A. Board of Director Compensation

Since the Agency was created in 1983, the FCGMA Board of Directors had not been compensated for its service, attending meetings and related activities, or related travel. The FCGMA Act, Water Code section 121-102 et seq., does not authorize or prohibit the Agency from compensating its directors. Prior to January 2026, Board members and Alternates served on a volunteer basis with no compensation provided for participation or attendance at FCGMA meetings or events. On November 14, 2025, the FCGMA Board adopted *An Ordinance Authorizing and Establishing the Policies and Procedures for Payment of Compensation of the Fox Canyon Groundwater Management Agency Board of Directors* (Board Compensation Ordinance), which became effective 60 days from date of adoption, per Water Code Section 20200 et seq., which “authorizes the governing board of any water district to adopt an ordinance that provides compensation to its governing board’s members for attendance at meetings and functions on behalf of the district or its governing board,” and per Government Code Section 53232 et seq., which “authorizes the compensation of a special district’s board members for other types of meetings and functions, and the reimbursement of special district board members’ actual and necessary expenses, subject to certain requirements.”⁶

Per the Board Compensation Ordinance and the procedures it set forth via the Ordinance’s Compensation and Reimbursement Policy, members of the Board who

⁶ Board Compensation Ordinance, 2026. Please see Appendices or access a copy online via <https://fcgma.org/ordinances/>.

qualify under the Ordinance “shall be paid \$100 per day for attending the following types of meetings and occurrences: Board meetings, meetings of any FCGMA standing committee (including but not limited to meetings of the FCGMA Executive Committee, the FCGMA Fiscal Committee, the FCGMA Operations Committee, the Las Posas Valley Policy Advisory Committee, the Las Posas Valley Technical Advisory Committee, and any other committee created by formal act of the FCGMA Board) or any ad hoc committee created by the Board; or for service rendered as a member of the Board by request of the Board, such as providing an Agency presence at a conference or organized educational activity conducted in compliance with subdivision (c) of Section 54952.2, including, but not limited to, ethics training required by Article 2.4 (commencing with Section 53234) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.” The types of meetings and occurrences for which Board members may be compensated may be updated by amending the Ordinance, as approved by the Board. The Ordinance specifies that, “No member of the Board shall be paid or compensated more than a total of 10 days in any calendar month. Board members shall not be compensated by FCGMA (if they attend) a meeting or occurrence in a personal capacity or on behalf of another agency or local government such as their respective member agency,” as Board members are “responsible for complying with the rules, policies, and procedures governing compensation and reimbursement of their respective member agencies.”⁷

The two Board members who currently qualify for and receive compensation do so by submitting monthly expense reports to the Agency for reimbursement. Since taking effect in January 2026, the amount reimbursed to Board members as compensation totals \$1,400 in FY 2025-26.

⁷ Ibid.

B. FCGMA Committees

In 2012, the Board approved the formation of three committees: Executive, Fiscal, and Operations. Committee assignments are discussed and approved by the Board annually, alongside new Board member appointments, typically during the March meeting.

| Member | Committee Appointment | Appointment Expires |
|-------------------------|-----------------------|---------------------|
| Richard Cavaletto | Operations | 02-28-2027 |
| Tony Trembley | Fiscal | 02-28-2027 |
| Lynn Maulhardt | Operations | 02-28-2027 |
| Kelly Long (Vice-Chair) | Executive | 02-28-2027 |
| Eugene F. West (Chair) | Executive, Fiscal | 02-28-2027 |

Regarding the role of Committee members:

- a. All Committee members are advisory to the Board and shall serve to communicate the needs, programs, and proposals of the communities they represent.
- b. As distinct from the staff, an Advisory Committee's role shall not be considered technical in nature, unless specifically set up in such a manner.
- c. As distinct from the Board of Directors, an Advisory Committee's role shall not be considered legislative in nature.
- d. The Agency's technical staff shall inform the Committee of major needs, programs, and proposals.
- e. Committee members are encouraged to comment while discussing related agenda items heard during meetings of the Board of Directors to offer their insights, counsel, and opinions on their committee's behalf relating to Agency needs.

Executive Committee

The Executive Committee is composed of the Chair and Vice Chair of the Board and meets when directed by the Board to discuss issues including, but not limited to:

- Strategic planning
- Prioritization of Work Plan items
- Regional coordination to increase water supply
- Recommendations regarding extraction allocation systems

Fiscal Committee

The Fiscal Committee is composed of two directors, typically the Chair and Cities' representative, and meets when directed by the Board to discuss issues including, but not limited to:

- Budget development and tracking
- Pursuit of grants
- Development of replenishment fees
- Development of fiscal policy

Operations Committee

The Operations Committee is composed of two directors, typically the County of Ventura or Agricultural and United Water Conservation District representatives, and meets when directed by the Board to discuss issues including, but not limited to:

- Performance of self-reporting and meter calibration
- Software enhancements
- Project selection: Identification of projects to increase water supply
- Water Market development

3. *How the Agency is Staffed*

Per our founding legislation, [Assembly Bill No. 2995](#), Ch. 1023, Sec. 408⁸: “The agency may contract with the county or United for staff and other services and may hire such

⁸ AB 2995: <https://s42135.pcdn.co/wp-content/uploads/2022/10/AB-2995-FCGMA-Enabling-Legislation.pdf>

other contractors and consultants as it considers appropriate.” On January 22, 2025, the State of California’s Office of the Attorney General published [Opinion No. 24-101](#)⁹, asserting that “The Fox Canyon Groundwater Management Agency was created by the Legislature, as reflected in Water Code Appendix sections 121-102 to 121-1105... The statutory scheme establishes the Agency’s power to contract for staff services, and it limits that power to contracting with the two agencies specified in the statute, which are the County of Ventura and the United Water Conservation District.”

FCGMA contracts with the County of Ventura to provide staff to support the FCGMA¹⁰. As such, the Agency is staffed by County of Ventura (County) employees pursuant to this agreement executed in April 1983 and amended in September 1998. Per to this contract, the County provides staff, overhead, and resources to support the Agency’s groundwater management activities, policies, and programs; administrative and financial functions and services; and legal representation. The FCGMA Board has expressed interest in reviewing and revising the staffing agreement. During its June 25, 2025, regular meeting, the Board approved retaining the services of Light Gabler LLP to represent their negotiations of such. Staff recommends the budget for Light Gabler’s services be added to the draft FY 2026-27 Budget as a line item to track expenses once negotiations begin.

The FY 2026-27 Draft Budget presents a “highest cost scenario” for staff planning purposes. Unlike the development of previous Agency budgets, the FY 2025-26 Budget assumed funding all positions along with the funding of a full-time Executive Officer. These assumptions are carried over to the proposed draft FY 2026-27 Budget. Previous budgets estimated when existing vacancies would be filled, or positions vacated, and the Executive Officer position was previously set at a fixed cost of 25% of the Public Works Agency Director’s fully burdened rate.

⁹ No. 24-101: <https://s42135.pcdn.co/wp-content/uploads/2025/06/CA-Attorney-General-FCGMA-Staffing-Opinion-24-101.pdf>

¹⁰ 1983 Staffing Services Contract, Amended 1998: <https://fcgma.org/wp-content/uploads/2024/08/GMA-County-Contract-1983.pdf>

A. Status of Vacancies and Recruitment and Retention Efforts

Of the Agency's main or "core" staff, we currently have 10 full-time equivalent (FTE) staff, and 2 part-time staff, plus part-time Agency Counsel staffed from County Counsel. The organizational chart below displays current staffing levels; the first org chart reflects current staff structure, whereas the second displays a proposed staff reorganization with the assignment of 2 managerial roles the Board approved November 14, 2025.

Per [AB 2561](#)¹¹, a requirement as of the adoption of the FY 2025-26 Budget, of our *current* roster of 12 full-time equivalent (FTE) staff, we currently have 2 vacancies: the Groundwater Manager, a position vacated in January 2024, remains vacant and is currently undergoing recruitment as of the time of this report's writing; and the Engineer, a position vacated in March 2026, is the other vacancy. Management are currently interviewing candidates for the Engineer role as of the time of this report's writing.

The singular new hire during FY 2025-26 was FCGMA Executive Officer, John Demers, who joined the Agency in August 2025.

Hiring, training, and maintaining a fully staffed Agency remains a challenge, but the Agency has made great progress on filling its roster over recent Fiscal Years. A staff recommendation included in the FY 2025-26 Budget proposed funding 2 additional roles: additional staff support in the form of an entry-level hydrologist and a management or administrative assistant to help offset the tasks our Agency must accomplish to be effective, and to provide support for Board-recommended priorities such as Monitoring Network improvement planning, systematically clearing processing backlogs associated with temporary variances or civil penalty waiver requests, Agency and Board support, and more.

¹¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2561

At its November 14, 2025, regular meeting, the Board of Directors approved reallocating the 2 additional proposed FTE in a slightly different form than proposed in the FY 2025-26 Budget, directing staff to work with County Human Resources to create a Groundwater Manager position at the PWA Manager II/III level and a new Business Operations Manager position at the PWA Program Administrator II/III level; and to initiate the hiring process for the two positions. As noted when the positions were proposed, staff anticipate that the two new positions are likely to be filled by internal promotion, which would create vacancies in other positions which, in turn, would be filled by internal promotion or personnel new to the Agency.

Regarding retention and hiring efforts in the Agency's future, staff requests Board feedback to "identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process," as described in AB 2561, as needed. Perhaps this element could be addressed for future attention during negotiations to renew the Agency Staffing Contract with the County.

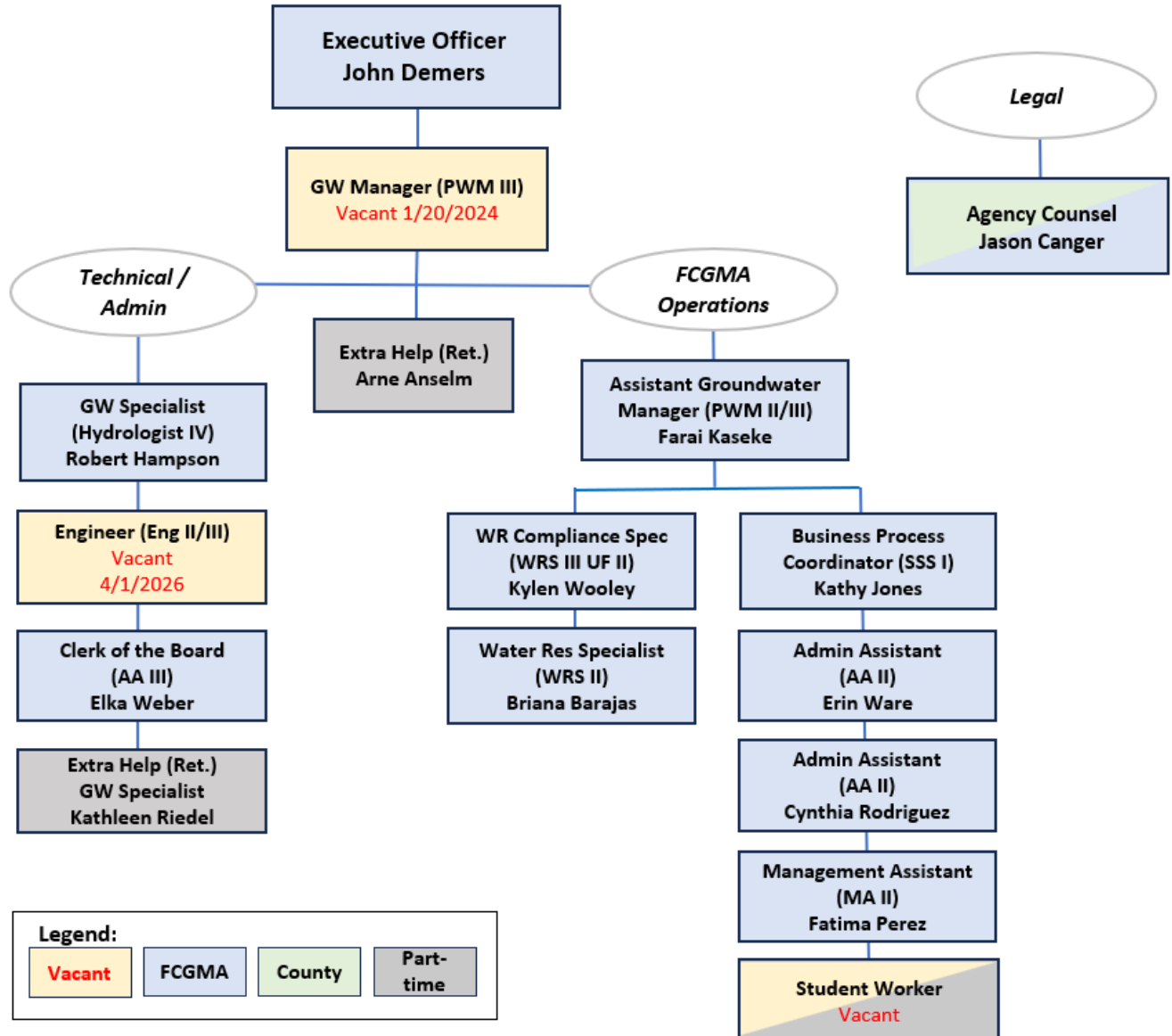
A. Current Agency Organizational Chart – Main Staff

Board of Directors



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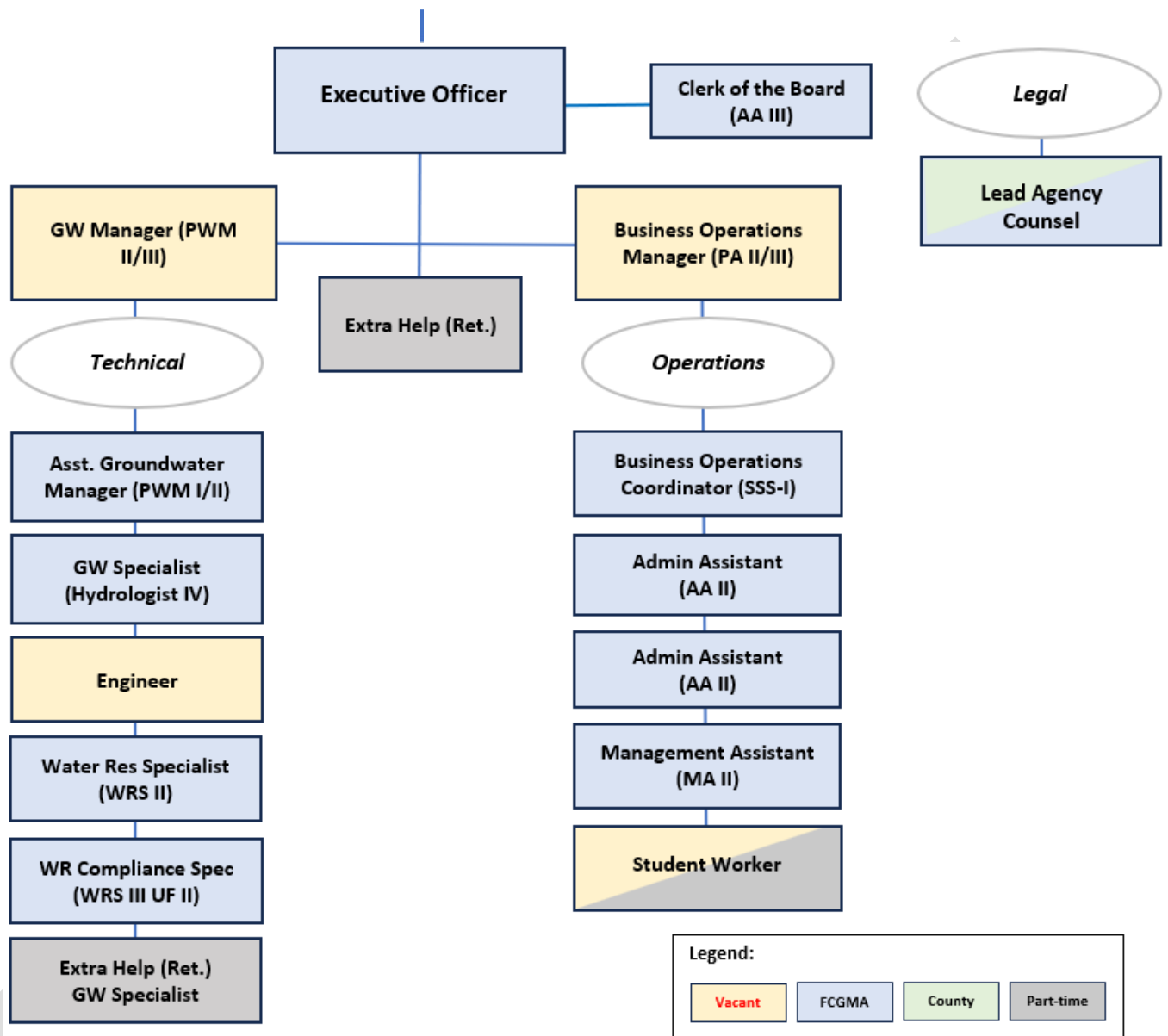
DRAFT



B. Proposed Organizational Chart

An updated staffing organization has been proposed and approved by the Board on November 14, 2025; recruitment and hiring procedures are pending.

Board of Directors



C. About the Executive Officer

John Demers, Executive Officer

As empowered by the FCGMA Board, the Executive Officer (EO) provides administrative leadership, research, and advisory services to the Agency, and acts as the main liaison

between the Board, the public, and government agencies. The EO is charged by Board resolution with carrying out the duties, performing the functions and exercising the executive powers enumerated in the Agency's Ordinance code. The Board decides the cadence for which items will be presented to the Board or a committee of the Board. Following consultation and direction from the Board and the Chair of the Board, the EO oversees agenda development and presentation; the role of the Executive Officer in the agenda process is to ensure agenda materials contain a thorough policy analysis (and if applicable, financial), a review of alternatives, and that they contain an appropriate recommendation to enable the Board to make informed and reasonable decisions. The Executive Officer also serves as the budget administrator and chief of staff.

John Demers joined the Agency in August 2025 as the first full-time, dedicated Executive Officer who reports directly to the Board. Mr. Demers brings a wealth of experience from his distinguished multi-decade career as a military officer who then transitioned to serving in senior public-sector roles.

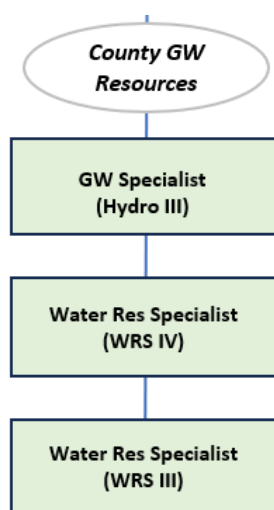
Most recently, Mr. Demers served as the Range Sustainability Officer for the United States Navy's Naval Aviation Warfare Center Weapons Division in Point Mugu, California, where he led a team managing the sustainability of both the Point Mugu Sea Range and the China Lake Ranges in the Mojave. Mr. Demers was responsible for coordinating environmental planning, compliance, and natural and cultural resources management. He also served as a subject matter expert on renewable energy projects, frequency spectrum issues, and climate resiliency plans.

Prior to his time in the Weapons Division, Mr. Demers was the Deputy to the Garrison Commander at Fort Irwin and the National Training Center, where he managed all garrison operations and led the public works department, including planning and executing energy and water resiliency projects; he also held a leadership position at the U.S. Merchant Marine Academy, where he was a key figure in a \$100+ million Capital Improvement Program for campus renovations and utility upgrades. Additionally, Mr. Demers was the Chief Operations Officer for the Port of Hueneme/Oxnard Harbor District,

where he provided executive leadership for maritime operations and security. While there, he led the development of plans for shore-side power, harbor deepening, and wharf improvements.

In addition to his professional accomplishments, Mr. Demers has been actively engaged in community leadership, serving as a Planning Commissioner for the City of Santa Paula and as a member of the Oxnard Union High School District’s Measure E Committee. He holds a master’s degree in strategic studies from the U.S. Army War College and is currently pursuing a doctorate in Ethical Leadership from Olivet Nazarene University.

D. Additional County Support



County Groundwater Resources staff implement the County’s GW Ordinance. GW Staff are available to assist FCGMA on an as-needed basis.

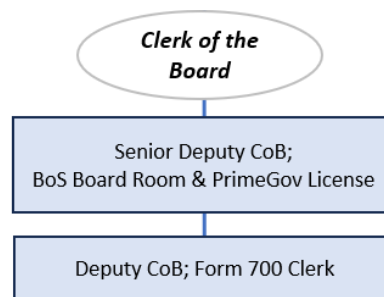
In addition to our main staff, the Agency is supported as needed by additional County services from member agencies such as the Public Works Agency (PWA) Groundwater Resources and Central Services departments, and the General Services Agency (GSA). To provide context: Central Services includes PWA Information Technology (IT) staff, who assist with equipment and software support, database programming and maintenance, website hosting, and Federal accessibility requirements; Fiscal Services staff, who assist with audit management, accounts receivable and accounts payable; and Human Resources (HR) staff, who manage benefits, recruitment efforts, general employee onboarding, workplace safety training, and payroll, among other integral contributions to staff. General Services Agency (GSA) support includes but is not limited to conference room access and coordination, and equipment technicians that set up and troubleshoot the spaces our staff and Board meet in to further our work, and GSA security staff, who administer ID badges and parking permits.

Our Agency is privileged to have the wider resources of the County available to our staff and our duties. You'll notice that services are billed in different ways: fixed cost is lump sum, overhead is a percent and billed directly is hourly. Service rates (a schedule of the 2026-27 Service Rates & Fees as approved by the Ventura County Board of Supervisors is included in the appendices) reflect the per hour cost of a particular County staff person's classification, and are primarily composed of salary, benefits, and any applicable overhead costs.

Agency staff work closely with Fiscal Services staff; their accounting technicians process our deposit transmittal reports and make sure payments are deposited swiftly; their Accounts Payable technicians route and pay invoices after we have coded, reviewed, and approved them for payment. FCGMA depends mightily on Fiscal's talented staff, especially our main Agency accountant, who provides invaluable review and feedback during the development of this report and all budget documents.

County services also include the Board of Supervisors' Clerk of the Board (BOS COB), which shares their Granicus/OneMeeting PrimeGov license with FCGMA, saving the Agency approximately \$100,000 annually in software subscription costs. Per the Brown Act¹², we are required to have our Board agenda materials available online in an open, accessible format; PrimeGov allows us to index and archive Board Agenda materials on the PrimeGov platform, which is users can access on our website via a website plug-in on <https://fcgma.org/board-agendas-broadcasts-minutes/>.

Thanks to the PrimeGov plug-in on our website, the Agency is able to provide a searchable index of meeting materials dating back to 2001. The BOS COB also allows the FCGMA to use the Board of Supervisors' Boardroom and livestreaming capabilities for the Agency's monthly regular Board meetings, and assists with filing forms related to our Conflict of Interest Code¹³



¹² https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=54954.2

¹³ COIC: <https://venturacounty.gov/county-executive-office/clerk-of-the-board/conflict-of-interest-code/>

(COIC) and its amendments. BOS COB also coordinates annual Form 700 filings for consultants and those filers who are not required by the California Fair Political Practices Commission (FPPC) to file directly, helping us stay in compliance with the Political Reform Act¹⁴. As of January 2025, the FCGMA Clerk coordinates annual filings for the Board of Directors and the Executive Officer directly with the FPPC, per SB 1156¹⁵.

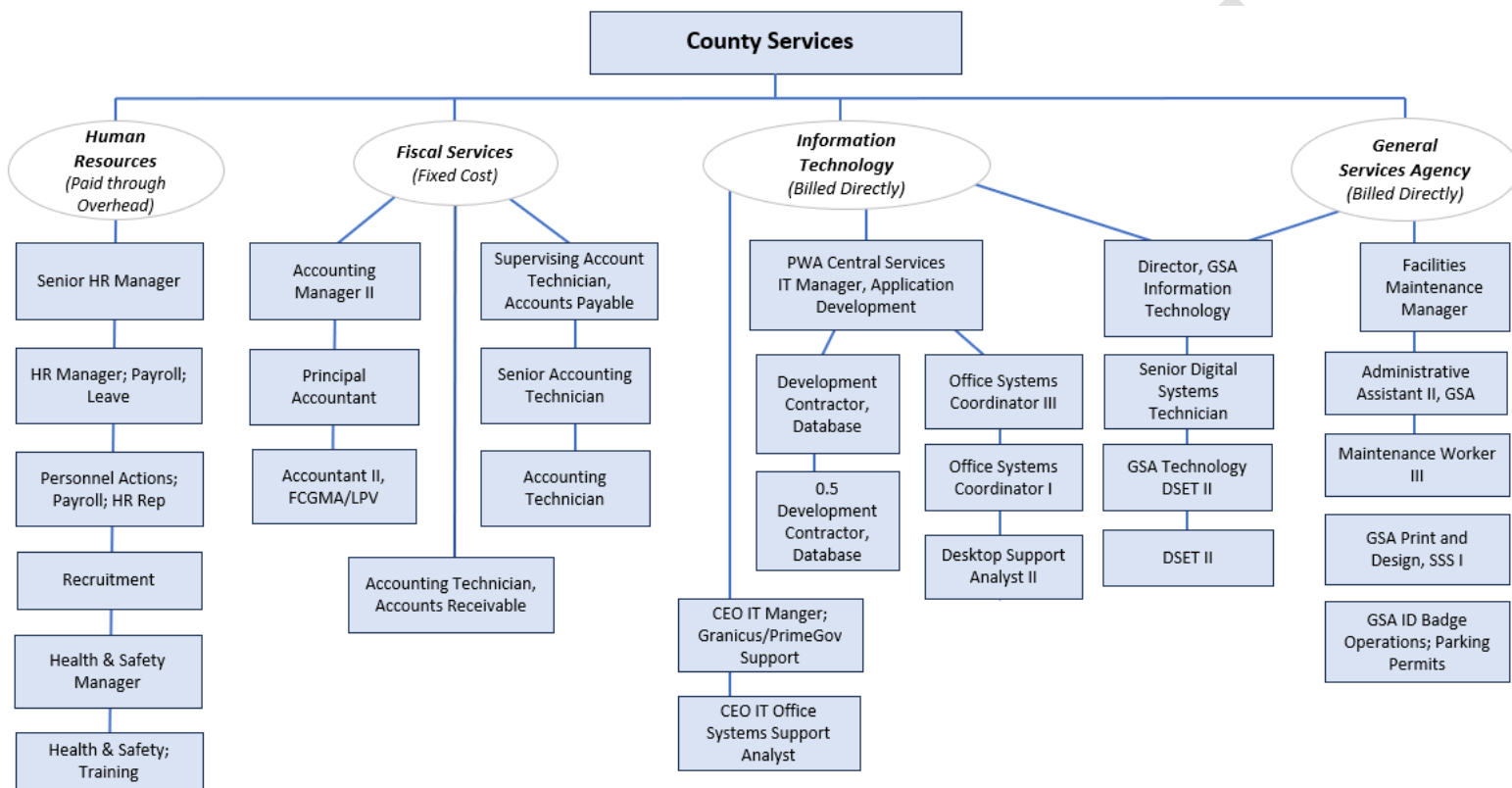
Personnel expenses are detailed in the Expenditures section of this Budget Report, and additional staffing information is included in the appendices.

¹⁴ Political Reform Act:

https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=GOV&division=&title=9.&part=&chapter=&article=

¹⁵ SB 1156: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1156

1. County Services – Example Organizational Chart



E. Consultants and Contractors

We are budgeting for an Agency that will become fully staffed, but in recent years, our staffing levels required us to utilize consultants to act as staff. The Agency currently has no active contracts with consultants or contractors currently performing FCGMA work functions which would normally be accomplished by staff, but if we plan to issue a request for proposals or extend a contract to perform services that are within the scope of staff when we are employed at full hiring capacity, the Agency will act in compliance with AB

339¹⁶. In comparison, the Agency had 2 active contracts for such work during FY 2025-26, and 4 active contracts during FY 2024-25. This assertion does not factor in consultants acting as staff for LPV Watermaster, contracts for which are accounted for in a budget separate from FCGMA.

The Draft FY 2026-27 Budget also funds for consultants for highly specialized technical work, such as groundwater modeling, data strategy, or GSP annual reporting. Consultants and costs are discussed in further detail in the section *Explanation of Budget Accounting*.

Dudek

Until their contract expires at its extended deadline of September 30, 2026, Dudek provides specialty technical support for the Agency's compliance with SGMA and GSP implementation. The scope of work under the contract includes technical support, GSP annual reports, data gap analysis, basin management scenarios and model coordination, project feasibility studies, Periodic Evaluations of the Basins, and project management. Not included in this draft budget proposal, but present in Dudek's contract scope, are work and services in support of the Agency's implementation of the LPV Adjudication, including preparation of technical reports and studies required by the LPV Judgment.

Kennedy Jenks Consultants, Inc.

Kennedy Jenks was previously contracted to assist with preparing an application for, then administering the Department of Water Resources (DWR) Sustainable Groundwater Management (SGM) Round 1 Implementation Grants to implement projects in the Oxnard Subbasin and Pleasant Valley Basin, which closed out via grant closure summary letters

¹⁶ AB 339: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB339

from DWR dated April 29, 2025. As part of the grant closeout process, the DWR conducted a grantee performance review. The Agency received a very good overall performance rating for both subbasins, with DWR noting the Agency's responsiveness and compliance with the grant agreement and workplan requirements, which was possible due to ongoing interagency collaboration and integrated management of the water supply projects that received funding via these grants.

In April 2026, the Agency again contracted with Kennedy Jenks, this time to prepare the first phase of an application to the California Department of Food and Agriculture (CDFA) for the State Water Efficiency and Enhancement Program (CDFA Sweep Block Grant). This first phase included a concept proposal due by May 15, 2026; if the Agency's concept proposal is accepted by the CDFA, the Agency will be permitted to submit a full proposal. The concept proposal is still pending as of the date of this report. Services for both proposals total \$17,760.00, a contract amount within the Executive Officer's delegated authority per Resolution No. 2018-02.¹⁷

Environmental Science Associates

To help upgrade the Agency's data capabilities, FCGMA contracts with Environmental Science Associates (ESA) beginning in FY 2025-26. ESA first worked with staff to perform a data diagnostic, or an audit of the Agency's available groundwater monitoring data to date, to document current conditions and establish a shared understanding of existing data workflows, systems, and policy-driven requirements; they then designed the configuration of an internal Groundwater Accounting Platform to support staff review and analysis. Together, these tasks were intended to help FCGMA ground future operational and technology decisions in a clear understanding of how data currently supports groundwater management, while providing near-term value through a centralized environment for reviewing groundwater data and allocation-related information. At the

¹⁷ <https://s42135.pcdn.co/wp-content/uploads/2022/07/Resolution-2018-02.pdf>

time of this report's writing, the Agency is currently reviewing a proposal to contract with ESA for the administering of this applied groundwater data strategy, in the form of the configuration and coordination of a groundwater accounting platform pilot program in the Las Posas Valley Basin, in compliance with the LPV Adjudication Judgment. If approved by the Board, this project would be funded by the FCGMA Water Supply Sustainability Reserve.

FCGMA Opportunities – PlanetBids

FCGMA continues to contract with consultants to meet the specific, highly technical needs of our special projects or audits. The Agency now manages all solicitations [Requests for Proposal (RFPs), Requests for Qualifications (RFQs), or informal solicitations] through PlanetBids, a web-based eProcurement system available at no cost to all qualified consulting firms interested in doing business with the Agency. Read about registering as a vendor to receive updates about Agency requests at <https://fcgma.org/opportunities/>.

E. Financial Management Process

The Agency's Fiscal Year begins July 1st and ends on June 30th of the calendar year. Administrative oversight and reporting of the Agency's financial transactions is performed by Agency management in consultation with our lead accountant from Fiscal Services Section of the Central Services Department of the Public Works Agency (PWA CS Fiscal), pursuant to the ongoing contractual arrangement between the Agency and the County of Ventura.

Annually, FCGMA usually prepares an Operating Budget and Work Plan to guide, direct and fund the Agency's work. Work Plan updates and Budget performance monitoring reports are prepared and submitted to the Fiscal Committee for review and discussion prior to presentation to the Board for adoption. Reporting and business practice documents are prepared as required for Board or Committee review via agenda materials, which include staff reports, Resolutions, or special presentations. At the midyear mark, staff presents a mid-Fiscal Year review of the adopted budget's performance and estimates to the Fiscal Committee, and then to the Board. Additionally, FCGMA prepares a Biennial Audit Report every other year.

1. Preparation and Monitoring

Regarding draft annual budget development, the Fiscal Committee has recommended presenting draft materials early and often for feedback that can be implemented in advanced drafts; the Fiscal Committee also recommends beginning development of budget materials directly after, or in conjunction with, the midyear budget review process that occurs in or around February annually, in preparation for final draft reviews in June or July.

If early budget adoption before the start of the new Fiscal Year becomes the standard operating procedure, year-end actuals will not be available for future iterations of this Proposed Budget Report; staff can update this report's data during the midyear review process.

Monthly Financial Status Reports Presented to the Board

Beginning in Fiscal Year 2024-25, in the interest of transparency, monthly summaries of the Agency's actual financial transactions for the current Fiscal Year are presented to the Board under the Consent Agenda¹⁸ of regular meetings. The financial status report (FSR), created by PWA CS Fiscal, shows expenditures by accounting period, beginning with cash balance, revenue totals, and total funds available, followed by expenditures for support, contract charges, legal fees, grant costs, GSA charges, special expenditures, and other expenditures (such as hydrology supplies or dues for the Association of Water Agencies). Significant variances in monthly revenue or expenditures are annotated with a short narrative explanation, helping to contextualize the timing of large invoices or significant increases in fees collected, which occur when Semi-Annual Extraction Statements are released for reporting submittal.

2. Identifying Priorities and Tracking Effort

Understanding the work of the Agency and the staffing effort needed to accomplish the various tasks is vital to setting appropriate staff levels and the budget needed. Staff services are tracked to major work tasks identified to meet Agency goals during the Fiscal Year. Through the County's payroll accounting system staff track their time working on

¹⁸ Review the Consent Agenda for any regular meeting posted at <https://fcgma.org/board-agendas-broadcasts-minutes/>

these tasks during the year for cost accounting. No other County employees have can charge to the FCGMA account without special authorization

Presentation of these work tasks shows how work is categorized; staff time tracked and provides an opportunity for discussion on how the goals and objectives for staff to focus on in the Fiscal Year should be to prioritized. The task priorities are separated by routine and special projects that are not routinely performed by the Agency on an annual basis.

The work tasks categorizes annual operations into Administration and Fiscal Services, Records Services, Technical Services, Legal Services, Public Outreach, and Special Expenditures.

Detailed information about each section, how tasks are prioritized, and how labor hours are tracked is available in the appendices.

3. Financial Audits

California Government Code Section 26909¹⁹ requires the County Auditor-Controller to perform an annual audit of the financial accounts and records of every special district within the County for which an audit by a certified public accountant or public accountant is not otherwise provided. The County Auditor-Controller has discretion as to whether to perform that annual audit using in-house audit staff or by contracting with a certified public accountant or public accountant. In either case, Subsection 26909(a)(3) requires the special district to bear the costs of the audit report.

Pursuant to Section 26909, the audit requirements applicable to FCGMA are found in the Minimum Audit Requirements and Reporting Guidelines for California Special Districts, as published by the Division of Accounting and Reporting, Office of the State Controller.

¹⁹ Link to Section 26909: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=26909

Essentially, the minimum requirements reflect Generally Accepted Auditing Standards (GAAS)²⁰, as described in the American Institute of Certified Public Accountants publication, Audits of State and Local Governmental Units.

In addition, the Agency's audit reports shall be filed with both the County Auditor-Controller of the county in which the special district is located, along with the State Controller, within 12 months of the end of the fiscal year(s) under examination.

Sub-Section 26909 (b) provides for an exception to the annual audit schedule period. That sub-section allows a governing body of a special district, by unanimous vote, to request their Board of Supervisors to replace the annual audit schedule found in Section 26909 with a different period. Specifically, Subsection 26909 (b) (1) allows the governing body of a special district to request a biennial (i.e. covering two years) audit period.

In accordance with California Government Code Subsection 26909 (b)(1), the Agency submits its statement of financial transactions to an independent contract auditor on a biennial basis. The FCGMA is considered a special purpose government, engaged in the management of groundwater extracted within its boundary and operates on a cash-accounting basis. Pursuant to applicable provisions of the Governmental Accounting Standards Board Statement 34 (GASB 34)²¹, Agency management provides financial statements in an enterprise format to its auditors who perform standard audit verification assurances that the statements are free of material misstatements.

The financial audit to be completed and delivered by the end of FY 2026-27 reflects financial transaction information for Fiscal Years 2024-25 (Ending June 30, 2025), and 2025-26 (ending June 30, 2026). The independent firm Rogers, Anderson, Malody & Scott, LLP (RAMS), is currently performing the analysis of the Agency's statement of

²⁰ <https://us.aicpa.org/content/dam/aicpa/research/standards/auditattest/downloadabledocuments/au-00150.pdf>

²¹ <https://gasb.org/page/ShowPdf?path=GASBS+34.pdf&title=GASB%20STATEMENT%20NO.%2034.%20BASIC%20FINANCIAL%20STATEMENTS%E2%80%94AND%20MANAGEMENT%27S%20DISCUSSION%20AND%20ANALYSIS%E2%80%94FOR%20STATE%20AND%20LOCAL%20GOVERNMENTS>

financial transactions for the above reporting periods. The report will be presented to the Board with findings and recommendations identified by RAMS.

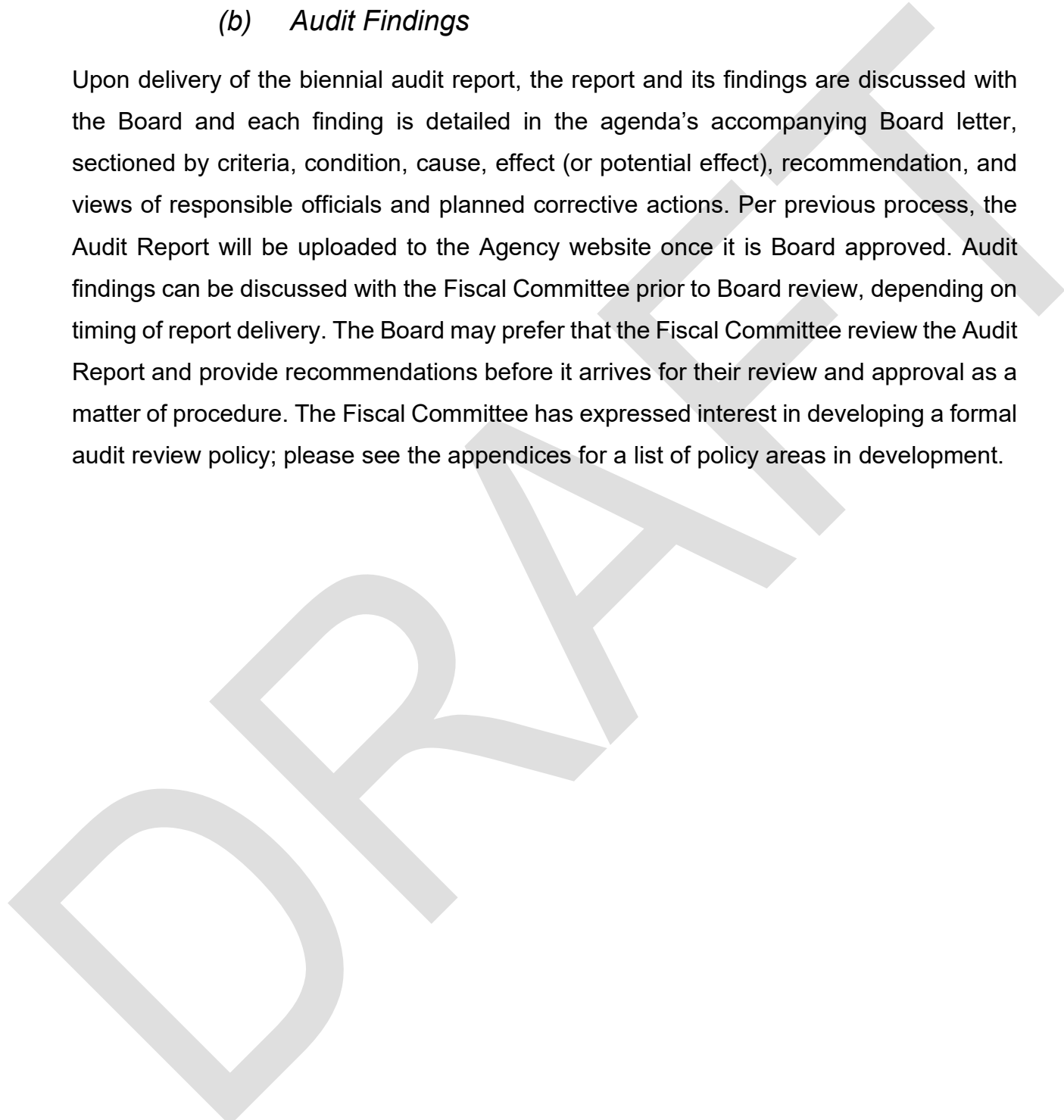
(a) Audit Schedule

Currently, FCGMA is on a biennial audit schedule. Accordingly, each year an audit will be scheduled, PWA Fiscal Services, in consultation with the County Auditor-Controller's Office, usually prepares a letter to qualified CPAs soliciting their interest, qualifications and proposals to provide the Agency with independent auditing services in response to the audit preparation specifications outlined in the body of the letter. As summarized in past Agency Board letters accompanying previous audit reports: "California Government Code Section 26909 requires the County Auditor-Controller to perform an annual audit of the financial accounts and records of every special district within the County for which an audit by a certified public accountant or public accountant is not otherwise provided. The County Auditor-Controller has discretion as to whether or not to perform that annual audit using in-house audit staff or by contracting with a certified public accountant or public accountant. In either case, Subsection 26909 (a) (3) requires the special district to bear the costs of the audit report." Per confirmation of the County-Auditor-Controller's office providing permission, Fiscal Services proposed, and the Agency agreed, to directly solicit a proposal from RAMS for the current Biennial Audit contract.

Requests for proposals to contract the next independent Biennial Audit cycles will be bundled together into a four-year engagement and solicitations will be conducted later this Fiscal Year. The cycles will cover the upcoming Fiscal Year periods through June 30, 2030. PWA Fiscal Services, in their oversight of the process, will prepare the audit solicitation letters to for the Agency to solicit and distribute for CPA firm selection to perform an independent audit of the Agency's financial statements, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. The firm selection process takes several months to complete, and we anticipate the first Biennial Audit cycle itself to be underway in summer 2027.

(b) Audit Findings

Upon delivery of the biennial audit report, the report and its findings are discussed with the Board and each finding is detailed in the agenda's accompanying Board letter, sectioned by criteria, condition, cause, effect (or potential effect), recommendation, and views of responsible officials and planned corrective actions. Per previous process, the Audit Report will be uploaded to the Agency website once it is Board approved. Audit findings can be discussed with the Fiscal Committee prior to Board review, depending on timing of report delivery. The Board may prefer that the Fiscal Committee review the Audit Report and provide recommendations before it arrives for their review and approval as a matter of procedure. The Fiscal Committee has expressed interest in developing a formal audit review policy; please see the appendices for a list of policy areas in development.



IV. EXPLANATION OF BUDGET ACCOUNTING

This section discusses the accounts the funds are held in, analyzes where the revenue feeds those accounts, and then details the expenses paid out of those accounts.

The Agency maintains separate classifications for funds collected from different sources. The following table provides an overview of our account summary by fund classification.

| Account | Board Direction |
|--|---|
| Designated GEMES Account | The Designated GEMES (Groundwater Extraction Management Enforcement Surcharge) Account was established by Resolution 2006-04 ²² ; Board directed to fund litigation costs including Agency counsel; Reserve Fee established by Resolution 2020-05 ²³ and extended for 4 years with Resolution 2024-05 ²⁴ |
| Water Supply Sustainability Reserve | Formerly the Designated Surcharges Account, this reserve target is set and used at the sole discretion of the Board for funding towards water supply and sustainability projects. This reserve is not to be used for routine Agency operations. |
| Working Capital Reserve | Formerly the Designated Operating Reserves Account, this reserve acts as the “primary” operating reserve and is intended to be used by staff to cover temporary cashflow deficiencies caused by differences between revenue and expenses, as approved by the Executive Officer when reported to the Board. The target for this reserve is 180 days of annual operating costs. |
| Rate Stabilization Reserve | This reserve is the “secondary” operating reserve intended to cover funding for major unanticipated major expenses which may otherwise impact rates or fees charged, as approved by the EO when reported to the Board. The target for this reserve is 120 days of annual operating costs. |
| Operating Account | Routine annual operation expenses as identified in Work Plan and as approved by the Board. |
| Grand Total Fund Balance | Total of all above. |

²² Resolution 2006-04: <https://s42135.pcdn.co/wp-content/uploads/2022/09/Resolution-2006-04.pdf>

²³ Resolution 2020-05: <https://s42135.pcdn.co/wp-content/uploads/2023/03/Resolution-2020-05.pdf>

²⁴ Resolution 2024-05: <https://s42135.pcdn.co/wp-content/uploads/2024/09/Resolution-2024-05.pdf>

A. OVERVIEW OF ACCOUNTS

Please note that the account classifications have changed with the adoption of the FCGMA Fiscal Reserve Policy²⁵, adopted by the Board on April 22, 2026, which goes into effect with Fiscal Year 2026-27.

1. Designated Accounts

Three of these fund classifications are designated accounts where the funds can only be accessed for specific purposes via the Fiscal Reserve Policy as described above, or through Board action:

1. Designated GEMES Account
2. Water Supply Sustainability Reserve
3. Working Capital Reserve (formerly Designated Operating Reserves Account)
4. Rate Stabilization Reserve

2. The Operating Account

The Operating Account is approved by the Board with the budget to fund efforts associated with better management of groundwater. Activities funded include reporting,

²⁵ https://fcgma.org/wp-content/uploads/2026/05/FCGMA-Fiscal-Reserve-Policy_Adopted-20260422.pdf

enforcement, groundwater management planning, data collection, record keeping, training, outreach, and others as identified through the course of business.

The Operating Account includes pump charges, groundwater sustainability fees, interest earnings, penalties, grant, and miscellaneous revenues, which are detailed later in this Budget Report.

B. REVENUE

Agency revenue comes primarily from pump charges with a lesser amount from surcharges and penalties and interest earned. Revenue is collected primarily via

| | |
|--|------------------|
| Pump Charge – set by enabling legislation (only fee for de minimis domestic operators) | \$6 / AF |
| Groundwater Sustainability Fee (\$29/AF, effective Oct 1, 2022) (Recommended reduction by \$5/AF for FYS 25&26) | \$24 / AF |
| GEMES Reserve Fee (sunsets Oct 1, 2028, unless extended by Board) | \$20 / AF |
| Total | \$50 / AF |

payments by well owners or operators to reconcile the fees they owe semi-annually based on their extraction reporting.

To forecast revenue from pump charges, an average of historical pumping rates of 121,000 acre-feet (AF) has traditionally been used. Below are the Agency’s current pump charges used to calculate forecasted revenue using the historical pumping average.

The following table is an expanded version of the fee schedule table displayed on Semi-Annual Extraction Statements (SAES), which are sent to well owners or operators (and which are available online for those who have registered online accounts with the Agency) for self-reporting during the Water Year. Note the amounts and percentages related to penalties, surcharges, and interest that apply when a reporter is late or has exceeded their extraction allocation. The final column is a hyperlinked list of relevant Resolution or Ordinance documenting the fee type and, if applicable, ways to appeal or request a waiver of said fees; these linked references are also available on our online reporting database, FCGMAonline.org, for each statement period.

| Water Year 2025-2026 Fee Schedule | | | | |
|---|---------------|---------------|----------------------------|--|
| <i>Fee Type</i> | <i>Amount</i> | <i>Unit</i> | <i>AF Exceedance Range</i> | <i>Resolution or Ordinance</i> |
| Extraction | \$6 | AF | - | 2014-02 |
| Groundwater Sustainability* | \$24** | AF | - | 2022-05 , 2025-06 |
| GEMES Reserve* | \$20 | AF | - | 2020-05 , 2024-05 |
| Civil Penalty | \$50 | x Days Late | - | 2019-1 |
| Non-Metered Water Use | \$12 | AF | | 3.5.1 |
| Extraction Interest | 1.5% | x Months Late | - | 2.4.2 |
| Surcharge Interest | 1.5% | x Months Late | - | 5.8.6.2 |
| Surcharge Tier 1 | \$2,289 | AF | 0.000 - 25.000 | 2026-02 |
| Surcharge Tier 2 | \$2,539 | AF | 25.001 - 99.999 | 2026-02 |
| Surcharge Tier 3 | \$3,039 | AF | >100.000 | 2026-02 |
| <p><i>*Sustainability and GEMES Reserve fees are not imposed on any person who extracts, for domestic purposes, two acre-feet per year or less.</i></p> <p><i>**Groundwater Sustainability fee has been recommended for reduction from \$29 / AF to \$24 / AF for WY 25-26 / FY 26-27 Budget, as it was recommended during FY 25-26.</i></p> <p><i>Surcharges, if incurred, are assessed at the end of the Water Year on the "-2" statement.</i></p> <p><i>For more information regarding fees, visit FCGMA.org/Public-Documents/Resolutions.</i></p> | | | | |

The Fiscal Committee has suggested the Agency look into implementing a fixed fee schedule; more information about the Agency’s authority in this regard is included in the appendices.

1. Pump Charge, AKA Extraction Fee

The Agency’s current maximum charge of \$6.00 per acre-foot was set through adoption of Resolution No. 2014-02, as linked in the above table. These fund efforts are associated with better management of groundwater. Known on the SAES as the Extraction Fee, the activities this pump charge funds include reporting, enforcement, groundwater management planning, data collection, record keeping, training, outreach, and others as identified through the course of business.

Fiscal Year 2026-27 projected pump charge revenue assumes 121,000 AFY extraction at \$6.00 per AF. The current cap of \$6 per AF has been adjusted in the past but cannot be adjusted upward without a revision to Section 121-1007 of the FCGMA Act. Projections included in the FY 2026-27 Draft Budget are based on average pumping; the Agency is not currently anticipating drought conditions.

| Pump Charge (Extraction Fee) Summary | FY 2022-23 Actuals | FY 2023-24 Actuals | FY 2024-25 Actuals | FY 2025-26 Adopted Budget | FY 2026-27 Draft Budget |
|---|---------------------------|---------------------------|---------------------------|----------------------------------|--------------------------------|
| Revenue | \$801,486 | \$841,816 | \$1,062,395 | \$800,00 | \$800,000 |

Revenue note: FY 2026-27 projected pump charge revenue assuming 121,000 AF/YR extraction at \$6.00 per AF.

2. Groundwater Sustainability Fee

As noted, the Sustainable Groundwater Management Act (SGMA) identified the Agency as the exclusive Groundwater Sustainability Agency (GSA) for the basins within its jurisdiction.

As a GSA, the Agency now has additional responsibilities and authority to ensure these basins are managed sustainably by the deadlines set forth in SGMA. To help meet those responsibilities, SGMA authorizes a GSA to “impose fees, including, but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program, including, but not limited to, preparation, adoption, and amendment of a groundwater sustainability plan, and investigations, inspections, compliance assistance, enforcement, and program administration, including a prudent reserve.” (Water Code, Section 10730.)

SGMA authorizes the Agency to control groundwater extractions by regulating or otherwise establishing groundwater extraction allocations (Water Code section 10726.4(a)(2).) and defines a groundwater sustainability program as “a coordinated and ongoing activity undertaken to benefit a basin, pursuant to a groundwater sustainability plan.” (Water Code, Section 10721²⁶.)

Additional fee authority was granted to the Agency following the adoption of its groundwater sustainability plans (GSPs) to fund costs of groundwater management including the acquisition of land or other property, facilities, and supply, production, treatment, or distribution of water (Water Code Section 10730.2). This is distinct from a regulatory fee for a groundwater sustainability program, authorized under Water Code Section 10730 described above, as it includes projects and replenishment that may not benefit the entirety of the Agency. SGMA specifically states these fees are subject to

²⁶ Amended February 13, 2023; Legislative Counsel's Digest: <https://legiscan.com/CA/text/AB828/id/3013211>

Proposition 218 sections of the California Constitution. The Agency followed the Prop 218 process to adopt a replenishment fee as required under SGMA.

During FY 2025-26, the Board approved reducing the established fee of \$29 per Acre-Foot be reduced by \$5/AF to \$24/AF with the adoption of the annual budget. For FY 2026-27, the Fiscal Committee recommends that the reduced fee of \$24/AF continue.

| Groundwater Sustainability Fee Summary | FY 2022-23 Actuals | FY 2023-24 Actuals | FY 2024-25 Actuals | FY 2025-26 Adopted Budget | FY 2026-27 Draft Budget |
|---|--------------------|--------------------|--------------------|---------------------------|-------------------------|
| Revenue | \$1,626,366 | \$2,756,100 | \$3,546,969 | \$2,904,000 | \$3,206,500 |

Revenue note: Projected groundwater sustainability fee revenues at \$24/AF assuming 121,000 AF extractions and a recommended \$5 reduction in fee for FY 2026-27, continued from FY 2025-26.

3. Surcharges

One of the principal ways the Agency manages the groundwater resources within its jurisdiction is by controlling groundwater extractions by establishing extraction allocations and imposing surcharges (in the OPV and ASRV Basins) on extractions in excess of allocations. The Fox Canyon Groundwater Management Act (Act), California Water Code²⁷ Appendix, Chapter 121, and the Agency’s several ordinances authorize these management actions. The Act authorizes the Agency to both establish extraction allocations and surcharges:

“The agency may, by ordinance, establish an operator’s extraction allocation for each groundwater extraction facility located within the agency. The agency may, by ordinance, impose upon the operator of any groundwater extraction facility located within the agency, extraction surcharges for extractions in excess of his or her extraction allocation and late penalties for nonpayment of extraction surcharges.” (Wat. Code App., § 121-1101.)

²⁷ California Water Code: <https://leginfo.ca.gov/faces/codedisplayexpand.xhtml?tocCode=WAT>

The Act states that the purpose of surcharges is “to discourage the use of groundwater beyond the extractions allocation” in recognition that “extraction allocations and extraction surcharges ... are necessary to eliminate overdraft caused by excess extractions[.]” (Id., at §121-1102(a), (b).) Since the Act’s enactment in 1982, the Agency has adopted several ordinances that set forth the Agency’s surcharge policy and requirements. The Agency Ordinance Code recognizes that extraction surcharges are necessary to achieve the basin(s’) management goals and shall be assessed when annual extractions exceed allocations. (Agency Ordinance Code, § 5.8.1.1.)

Surcharges have been based on (1) the cost to import potable water from the Metropolitan Water District of Southern California, or other equivalent water sources that can or do provide non-native water within the Agency jurisdiction and (2) the current groundwater conditions within the Agency jurisdiction, however the Agency Ordinance Code requires the Board to “fix the surcharge ... at a cost sufficiently high to discourage extraction of groundwater in excess of the approved allocation when that extraction will adversely affect achieving” the management goals for the basins. (Agency Ordinance Code, §§ 5.8.1.1, 5.8.3.) In turn, the Agency Ordinance Code authorizes the Board to structure, tier, and vary the extraction surcharge between basins and aquifers in its discretion. (Agency Ordinance Code, § 5.8.2.)

Historically, the Agency has used Calleguas Municipal Water District’s (CMWD) Tier 2 Supply Rate to set surcharges. Resolution No. 2026-02²⁸ increased tiered groundwater extraction surcharge rates in order to be consistent with current Calleguas Municipal Water District’s (CMWD) rates. CMWD is a member agency of Metropolitan Water District and is the largest purveyor of imported water within the Agency. The CMWD Board adopted increased water rates effective January 1, 2026, increasing its Total CMWD and MWD Rate to \$2,058 per AF. As a result, the current FCGMA Tier 1 surcharge rate is less than the cost of imported water available from CMWD. CMWD no longer has a Tier 2 Supply Rate, as such Resolution 2026-02 set the FCGMA Tier I surcharge rate to match

²⁸ Resolution 2026-02: <https://fcgma.org/wp-content/uploads/2026/04/Resolution-No.-2026-02.pdf>

CMWD’s Total CMWD and MWD Combined Rate²⁹ inclusive of capacity charges and a Readiness-to-Serve fee.

During the adoption of Resolution 2026-02 in April 2026, the Board recommended staff investigate whether the Agency can tie surcharge tier rates to CMWD rates via resolution that does not have to be approved by the Board annually.

A. Current Surcharge Rates

| Tier | Pumping | Rate | Notes |
|----------|---------------------|----------------|--------------------------------------|
| Tier I | 0.001 to 25.000 AF | \$2,289 per AF | |
| Tier II | 25.001 to 99.999 AF | \$2,539 per AF | additional surcharge of \$250 per AF |
| Tier III | 100 AF or more | \$3,039 per AF | additional surcharge of \$500 per AF |

B. Water Supply Sustainability Reserve (Formerly the Designated Surcharges Account)

The FY 2026-27 Draft Designated Accounts Budget projects \$1,000,000 in surcharge revenue. Revenue included in the draft FY 2026-27 Budget is consistent with previously projected revenues.

The Agency does not depend on surcharge revenue for its operation. Surcharge revenue is not used for operating expenses and can only be used for Board-designated expenses, which have been principally for water replenishment or supporting projects to increase the water supplies and/or sustainable yield of the Basins.

²⁹ CMWD 2026 Adopted Water Rates: <https://ventura.primegov.com/viewer/preview?id=0&type=8&uid=0d2a55e4-84b9-4a33-b159-427385686107>

As of the adoption of the FCGMA Fiscal Reserve Policy, revenue from surcharges are collected in the Water Supply Sustainability Reserve, formerly the Designated Surcharges Account. this reserve target is set and used at the sole discretion of the Board for funding towards water supply and sustainability projects. Per the FCGMA Fiscal Reserve Policy: “This reserve account is established in order to fund or assist in funding water supply and sustainability projects. The Water Supply Sustainability Reserve target is set at the discretion of the Board. The Agency may set aside funds for certain identified projects until such time as work commences on the identified project as well as funds for anticipated but not fully defined future projects. Examples of such projects may include the purchase of surplus water, the purchase of Article 21 water when available, construction or maintenance of monitoring wells, engineering studies, groundwater flow model development, or similar types of work. This account replaces the current Surcharges Account.” This reserve is not to be used for routine Agency operations. Revenue that feeds into the Water Supply Sustainability Reserve comes from surcharges and repayment from a loan to the Operations Account that occurred in FY 2022-23. If funding targets from the operating reserves are met as described below, proceeds of positive net operating results will also fund this reserve as determined by the Board.

Regarding that loan on our books: During budget discussions, the Board approved a \$1,000,000 loan from the Designated Surcharges Account to the FCGMA Operating Account in the FY 2022-23 Budget to cover the projected shortfall due to expenses for installing monitoring wells in the OPV Basins as part of the SGM Grant program. At that time the Board’s direction was for the loan to be repaid in FY 2024-25. **At** the April 24, 2024, Board meeting, the Board discussed the possibility that these expenses be fully funded through the Designated Surcharges Account³⁰. During FY 2024-25 Budget adoption, the Board approved repayment of the loan in FY 2025-26. During review of draft FY 2025-27 budget information, the Fiscal Committee has now recommended that the

³⁰ See page 16 (FCGMA Board Meeting Minutes, 4/24/2024): https://s42135.pcdn.co/wp-content/uploads/2024/05/AGENDA-PACKET-5-22-2024_Updated.pdf

loan’s repayment be split between Fiscal Years 2025-26 and 2026-27. This reduces the projection for FY 2025-26 by \$500,000 over the adopted budget.

| Water Supply Sustainability Reserve Summary | FY 2022-23 Actuals | FY 2023-24 Actuals | FY 2024-25 Actuals | FY 2025-26 Actuals (through May 2026) | FY 2026-27 Draft Budget |
|--|--------------------|--------------------|--------------------|---------------------------------------|-------------------------|
| Net Results | \$103,874 | \$1,136,556 | \$1,085,523 | \$709,567 | \$1,500,000 |

Now that the LPV Adjudication Judgment is implemented, enforcement is levied differently in the LPV Basin. Any monies collected are held in the LPV Watermaster account, separate from FCGMA funds.

4. Operating Reserves Designated Accounts

The intent of the Operating Reserves has historically been that it be held for use in case of absolute need, only. These accounts, previously colloquially referred to as the reserves, and previously listed in the budget and formally referred to as the Operating Reserves Designated Account, historically carried a balance that remained at a minimum of \$1,000,000. Each year, when the Board adopts the Budget, we have included a million-dollar reserve; the Agency’s reserve was \$1 million for FY 2023-24 and \$1 million for FY 2024-25. During budget discussions for FY 2025-26, the Fiscal Committee recommended reallocating previously earmarked “Contingency funds” (\$250,000) to the Operating Reserves Designated Account as an annual contribution, bringing the total reserves for FY 2025-26 to \$1,250,000. Before the FCGMA Fiscal Reserve Policy was adopted and implemented, it was the Fiscal Committee’s recommendation that the fund’s target balance be set at 50% of anticipated annual expenses, or \$2.5 mm; in future years, they recommended contributing 10% annually of the net operating results until the target would be met. The Fiscal Committee’s policy discussion then became centered on creating

target reserves earmarked for specific needs to justify prudent use, as revenues have fluctuated over recent years.

With the adoption of the FCGMA Fiscal Reserve Policy, the Operating Reserves are now comprised of two reserve funds with individual target levels based on the major classifications of risk to the Agency's operations. This eliminates the previous "carryforward" designation of certain funds in budget accounting and allows the reserve fund target levels to fluctuate based on the needs of any given Fiscal Year's operating costs.

A. Working Capital Reserve

Per the FCGMA Fiscal Reserve Policy: This reserve acts as the "primary operating reserve" and is intended to provide sufficient liquidity from a cash-flow perspective to facilitate the normal dynamic of ongoing expenses and episodic revenue collection.

- a. **Funding Sources:** Operating revenues (pump charges and groundwater sustainability fees) or Board-approved transfers from other funds.
- b. **Target Levels:** 180 days of annual budgeted operating costs; will maintain a minimum balance equal to 120 days of the total Annual Operating Budget and a maximum balance of 240 days of the total Annual Operating Budget. (Note: If the target level is reached, funding then rolls over to the Water Supply Sustainability Reserve, the only reserve without a ceiling.)
- c. **Events or Conditions Prompting the Use of the Fund:** This fund may be routinely utilized by staff to cover temporary cash-flow deficiencies caused by timing differences between revenue and expenses or decreases in revenues and unexpected increases in expenses. Use of the fund requires Executive Officer approval with a report to the Board.
- d. **Replenishment:** Upon the drawing of funds resulting in a balance at or below the target, staff will recommend a course of action to meet the target level. The recommendation to the Board will include:

- i. Identification of the cause of the draw-down.
- ii. Incorporation of a Replenishment Line Item in the subsequent Fiscal Year’s budget.
- iii. A target of full restoration of the floor within 24 to 36 months.

| Working Capital Reserve Summary | FY 2026-27 Projected Annual Budget Operating Costs | FY 2026-27 Projected Year End Transfer In/Out (from Operating Account) | FY 2026-27 Projected Transfer In (from Rate Stabilization Reserve) | FY 2025-26 Actuals (through May 2026) | FY 2026-27 Draft Budget |
|--|--|--|--|---------------------------------------|-------------------------|
| | \$3,111,657 | (\$786,367) | \$74,719 | \$2,837,165 | \$2,400,000 |

B. Rate Stabilization Reserve

Per the FCGMA Fiscal Reserve Policy, the Agency’s Rate Stabilization Reserve acts as the “secondary operating reserve.” As directly described, this reserve is utilized when considering mitigating rate increases. This fund is differentiated from the Working Capital Reserve in that its intent is to absorb unanticipated short-term costs without triggering a rate increase, whereas the Working Capital Reserve allows for uninterrupted operations despite cyclical revenue collection. The Rate Stabilization Reserve can be used to reduce the need for rate increases if the rate increase is contemplated for short-term reasons.

- a. **Funding Sources:** Operating revenues (pump charges and groundwater sustainability fees). One-half of positive net operating results will be transferred into this account until the target level is reached.
- b. **Target Level:** 120 days of annual budgeted operating costs. This reserve fund may increase in order to plan for anticipated increases in operating costs. (Note: If the target level is reached, funding then rolls over to the Water Supply Sustainability Reserve, the only reserve without a ceiling.)

- c. **Events or Conditions Prompting the Use of the Fund:** Used to cover funding for unanticipated major expenses during a year which may otherwise impact rates or fees charged. Requires Executive Officer approval with a report to the Board.
- d. **Replenishment:** Upon the drawing of funds below the target level, staff will recommend a course of action within the budget and long-range financial planning process to meet the target level. The recommendation to the Board will include:
 - i. Identification of the cause of the draw-down.
 - ii. Incorporation of a Replenishment Line Item in the subsequent Fiscal Year’s budget.
 - iii. A target of full restoration of the floor within 24 to 36 months.

| Rate Stabilization Reserve Summary | FY 2026-27 Half of Projected Positive Net Operating Results | FY 2026-27 Projected Year End Transfer In | FY 2026-27 Projected Transfer Out (to Working Capital Reserve, per Adjusting Target) | FY 2025-26 Actuals (through May 2026) | FY 2026-27 Draft Budget |
|------------------------------------|---|---|--|---------------------------------------|-------------------------|
| | \$1,814,840 | \$0 | (\$74,719) | \$1,814,840 | \$1,740,121 |

5. GEMES Reserve Fee and Designated Account

On October 28, 2020, the FCGMA Board adopted Resolution 2020-05 imposing a fee of \$20.00 per Acre-Foot (AF) on groundwater extractions to establish a reserve fund to be used to pay the cost and expenses of legal actions and proceedings related to implementation of the Agency’s groundwater sustainability program. The fee became effective January 1, 2021, and is imposed on all pumpers within the Agency’s jurisdiction other than small domestic pumpers extracting 2 AF or less per year. On September 25,

2024, the Board adopted Resolution 2024-05 extending the fee for four years. The GEMES Reserves Fee sunsets on October 1, 2028, unless extended by the FCGMA Board.

The GEMES Reserves Fee provides revenue exclusively to the Agency’s Groundwater Extraction Management Enforcement Surcharge (GEMES) Fund established in 2006 for the purpose of retaining special counsel to represent Agency interests. The GEMES Reserve Fee is reflected in the draft budget as the GEMES Designated Account.

| GEMES Designated Account Summary | FY 2022-23 Actuals | FY 2023-24 Actuals | FY 2024-25 Actuals | FY 2025-26 Actuals (Through May 2026) | FY 2026-27 Draft Budget |
|---|--------------------|--------------------|--------------------|---------------------------------------|-------------------------|
| Net Results | (\$522,731) | \$428,175 | \$1,611,967 | \$1,204,551 | \$1,005,00 |

6. Interest Earnings

Annual interest earnings apportionments are projected to be received from funds maintained in the County Pooled Investment Fund. The entire FCGMA fund O170 earns interest. Interest earnings were historically divided using the formula created by the Agency’s former Groundwater Manager: of the collective earnings, 13% were paid to the operating account, and 87% of interest earnings were held in the designated accounts. Per the Fiscal Committee’s FY 2024-25 recommendation, all interest earnings are to be held in the Operating Account.

| Interest Earnings Summary | FY 2022-23 Actuals | FY 2023-24 Actuals | FY 2024-25 Actuals | FY 2025-26 Actuals (through May 2026) | FY 2026-27 Draft Budget |
|----------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------|
| Revenue | \$76,645 | \$241,377 | \$320,171 | \$277,737 | \$130,000 |

Revenue note: Annual interest earnings apportionments projected to be received from the County Pooled Investment Fund.

7. Grant Funding

The Agency does not have current grant funding listed as revenue.

DRAFT

8. Civil Penalties, Late Fees, and Interest

Listed in the draft budget spreadsheet as the line item “Penalties / Interest,” this item is comprised of revenue from civil penalties, late fees, and interest accrued and paid by late or non-reporters, with regards to Semi-Annual Extraction Reporting. This line item is included in the Operating Account because of the extra administrative burden necessary to accommodate late reporters, remediation for erroneously reported SAES, and enforcement.

| Penalties / Interest Summary | FY 2022-23 | FY 2023-24 | FY 2024-25 | | FY 2025-26 | | FY 2026-27 | |
|-------------------------------|------------------|------------------|----------------|------------------|----------------|----------------------------|-----------------|--------------|
| | | | Adopted Budget | Year-End Actuals | Adopted Budget | Actuals (through May 2026) | Proposed Budget | YoY % Change |
| (Pooled in Operating Account) | Year-End Actuals | Year-End Actuals | Adopted Budget | Year-End Actuals | Adopted Budget | Actuals (through May 2026) | Proposed Budget | YoY % Change |
| Revenues | \$47,965 | \$299,408 | \$130,000 | \$161,265 | \$150,000 | \$89,973 | \$150,000 | 0% |

C. EXPENDITURES

1. Total Operating Account Expenditures

The total proposed Operating Account expenditures for FY 2026-27 are estimated at \$5,292,867 million, which reflects a decrease of \$277,270 (or -4%), from the FY 2025-26 budgeted expenditures adopted at \$5,520,137. The Draft 2026-27 Budget assumes a fully staffed Agency and allows for current contract expenses and proposed new expenses, such as Public Outreach and Engagement.

2. Transfers Out

The halved repayment of the loan made in FY 2022-223 to the Operating Account from the Designated Surcharges Account; the loan was approved by the FCGMA Board during adoption of the FY 2022-23 Budget, initially to be repaid in FY 2024-25. During adoption of the FY 2024-25 Budget, the Board postponed repayment to FY 2026-27. The Fiscal Committee recommended repaying the loan in two parts, half during FY 2025-26 and half during FY 2026-27.

3. Significant Annual Operating Expenditures

Following are the significant annual operating expenditures, those that are \$50,000 or greater:

| Significant Annual Operating Expenditures | | 2023-24 Adopted Budget | 2024-25 Adopted Budget | 2025-26 Adopted Budget | 2025-26 Actuals (as of May 2026) | 2026-267 Proposed Budget | Over / Under | YoY % Change |
|---|---|------------------------|------------------------|------------------------|----------------------------------|--------------------------|---------------|--------------|
| 1 | Public Works Agency Charges | \$2,860,200 | \$3,382,544 | \$2,988,752 | \$2,317,254 | \$3,755,177 | \$766,425 | 26% |
| 2 | FCGMA Online Database Support/GIS | \$276,761 | \$247,061 | \$200,000 | \$171,097 | \$260,000 | \$60,200 | 30% |
| 3 | Legal Services (County Counsel) | \$150,000 | \$170,000 | \$215,000 | \$65,972 | \$67,500 | (\$147,500) | (69%) |
| 4 | Legal Services (Special Counsel) | \$1,350,000 | \$1,655,000 | \$1,560,000 | \$605,681 | \$550,000 | (\$1,010,000) | (6%) |
| 5 | GSP Annual Reports | \$65,730 | \$97,000 | \$138,000 | 136,124 | \$138,000 | \$0 | 0% |
| 6 | GSP Implementation (Routine annual operations tasks, no longer listed under Special Expenditures) | | | \$150,000 | \$44,615 | \$100,000 | (\$50,000) | (33%) |

1. *Public Works Agency Charges*: The FY 2026-27 Draft Budget includes \$3,755,177 for PWA staff services per the projections in the draft Annual Work Plan. The Work Plan categorizes Annual Operations into Administration and Fiscal

Services, Records Services, Technical Services, Legal Services, and Public Outreach. Efforts which are not routinely done each year are included in a separate Special Expenditures category. Time estimates for each staff position's efforts are developed to estimate the budget. This estimate is for a fully staffed Agency.

More detail on the Work Plan sections and on County Labor Rates is included in the Appendices.

2. ***FCGMA Online Database Support:*** Support for the FCGMA Online database management system is supplied by PWA and County IT services. These services include the annual maintenance costs, system revisions and updates, special database queries, software enhancements, and includes GIS and other software license fees. An increase in IT services is requested to provide for 0.65 of additional staff time to cover the Agency's tasks and to provide for redundancy; FCGMA Online support is budgeted at \$260,000 for FY 2026-27.
3. ***Legal Service Fees:*** Agency Counsel legal services are provided by the County Counsel's Office, which serves as Agency Counsel, to provide routine legal services. Legal services are budgeted at \$67,500 for FY 2026-27. The Agency previously had 2 County Counsel serving as Agency Counsel, but has not yet acquired Assistant Agency Counsel, which has impacted the actual expenses and projections for this line item.
4. ***Groundwater Sustainability Plan Implementation and SGMA Compliance; GSP Annual Reports:*** As the GSA, the Agency is required to prepare GSP annual reports for the LPV, Oxnard, and Pleasant Valley basins, and to continue GSP implementation per SGMA. GSP annual reports are budgeted at \$138,000 for FY 2026-27, for preparation of the three annual reports for this year; GSP Implementation is budgeted at \$200,000, for a total of \$238,000. In order to engage a new consultant for the next multi-year contract to support SGMA Implementation, after the current contract expires in September 2026, a Request for Proposals (RFP) is currently open

for qualified firms to submit for consideration towards the next contract, as of this report's writing.

4. Special Expenditures

The FY 2026-27 Draft Budget identifies special expenditures, including the following:

1. *Data Management Systems*: For FY 2026-27, this line item covers the contract expenditure for Environmental Science Associates (ESA) to administer groundwater data strategy and the initial configuration and administration of a Groundwater Monitoring Data Platform and trail with test users in the Las Posas Valley Basin, as mentioned earlier in this report under Consultants.
2. *Monitoring Wells Network Improvement Planning*: In order to prepare for addressing the stakeholder recommended goal of improving our monitoring network, \$100,000 has been allocated for research and analysis to this line item in FY 2026-27. Proposed analysis can be used as a discussion tool with stakeholders in developing a plan incorporating their feedback, a plan which can then be utilized in grant applications to entities such as DWR.
3. *Stakeholder Facilitation / Public Outreach*: The FY 2026-27 Draft Budget includes \$100,000 for stakeholder facilitation and/or public outreach per Board recommendation to develop an outreach strategy to engage stakeholders in rampdown discussions and education.
4. *Repayment of Loan*: As described earlier in this report, the Fiscal Committee has recommended repaying the balance of the loan, \$500,000, from the Designated Surcharges Account (now the Water Supply Sustainability Reserve) in FY 2026-27.

5. Expenditures – Personnel

As a reminder, the FY 2025-26 and 2026-27 Work Plans were drafted to assume full staffing levels; this was factored into all calculations and estimates.

| Work Plan Labor Cost Comparison | | | | |
|------------------------------------|--------------------|--------------------|--------------------|------------------------|
| Work Plan Sections | FY 2023-24 | FY 2024-25 | FY 2025-26 | FY 2026-27 Projections |
| | Adopted | Adopted | Adopted | Proposed Budget |
| Administration and Fiscal Services | \$829,857 | \$943,005 | \$958,123 | \$990,273 |
| Records Services | \$843,647 | \$1,152,821 | \$1,283,845 | \$1,276,771 |
| Technical Services | \$432,540 | \$471,303 | \$553,799 | \$461,197 |
| Legal Services (Not paid by GEMES) | \$107,006 | \$114,862 | \$113,996 | \$127,483 |
| Public Outreach | \$65,020 | \$95,930 | \$201,287 | \$188,377 |
| Special Expenditures | \$582,130 | \$604,623 | \$697,944 | \$622,376 |
| Total Labor Estimates | \$2,860,200 | \$3,382,544 | \$3,808,994 | \$3,666,477 |

6. Counsel Expenses and GEMES

Expenditures

The GEMES account was established by your Board as a reserve account for legal expenses; projected Special Counsel and Agency Counsel litigation expenses are based on the updated estimates. The GEMES account is funded through a \$20 per Acre-Foot (AF) Reserve Fee which sunsets on October 1, 2028, unless extended by your Board.

| GEMES Designated Account | | 2023-24 Year-End Actuals | 2024-25 Year-End Actuals | 2025-26 Actuals (As of May 2026) | 2026-27 Draft Budget | Over / Under from FY 2025-26 Adopted | % YoY Change |
|--------------------------|-----------------|--------------------------|--------------------------|----------------------------------|----------------------|--------------------------------------|--------------|
| 1 | Reserve Fee | \$2,137,678 | \$2,472,441 | \$1,876,204 | \$2,420,000 | \$0 | 0% |
| 2 | Special Counsel | (\$1,466,690) | (\$1,001,490) | (\$605,681) | (\$1,300,000) | \$95,000 | (17%) |
| 3 | County Counsel | (\$242,813) | (\$73,507) | (\$65,972) | (\$115,000) | \$100,000 | 47% |
| 4 | Ending Balance | (\$513,955) | \$548,490 | \$1,204,551 | \$1,005,000 | \$360,000 | (56%) |

A. OPERATING ACCOUNT DETAIL

Insert once finalized by Fiscal Committee (direct from approved budget worksheet)

B. DRAFT FY 2026-27 BUDGET WORKSHEETS

Update links once finalized by Fiscal Committee (links to individual PDFs of each worksheet)

DRAFT

C. **SUMMARY OF RECOMMENDATIONS AND CONSIDERATIONS**

This Proposed Draft FY 2026-27 Budget was developed with several recommendations from the Fiscal Committee, including recommendations for future Proposed Budget Reports to improve transparency and clarity.

First, below are summarized the assumptions and recommendations made in the Draft FY 2026-27 budget for the Board's consideration, followed by a short status update on the recommendations made previous Proposed Draft Budget Reports; we then move on to planning recommendations for future strategy and budget development.

1. Summary of FY 2026-27 Recommendations and Considerations

Format & build out once recommendations are confirmed.

- During FY 2025-26, the Board approved reducing the established fee of \$29 per Acre-Foot be reduced by \$5/AF to \$24/AF with the adoption of the annual budget. For FY 2026-27, the Fiscal Committee recommends that the reduced fee of \$24/AF continue.
- During the adoption of Resolution 2026-02 in April 2026, the Board recommended staff investigate whether the Agency can tie surcharge tier rates to CMWD rates via resolution that does not have to be approved by the Board annually.
 - Look at implementing fixed rates (see Counsel response regarding Agency authority listed later in appendices)
- Recommended for partial repayment during this Fiscal Year is the loan to the Operating Account from the Designated Surcharges Account; the loan was approved by the FCGMA Board during adoption of the FY 2022-23 Budget, to be

repaid in FY 2024-25. During adoption of the FY 2024-25 Budget, the Board postponed repayment to FY 2026-27; the Fiscal Committee has recommended half be repaid during FY 2025-26, and the other half during this Fiscal Year.

- At the April 24, 2024, Board meeting, the Board discussed the possibility that these expenses be fully funded through the Designated Surcharges Account³¹. Is this something the FC wants to discuss or should we dismiss now that the Reserves have been restructured?
- Staff recommends Work Plan be updated during next Fiscal Year following updating their time reporting procedures for more meaningful labor estimates

2. Summary of FY 2025-26 Recommendations and Considerations

(build matrix of past recommendations and their outcomes?)

1. Negotiate and Renew the County Staffing Services Agreement

The FCGMA Board has expressed interest in reviewing and revising the staffing agreement and has recently retained the services of Light Gabler LLP to represent their negotiations of such. Staff recommend the budget for Light Gabler’s services be added to the draft FY 2025-26 Budget as a line item to track expenses throughout the process.

Regarding retention and hiring efforts in the Agency’s future, staff requests Board feedback to “identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process,” as described in AB 2561, as

³¹ See page 16 (FCGMA Board Meeting Minutes, 4/24/2024): https://s42135.pcdn.co/wp-content/uploads/2024/05/AGENDA-PACKET-5-22-2024_Updated.pdf

needed. Perhaps this element could be addressed for future attention during negotiations to renew the Agency Staffing Contract with the County.

Status: No action taken to date. Staff recommend incremental changes where necessary, vice a renegotiation of the entire contract.

2. Consider Additional Proposed Roles and Labor Estimates

A staff recommendation included in the draft FY 2025-26 Budget proposes funding 2 additional roles: additional staff support in the form of an entry-level hydrologist and a management or administrative assistant to help offset the tasks our Agency must accomplish to be effective, and to provide support for Board-recommended priorities such as Monitoring Network improvement planning, systematically clearing processing backlogs associated with temporary variances or civil penalty waiver requests, developing a stakeholder outreach plan to educate and discuss rampdown considerations with stakeholders, and more.

The labor hours estimate for outreach has increased in FY 2025-26 per the Board's recommendation to prepare the Agency for rampdown discussions.

In 2024, the Operations Committee discussed hiring an additional part-time PWA IT developer to support the current data management system, to build in cross-training and redundancy. That 0.65% rise in IT staff time and labor amount estimate is factored into the line item "FCGMA Online Support / GIS."

Status: Additional IT resources have been made available, and ongoing discussions with PWA-IT are scheduled to result in even more FTE dedicated to FCGMA priorities.

3. Reduce the Groundwater Sustainability Fee by \$5 per Acre-Foot for FY 2025-26

For FY 2025-26, Staff and Fiscal Committee recommend that the established fee of \$29 per Acre-Foot be reduced by \$5 / AF to \$24 / AF.

Status: Current budget estimates reflect the reduced rate.

4. Build Up the Operating Reserves

The Fiscal Committee has recommended reallocating previously earmarked “Contingency funds” (\$250,000) to the Operating Reserves Designated Account as an annual contribution, beginning with FY 2025-26, bringing the total reserves for the year to \$1,250,000.

Status: Newly established Fiscal Reserve Policy has formalized the analysis and level-setting for Reserve accounts. Current Reserve levels are likely adequate for current needs.

5. Repay the Loan Back to the Designated Surcharges Account

The repayment of the loan made in FY 2022-2023 to the Operating Account from the Designated Surcharges Account; the loan was approved by the FCGMA Board during adoption of the FY 2022-23 Budget, to be repaid in FY 2024-25. During adoption of the FY 2024-25 Budget, the Board postponed repayment to FY 2025-26. The Fiscal Committee recommends repaying the loan during FY 2025-26.

Status: Fiscal Committee updated their guidance to repay half of the loan during the current Fiscal Year, and the remaining amount during the FY 2026-27 Fiscal Year. Current plans support this goal.

6. Perform Initial Research Prior to Formal Strategic Planning

The Board has expressed interest in developing a Five-Year Strategic Plan suited to our Agency; staff are excited to research and compile existing Board mandates and sustainability goals, such as those as asserted in our Groundwater Sustainability Plans, to begin building the practical framework for this process.

Status: Update here.

7. Strategic Goal Development Sessions and Annual Reviews

Once Board mandates are collected, Directors, Alternates, and key stakeholders surveyed for input, GSPs reviewed, and prioritized projects are compiled; develop Agency goals and priorities for use with strategic planning.

Members of the Board have provided immeasurably helpful resources and conversations with local Agencies on their established project prioritization matrixes, and how such organizational systems provide measurable results directly tied to documented goals; FCGMA staff are looking forward to systematically implementing an actionable draft version tailored to Agency goals and priorities for discussion and development at the committee level. If needed, consider presenting a use case scenario based on the City of Camarillo's project prioritization framework, showing how the structure can be adapted to the Agency's.

Develop an annual strategic goal review that is completed in tandem with the mid-year budget review, so that the Board and staff are aligned, and stakeholders have more transparency into our organization. If the goal review is linked to framework, the discussions will prove more effective and deliverables can be created to track progress and educate stakeholders.

Status: Update here.

3. FY 2024-25 SUMMARY OF RECOMMENDATIONS AND CONSIDERATIONS

1. ***Budget at Full Staff Levels***

The FY 2024-25 Draft Budget presented a “highest cost scenario” for staff planning purposes. Unlike the development of previous Agency budgets, the Draft FY 24-25 Budget assumes funding of a fully staffed agency, with no vacant positions, along with the funding of a full-time Executive Officer. Previous budgets estimated when existing vacancies would be filled, or positions vacated, and the Executive Officer position was previously set at a fixed cost of 25% of the Public Works Agency Director.

Status: Effected and carried over to the FY 2025-26 Draft Budget.

2. ***GEMES Fee Renewal***

The ongoing litigation the Agency faces will lead to significant costs and therefore it is recommended the GEMES Fee be continued, and that recommendation has been incorporated into the proposed draft budget. Bringing the GEMES Fee to the Board for renewal the same day as the FCGMA Budget will streamline process so the budget discussion can be informed by that action of the Board.

Status: Renewed for four years until October 2028.

3. ***FY 2022-2023 Loan from Designated Surcharges Account – Extend Repayment Deadline***

A \$1,000,000 loan from the Designated Surcharges Account in the FYv2022-23 budget was previously scheduled to be repaid in FY 2024-25. The draft FY 2024-25 Budget did not include repayment of this loan. The loan was intended to cover the FY 2023-24 drilling costs for monitoring wells partially funded by a DWR SGM Grant. Those wells are in the process of being drilled right now with almost the entirety of the costs to be in the FY 2024-25 budget. The Board directed repayment of this loan be deferred to FY 2026-27 on September 13, 2024 when they adopted the FY 2024-25 Budget.

Status: Deferred to this Fiscal Year for repayment.

4. Split Past Costs of the LPV Watermaster Appeal

Splitting the costs evenly of the appeal of the Las Posas Valley Judgment has been recommended by the Fiscal Committee and is included in this proposed draft FY 2024-25 budget. Half the \$400,000 spent on counsel is included as revenue for the Agency in FY 2024-25. The Agency entered the appeal prior to any designated funding source for the LPV Watermaster, thus legal representation was funded by funds collected Agency-wide. The reimbursement of \$200,000 to the Agency for the LPV Watermaster Rules Appeal was recommended by the Fiscal Committee on June 10, 2024, and approved by the Board on September 13, 2024.

Status: The adopted FY 2024-25 Budget reflected that direction.

5. Schedule a PWA Contract Renewal Discussion

The contract between the Agency and the County for staffing services was entered in 1983 and amended in 1998. The Fiscal Committee recommended reviewing and updating this contract if necessary.

Status: The Board has selected a firm to assist with contract negotiations in preparation for a contract renewal discussion.

6. Amend Resolution 2005-08

Amend Resolution 2005-08, appointing the Director of Watershed Protection District as the Executive Officer, to create a full-time Agency Executive Officer to better suit the needs of the agency.

Status: The Board adopted Resolution 2024-06³², rescinding Resolution 2005-08, on December 13, 2024.

Update section for last year's recommendations & their statuses, move prior year's below or contextualize

³² Resolution 2024-06: <https://s42135.pcdn.co/wp-content/uploads/2024/12/Resolution-2024-06.pdf>

V. APPENDICES

A. Organizational Detail

1. Agency Roles

Staff positions and general duties within the FCGMA are summarized below. The summary descriptions will be refined over time.

Executive Officer – The Executive Officer (EO) is described in the section, “Agency Profile,” earlier in this report.

Agency Counsel – Agency Counsel and Assistant Agency Counsel for the FCGMA from the Ventura County Counsel’s Office. In general, two attorneys handle FCGMA-related matters and provide legal advice on an as-needed basis. Agency Counsel attends all Board meetings and closed sessions. With assistance from other County legal staff, Agency Counsel also manages relationships with legal consultants who act as special counsel during litigation and acts as the lead legal expert in any and all court actions or enforcement issues.

Management (Deputy Director, Groundwater Manager and Assistant Groundwater Manager, WPD) – These position classifications provide principal operations, budgetary and program management support to the EO as required. Among the functions performed by these individuals are strategy development; staff supervision, budget management, and reporting performance on Work Plan/task oversight at the direction of the EO; they manage water resources specialists and administrators serving the FCGMA; they lead implementation of the LPV Adjudication Judgment and serve as main point of contact for LPV Watermaster.

Groundwater Specialists – An engineer or hydrologist. These positions were established to provide technical support for the Agency’s initiatives; they have expertise in groundwater hydrology and are knowledgeable about Ventura County geography and geology. These staff members draft reports, conduct hydrologic research and technical reviews, assist in project management as assigned, assists the public with information requests, attends meetings on behalf of the Agency, and act as Agency technical expert to stakeholders.

Engineer – After Board discussion on the Agency’s need for project review and analysis, the Engineer position, an Agency liaison with other agencies proposing or reporting on projects, was proposed during adoption of the Fiscal Year 2022-23 Budget³³. As described in the Board materials for the Budget adoption: “the engineer would manage the Capital Improvement Plan (CIP) [analysis] of water-supply and infrastructure projects, both the Agency’s and other agencies’ projects needed to achieve sustainable groundwater management, as well as provide technical support to other Agency programs such as the AMI and flowmeter programs.”³⁴ The Engineer does not manage projects for other agencies with authority but serves in liaison capacity to other agencies only.

The Engineer also serves as an independent analyst of projects proposed by other agencies to confirm impact on the basins or additional yield, for the Agency’s benefit in project evaluation, and to review project compliance as required by existing Board resolution; for example, Resolution 2016-04³⁵ concerning the North Pleasant Valley Basin Desalter Project, or Resolution 2013-02³⁶ and Resolution 2023-02³⁷, both concerning the City of Oxnard’s Groundwater Recovery Enhancement and Treatment (GREAT) program.


³³ June 22, 2022, meeting, Item 2: <https://ventura.primegov.com/Portal/Meeting?meetingTemplateId=15484>

³⁴ Ibid.

³⁵ Resolution 2016-04: <https://s42135.pcdn.co/wp-content/uploads/2024/12/Resolution-2016-04.pdf>

³⁶ Resolution 2013-02: <https://s42135.pcdn.co/wp-content/uploads/2022/06/resolution-2013-02.pdf>

³⁷ Resolution 2023-02: <https://s42135.pcdn.co/wp-content/uploads/2024/02/Resolution-2023-02.pdf>

Most importantly, the Engineer is tasked with identifying potential improvements to increase benefits to the basin(s), and to mitigate potential conflicts with other proposed projects. Water purveyors will design projects to meet their rate payors' needs, whereas small improvements or recommendations for such may provide benefits to sustainable yield. After analysis by the Engineer and subsequent Board discussion and recommendation, the Agency may be able to fund those improvements in the future. 

Water Resources Specialists – Manages AMI data, meter updates and calibration, and oversees and initiates compliance in keeping with relevant ordinance code and resolutions, all of which involves a high degree of stakeholder engagement and collaboration with operations administrators, documentation, research, and follow-up; develops and streamlines processes for ensuring effective compliance enforcement; designs and leads stakeholder education workshops on relevant topics. Provides project oversight or assistance to project managers as assigned.

Until December 2025, the Agency contracted with Rincon Associates to assist with AMI data input/data management, track data deliverables from AMI vendors, and import the monthly data. In 2018, the FCGMA Board adopted an Advanced Metering Infrastructure (AMI) Ordinance, whose purpose and intent are to: a) provide for broader and simultaneous measurement and reporting of groundwater extractions; b) improve the Agency's ability to monitor and manage groundwater use; c) facilitate implementation of a Groundwater Sustainability Plan; and d) promote sustainable groundwater management within the Agency. Due to the Agency's increased workload and current staffing levels, the Interim Executive Officer exercised the authority granted by the Board via Resolution 2018-02 to enter professional services contracts up to \$25,000 to supplement staff. An additional \$53,977.88 was approved at the July 27, 2024, Board meeting. The Agency has since onboarded a Water Resources Specialist to assume these duties, and the Specialist has brought a data-oriented acumen to the role that allows her to optimize its function across the Agency's work focus areas, such as groundwater extraction reporting, Ordinance compliance, and research. Bringing these services in-

house also saves on overall costs when contract administration and consultant management tasks are factored in.

Operations Specialists – Staff Services Specialist / Business Process Coordinator, Administrative Assistant, Management Assistant – These roles are operations administrators for the Agency, and they manage the semi-annual extraction reporting process for all pumpers within FCGMA boundaries. Previously just one individual, this team builds the processes that document reporting, registration, and other Agency requirements; they process payments and issue reports, memos and receipts; they develop stakeholder outreach materials along with the Board Clerk; they provide a high degree of customer service to member agencies, stakeholders, and staff alike. The Business Process Coordinator manages, trains, and onboards this team, including the student worker extra help role (currently vacant).

Clerk of the Board – The Board Clerk is responsible for assisting the Board and EO with agenda preparation development, meeting logistics, scheduling, Director support, invoice and contract tracking, report preparation, contract modifications, document retention and management, special event planning, and outreach materials, including updating the public-facing website's content and design. The Clerk coordinates responses to Public Records Act requests and strives to ensure compliance with the Ralph M. Brown Act. This role is heavily collaborative and involves action item tracking and follow-up with any given member of the Agency or its stakeholders.

2. Staffing Needs Analysis Report

Time required to effectively complete regular Agency tasks, and a multitude of special projects or new programs that have not been developed into routine operations, are discussed in depth in the recently completed [Agency Staffing Needs Analysis Report](#)³⁸,

³⁸ Agency Staffing Analysis Report: https://s42135.pcdn.co/wp-content/uploads/2025/06/20250212_Agency-Staffing-Analysis-Report_Hallmark-Group.pdf

compiled and presented to the Board by consultant Hallmark Group on February 12, 2025.

In FY 2024-25, Hallmark Group was contracted to analyze the Agency's staffing needs to accomplish its work, tasks, and responsibilities. Over several months in 2024, Hallmark Group held multiple interviews with Agency staff to understand responsibilities and staffing requirements. Agency staff supplied time estimates for tasks that were included within the work plan or within the task level shown in the Agency Work Task and Prioritization matrix (see also the section "Agency Priorities"). Using their understanding of public agency staffing and requirements imposed on groundwater sustainability agencies by the Sustainable Groundwater Management Act, Hallmark Group performed a qualitative assessment during staff interviews to develop appropriate task assumptions and reviewed this assessment against the final draft staff hours. Many additional activities were identified during the analysis, which were not identified in the original FCGMA Work Task and Prioritization sheet. These include, but are not limited to, supervision and personnel issues, process improvement, training, consultant management, strategic planning, grant proposals, stakeholder outreach, website management, and financial management of payments. Hallmark Group made an effort to identify and quantify the staff needs for these additional tasks. Hours tracked by staff for billing the Agency was found lacking as a dependable source of data since overtime is not paid to salaried staff and is not tracked in the accounting system.

The estimates include some administrative tasks that, at the time of the report, were performed by consultants due to insufficient staffing levels, but they do not include consultants hired for their special expertise, such as groundwater modelers and hydrogeologists for writing the recently submitted periodic evaluations, or outside counsel for litigation. Fiscal services provided by the County are also not included in the estimates, which range from nuanced financial reporting to accounts receivable, audit support, and general accounting.

Key findings from the analysis:

- Currently, staff is only able to perform a subset of the required tasks for the administration of FCGMA, and the full-time equivalent (FTE) of this task subset is approximately 15 employees.
- The estimated level of staffing to perform all the required tasks (unimitated tasks and the additional identified tasks) necessary to accomplish the Agency's work is approximately 20 FTEs.
- Using FY 2024-25 employee rates that include employee benefits and overhead, the estimated staff costs to perform all required FCGMA tasks was reported at \$5.7 million.

For context, at one point in 2024, the Agency was down to five staff members. The final Staffing Needs Analysis Report was presented to the FCGMA Board of Directors on February 12, 2025. As of the Staffing Needs Analysis Report's presentation date, the Agency had ten full-time positions filled.

3. Work Plan Sections

Administration and Fiscal Services includes Board and committee meeting administration, agency administration, official document filings and Public Records Act requests, budget administration, PWA CSD-Fiscal services, and biennial audit report administration.

| Administration and Fiscal Services | | |
|---|--|--|
| Task | Board Priority | Description |
| 1. Board Meeting Administration | I.Board Meetings 1.Board meetings, agendas, minutes | - Regular and special Board meetings, including agendas, minutes, staff reports, presentations, participation, attendance, pre- and post-debriefing meetings - Contract estimate for County General Services Administration (GSA) fees for printing of Board packets and other materials, mail and shipping, Board room and AV fees, etc. |
| 2. Agency Administration | N/A | - Agency-specific administration and clerical tasks - Customer inquiries and data requests - Staff and management planning meetings |
| 3. Official Document Filings & Public Records Requests | II.Legislation or Regulations 5.Public Records Act (PRA) Requests | - Process business record filings and certifications (i.e. 700 Forms, CEQA/NOEs, EIR/MND's per fiscal year, State water agency filings, PRA requests, public notices) |
| 4. Budget | II.Legislation or Regulations 3.Annual Work Plan & Budget | - Preparation and adoption of Annual Work Plan, Budget, Proposed Budget Report, and performance reports |
| 5. CSD-Fiscal Staff Services | N/A | - CSD-Fiscal Services: submit 13-Monthly AP FSRs (incl. AP/AR), provide AP/AR and Cash-Flow Management Services, Fiscal Reports for the Agency |
| 6. Committee Meetings | I.Committee Meetings 2. Committee Meeting Administration | - Executive, Fiscal, Operations, and other advisory committee meetings coordination, agendas, minutes, etc. |
| 7. Biennial Audit Report | II.Legislation or Regulations 4.Biennial Audit | - Preparation of Scope of Work; Auditor Selection Process; Assist Auditor with Inquiries; QA/QC of Draft Audit Report - next audit FY 2024-25 |

Records Services includes specialized data queries, groundwater and credit transactions, operations and maintenance of our reporting database and our website, semi-annual extraction statement (SAES) reporting and allocation administration, well and CombCode registration, late or non-reporting SAES compliance, and meter calibration program maintenance.

| Records Services | | |
|--|--|---|
| Task | | Description |
| 1. Specialized Data Queries / Groundwater and Credit Transactions | IV.Ordinance 3.Allocation Transfer Requests | Conduct specialized data queries and analyses - Routine variance requests - Credit programs - Allocation transfers - Extraction data analysis |
| 2. FCGMA Online and Website O&M | N/A | - Web page revisions and programming revisions - Data management system maintenance, custom data queries, small-scale system enhancements, planning for new data management system (\$260,100 IT services) - Web Application Hosting & GIS Fee (\$16,661 annually) |
| 3. SAES and Allocation Administration | IV.Ordinance 1.Semi-Annual Statements (SAES) | TIER 1 - Routine SAES Processing - Prepare and mail SAES incl. data mgt system testing - Process and enter SAES, IAI Applications and payments into the database - Administration TIER 2 - Supervisor / Manager Follow-up - Follow-up regarding errors and omissions - Admin and Manager Reviews - Follow-up regarding incorrect or no payment |
| 4. Well and CombCode Registration | IV.Ordinance 5.Owner and/or operator changes | - New well registration, change in well registration, CombCode registration or changes - Unregistered well compliance and enforcement |
| 5. Late/Non-Reporters (SAES) Compliance | IV.Ordinance 6. Compliance/Enforcement a.Non-reporting b.Failure to register change of owner/operator | - Follow-up with non-reporters - Assess Civil Penalties for late/non-filing and late/non-payment and send letters (by regular and certified mail return receipt) - Retroactive data entry (and billing) into FCGMA Online - Recommendation to EO for enforcement action - Process civil penalty waiver/reduction requests |
| 6. Meter Calibration Program Maintenance | IV.Ordinance 4.Flowmeters & AMI a.Calibration review & processing b.Flowmeter replacement, rollover, water usage estimates c.AMI data management 6.Compliance/Enforcement c.Flowmeter calibration d.AMI | - Mail Flowmeter Calibration Notices, NOVs, and follow-up - Process and upload test results (including failed flowmeter reports) and repair/replacement flowmeter information into FCGMA Online - Process and track flowmeter exemptions, and 5-year waiver requests |

Technical Services includes annual reports preparation, data collection, studies and analysis, groundwater and well project reviews, AMI operations, and grant applications.

| Technical Services | | |
|--|--|---|
| Task | | Description |
| 1. Annual Reports Preparation | II.Legislation or Regulations 2.GSP Annual Reports | - Compile and analyze resource data for GSP and GMA Annual Reports - Prepare, review, finalize and publish annual reports |
| 2. Data Collection, Studies and Investigations and Analysis | V.Resolution 1.Conejo Creek Project 2.NPV Desalter 3.GREAT / RWPA Program | - Routine data analysis (i.e., GW conditions, pumping trends, etc.) - Perform QA/QC review of monitoring programs - Coordination of field investigations in support of tech studies - Tierra Rejada weather station maintenance |
| 3. Groundwater and Well Project Reviews | IV.Ordinance 2.Well Permit Applications | - Well permit processing including technical review - Resolution project management (including City of Camarillo North PV Desalter Project, Camrosa WD Conejo Creek Project, Oxnard GREAT & ASR program, Calleguas MWD ASR program) - Project Reviews and technical comment letters |
| 4. AMI Operations | 4.Flowmeters & AMI c.AMI data management | - Administration of AMI program - Coordination of AMI vendors - AMI data management and analysis |
| 5. Grant Application | VI.Grant - SGM implementation | Review and evaluate grant opportunities and prepare grant applications |

Legal Services includes advisory services, representation for anticipated and ongoing litigation, and outside counsel. Note that outside counsel is not included in labor estimates because they bill directly per their contract as consultants.

| Legal Services | | |
|---|--|--|
| Task | | Description |
| 1. Advisory Services | N/A | - Advice to Board and staff on open government laws, conflict of interest rules, Agency regulatory authority, contracting issues and compliance with Sustainable Groundwater Management Act, California Environmental Quality Act and other laws applicable to Agency. - Board letter review and attendance at Board meetings. - Preparation of ordinances, resolutions, contracts and other legal documents. Code enforcement |
| 2. Anticipated and Ongoing Litigation (Staff Time) | III.Judgment and Litigation 2.OPV Adjudication a.Discovery | - Represent Agency in legal proceedings in superior court. - Litigation related staff time, for discovery requests and other related follow up; this is related to staff labor only and does not include attorneys, consultants, contractors. |
| 3. Outside Counsel | III.Judgment and Litigation 2.OPV Adjudication a.Discovery | - Special counsel fees related to ongoing and anticipated litigation |

Public Outreach includes participation in regional groundwater issues and stakeholder meetings, and outreach, including updating content on our website and preparing a newsletter or notices. The labor hours estimate for outreach has increased in FY 2026-27 per the Board's recommendation to prepare the Agency for rampdown discussions.

| Public Outreach | | |
|--|-----|--|
| Task | | Description |
| 1. Participation in Integrated Regional Groundwater Issues & Stakeholder Meetings | N/A | Attend/participate in AWA Mtgs/events; BofD / City Council mtgs; Stakeholder mtgs (incl. wholesalers); WCVV/V CIRWP meetings; State/Regional Water agency workshops; and GW Forums and Committee Meetings. |
| 2. Outreach, Website, Social Media | N/A | Routine administration and maintenance of Agency website and social media presence; produce Semi-Annual Newsletter; stakeholder outreach and engagement; public workshops; outreach materials. |

Special Expenditures include Groundwater Sustainability Plan (GSP) implementation, new allocation systems and non-routine variance application processing, improvements

| Special Expenditures | | |
|---|--|--|
| Task | | Description |
| 1. Groundwater Sustainability Plan Implementation | II. Legislation or Regulations 1. GSP 5-Year Evaluation | Implementation of GSP including monitoring well installation, project review and coordination, address data gaps, modeling analysis, GSP Evaluations & Updates, etc. (Contract expense for Dudek.) |
| 2. New Allocation Systems (Variances) | VII. Board Direction 4. OPV variance applications | Implementation of new allocation systems including non-routine variance process. |
| 3. Improvements to Data Management System | VII. Board Direction 5. Data management system improvement | Two meetings to discuss need and requirements. In a future FY, prepare and administer RFP, enter contract to develop and implement new system. (Planning-level amount of \$200,000 for consultant services.) |
| 4. Water Market Development and Implementation | VII. Board Direction | Continue implementation of Water Market pilot study and expansion to all of FCGMA |
| 5. DWR SGM Grant Administration | VI. Grant - SGM Rd 1 2. Subgrantee awards to UWCD, PVCWD, Camarillo | DWR SGM Grant administration (Consultant contract estimate) |
| 6. Incentives Program | | Develop incentives for taking PTP pipeline, OH pipeline, GREAT water instead of pumping in critical areas |
| 7. OPV and LPV Monitoring Networks and Well Installation | VI. Grant - SGM implementation Rd 1 1. OPV Monitoring Well Installation | Planning, permitting, installation, development, and reporting of new OPV monitoring wells partially funded by DWR SGM Grant. (Projected contract expense for drilling contractor). |

to the Agency's data management system, grant administration, and monitoring well installations.

Efforts which are not routinely performed each year are included in the Special Expenditures category.

Special Expenditures have moved through the project review and approval steps performed by the Operations Committee, they likely have secured grant funding that incorporated feedback from the Fiscal Committee, and they have proceeded with contract formalization after Board approval; however, prioritizing projects in the Special Expenditures category depends on multiple factors. Competing priorities, staff and consultant availability, and timing all come into consideration.

Historically, Special Expenditures has included Groundwater Sustainability Plan (GSP) implementation, implementation of new extraction allocation systems, new data management system procurement, Water Market development and implementation, administration of the Department of Water Resources (DWR) Sustainable Groundwater Management (SGM) Implementation Grant - Round 1, and installation of monitoring wells in the Oxnard and Pleasant Valley (OPV) Basins as part of the grant program.

Aside from ongoing Special Expenditures projects that are well underway, staff expects that Committee and Board discussions of the Draft Fiscal Year 2026-27 Budget will identify which Special Expenditures the Agency should prioritize in in the next Fiscal Year and in FY 2027-28

4. *Tracking Labor Hours*

The Work Plan, as an overview of annual operations, is divided into classifications designated by program, which are sorted internally via project and activity identification (ID) codes. The activities are specific tasks performed in service to that specific project. Staff report their time using these codes.

For example, the first section of the Work Plan, Administration and Fiscal Services, is classified by project ID P6020850, with a range of activity IDs. The following table is a list of project and activity IDs for staff time reporting, which corresponds to the first section of the Work Plan:

A. Draft Time Reporting Chart

Below follows the draft, as of September 10, 2024. The Agency hopes to use this chart as a source for developing a key to accompany quarterly or annual budget reports in future.

Items in progress: some activity IDs need to be confirmed for a few projects, and further drafts of the time reporting chart will also include a section for LPV Watermaster IDs, as the chart is primarily a reference for staff as they enter time.

| TIME REPORTING TRACKED TO ANNUAL OPERATIONS | | | |
|---|---|------------|-------------|
| Administration and Fiscal Services | | | |
| Task | Description | Project ID | Activity ID |
| 1. Board Meeting Administration | Board meeting preparation including agendas, scheduling, Board letters, Board presentations | P6020850 | P012 |
| | Board meetings including pre- and post-debriefing meetings | P6020850 | P039 |
| 2. Agency Administration | Agency-specific overhead (not PWA) - general administration tasks, clerical work; email & phone follow-up that is not direct stakeholder/end-user contact | P6020850 | P001 |
| | Internal meetings; staff or management planning meetings | P6020850 | P003 |
| | Customer inquiries (not PRAs) | P6020850 | P065 |
| | Invoice management: routing, tracking, reporting on or approving invoices for Counsel, consultants | P6020850 | P023 |
| | Routing or Filing Incoming & Outgoing Correspondence | P6020850 | P053 |
| | Training - Providing or receiving Agency-specific procedural training that is not project-related | P6020850 | P004 |
| | Contract preparation, modification, review | P6020850 | P008 |

| | | | |
|---|---|-------------------|--------------------|
| | Strategic planning and oversight; consultant or vendor management | P6020850 | P011 |
| | Executive Officer | Fixed Cost | |
| 3. Official Document Filings & Public Records Requests | Review, edit, process and archive business record filings and certifications, Ordinance Amendments, Resolutions | P6020850 | P051 |
| | PRA & other public requests | P6020850 | P064 |
| 4. Budget | Preparation and adoption of Annual Work Plan, Budget, Proposed Budget Report; analysis and performance reports | P6020850 | P175 |
| 5. CSD Fiscal Staff Services | Submit 13-Monthly AP FSRs (incl. AP/AR) to the Agency; provide AP/AR and cash-flow management services; provide fiscal reports | Fixed Cost | |
| 6. Committee Meetings | Committee meetings, preparation, agendas, minutes | P6020850 | P041 |
| 7. Biennial Audit Report | Preparation of scope of work; selection process; assist auditor with inquiries; QA/QC draft audit report | P6020850 | P089 |
| Records Services | | | |
| Task | Activity | Project ID | Activity ID |
| 1. Specialized Data Queries / Groundwater and Credit Transactions | Conduct extraction data analysis | P6020851 | P072 |
| | Allocation transfers, credit programs, routine variance requests; review and or processing of requests | P6020851 | P058 |
| 2. FCGMA Online and Website O&M | Data management system maintenance, data mgt system testing, custom data queries, small-scale system enhancements | P6020851 | P502 |
| | Website programming revisions and content development for statements | P6020851 | P082 |
| | Website hosting & GIS fee | Fixed Cost | |
| 3. SAES and Allocation Administration | TIER 1 - Routine SAES Processing: Prepare & mail SAES; Process SAES, IAI Applications and payments into the database; Reviewing meter photos; Administration including payment reporting and tracking; surcharge processing | P6020851 | P513 |
| | TIER 2 - Extended Follow-up: Account audits, Researching errors and omissions; Admin and Manager Reviews; Follow-up regarding incorrect or no payment (pumping, civil penalties, surcharges) | P6020851 | P512 |
| 4. Well and CombCode Registration | Processing registration applications; Researching owners of record; Unregistered well follow-up; Assist new well owners/operators with registration, reporting and payment | P6020851 | P505 |
| 5. Late/Non-Reporters (SAES) Compliance | Late or non-reporter follow-up and compliance; Civil Penalty assessment and notifications; Retroactive data entry (and billing) into FCGMA Online; Enforcement action recommendations to EO | P6020851 | P504 |

| | | | |
|--|--|-------------------|--------------------|
| | Process civil penalty waiver/reduction requests | P6020851 | P620 |
| 6. Flowmeter Records Services | | | |
| Meter Calibration Program Maintenance | Mail Flowmeter Calibration Notices, NOVs, and follow-up | P6020851 | P514 |
| | Process test results and repair/replacement flowmeter info; Process and track flowmeter exemptions, and 5-year waiver requests | P6020851 | P506 |
| AMI | AMI Operations | P6020860 | P500 |
| | AMI vendor coordination and management | P6020860 | P011 |
| | AMI meetings | P6020860 | P003 |
| Technical Services | | | |
| Task | Activity | Project ID | Activity ID |
| 1. Annual Reports Preparation | Compile and analyze resource data for GSP and GMA Annual Reports; Prepare, review, finalize and publish | P6020852 | P171 |
| 2. Data Collection, Studies, Investigations and Analysis | Routine data analysis (GW conditions, pumping trends) | P6020852 | P072 |
| | Field investigations; coordination of field investigations | P6020852 | P076 |
| | Unregistered well follow-up; new well owner/operator registration | P6020852 | P505 |
| | Perform QA/QC review of monitoring programs | P6020852 | P665 |
| 3. Groundwater and Well Projects | | | |
| Well Permits | Technical review for well permit processing | P6020852 | P612 |
| Resolutions and Related Board-Approved Projects | Resolution project management, including City of Camarillo North PV Desalter Project, Camrosa WD Conejo Creek Project, Oxnard GREAT & ASR Program, Calleguas MWD ASR Program; meetings (billed under P011 because they are part of the project requirements) | P6020852 | P011 |
| | Studies, reviews, comment letters, compliance | P6020852 | P665 |
| | Meter calibration resolution implementation, replacement, rollover, water usage estimates | P6020852 | P500 |
| | Correspondence | P6020852 | P053 |
| | Meetings | P6020852 | P003 |
| Oxnard Basin Monitoring Wells | Project Administration [maintenance, monitoring, and permit and post-grant compliance (insurance submittal, data submittals, etc)] | P6020872 | P500 |
| | Contract preparation, modification, review | P6020872 | P008 |
| | Subgrantee or Vendor Management | P6020872 | P011 |
| Pleasant Valley Basin Monitoring Wells | Project Administration [maintenance, monitoring, and permit and post-grant compliance (insurance submittal, data submittals, etc)] | P6020874 | P500 |
| | Contract preparation, modification, review | P6020874 | P008 |
| | Subgrantee or Vendor Management | P6020874 | P011 |
| 4. Grant Administration | Grant application and administration; subgrantee awards | P6020852 | P021 |
| Legal Services | | | |
| Task | Activity | Project ID | Activity ID |

| | | | |
|---|--|-------------------|---|
| 1. Advisory Services | Advice to Board and staff on open government laws, conflict of interest rules, Agency regulatory authority, contracting issues, compliance with SGMA, CEQA and other applicable laws; Board letter review and attendance at Board meetings; review and commentary or preparation of Ordinances, Amendments, Resolutions, contracts and other legal documents; code enforcement | P6020853 | Invoiced separately; tracked via object code 2185 |
| 2. Anticipated and Ongoing | | | |
| LPVWRC v FCGMA | Meetings | P6020864 | P003 |
| | Correspondence | P6020864 | P053 |
| | PRAs and discovery | P6020864 | P064 |
| City of Oxnard v FCGMA | Meetings | P6020866 | P003 |
| | Correspondence | P6020866 | P053 |
| | PRAs and discovery | P6020866 | P064 |
| OPV Coalition v FCGMA | Meetings | P6020867 | P003 |
| | Correspondence | P6020867 | P053 |
| | PRAs and discovery | P6020867 | P064 |
| Public Outreach | | | |
| Task | Activity | Project ID | Activity ID |
| 1. Participation in Integrated Regional Groundwater Issues & Stakeholder Meetings | Attend / participate in stakeholder meetings (AWA, WCVV, City Council, etc.) | P6020854 | P501 |
| 2. Outreach, Website, Communications | Semi-Annual Newsletter; stakeholder outreach and engagement; public workshops; outreach materials | P6020850 | P646 |
| | Routine content management & maintenance of Agency website and social media presence | P6020850 | P082 |
| Special Expenditures | | | |
| Task | Activity | Project ID | Activity ID |
| 1. Groundwater Sustainability Plan Implementation | All GSP implementation tasks: meetings, studies, analyses, etc. | P6020858 | P507 |
| GSP 5-Year Evaluation and Amendments | Data collection (including data requests) and analyses, report preparation, technical report review, etc | P6020858 | P665 |
| | Workshop planning, logistics, materials development promotions, attendance | P6020858 | P091 |
| | Prepare and review upload documents / modules, and upload to DWR website. | P6020858 | P500 |
| 2. New Allocation Systems | New allocation system development, stakeholder meetings, etc. | P6020854 | P503 |

| | Variance processing | P6020854 | P072 |
|--|--|------------|-------------|
| 3. New Data Management System Requirements | Develop performance specification for new data management system, prepare and administer RFP; planning and implementation analysis | P6020862 | P010 |
| 4. Water Market Development and Implementation | Continue implementation of Water Market pilot study and expansion to all of FCGMA | P6020861 | P010 |
| 5. Oxnard Well Destruction | Destroy abandoned well in Oxnard | P6020854 | P617 |
| PWA Admin & Overhead (<i>Billed to Public Works Agency; Not Paid Out of FCGMA Budget</i>) | | | |
| Task | Activity | Project ID | Activity ID |
| Overhead & Administration | Breaks, timesheet, County/PWA/WPD paperwork, etc. | P6990308 | P001 |
| Meetings | County/PWA/WPD/WRD/GRS meetings | P6990308 | P003 |
| County Training | County/PWA/WPD training | P6990308 | P046 |

B. Labor Collection and Billing Reports (LCAB)

Agency staff report their time using project and activity IDs in the Ventura County Human Resources Program, biweekly. Labor Collection and Billing (LCAB) reports are pulled from the time reporting database and are used to estimate labor hours and costs or are used to compare estimates with actual time reporting; this data needs to be refined before it will be featured in future iterations of FCGMA Budget documents.

To better track labor hours, staff are currently working on process improvements for time reporting to ensure further detail can be captured by encouraging use of activity IDs mapped to specific task for each project ID when reporting time.

A few drawbacks to data pulled by these reports:

- Practically speaking, the data arrives unsorted and must be manipulated and organized in order to be helpful;
- Salaried employees may work past 8 hours a day, and

- Overtime data for non-hourly employees is not captured in time reporting; managers may report time differently than other staff as the structure of their meetings may cover multiple projects; and
- All staff regardless of level need to discuss preferences and set procedures, then be trained to use the project and activity IDs for FCGMA in a more uniform way.

While it is far from perfect, a comparison between the adopted Work Plan for a Fiscal Year and the actual labor data provided by LCAB reports is assumed to better inform the Agency's estimates in future Work Plans.

5. County Labor Rates

PUBLIC WORKS AGENCY CONTRACT RATES: The rates are calculated to provide for total cost recovery of the department's Requested Budget. Each department is treated as a separate cost center and a rate is established for each classification within each department. Therefore, rates for the same classification may differ between departments.

DIRECT LABOR RATE: Average annual salary of all employees within each classification divided by 1,800 hours.

FRINGE BENEFIT RATE: Average of all benefits adopted by the Board of Supervisors or mandated by State/Federal law.

DEPARTMENT OVERHEAD RATE: The department overhead rate was computed to recover the departmental operating cost, e.g., supervision; office supplies; training; memberships and dues, uniforms; safety supplies, vehicle and radio charges; insurance; Government Center building expense (office maintenance, utilities, custodial, landscape and security); office equipment maintenance; telephone charges; postage; and depreciation expenses of fixed assets.

AGENCY OVERHEAD RATE: Agency overhead rate allocated the cost of Public Works Agency – Central Services (includes salaries, benefits, department and County overhead costs): Director of Public Works and staff; fiscal services (budgeting, fiscal and accounting services); and support services (payroll and personnel services, agency safety coordination and computer services).

COUNTY OVERHEAD RATE: To Recover General Fund operation, i.e., maintenance of the common area of the Government center and depreciation; Auditor-Controller’s Office (Accounts payable processing, financial reports, audit, payroll, etc.); Personnel; County Counsel; Chief Administrative Office and Civil Service Commission.

County Overhead Rate, Department, and Agency Rates:

| PUBLIC WORKS AGENCY | | | | | |
|---|--------------------|-----------------------------|-----------------------------------|---------------------|----------------|
| DISTRIBUTION OF PUBLIC WORKS CHARGES | | | | | |
| FY 2025 RATES EFFECTIVE 07/01/24 | | | | | |
| DEPARTMENT | BUDGET UNIT | DIRECT & BENEFIT | DEPT & AGENCY INDIRECT | CAP INDIRECT | TOTAL % |
| WATERSHED - GEN | 4431 | 59.6% | 38.7% | 1.7% | 100.0% |

B. Agency Priorities

Agency staff have administrative priorities in development that tie in with Board priorities. Staff intend to continue providing high-level services while working to achieve technology upgrades and streamlining internal and public-facing operations, and to continue its hiring initiative to build and maintain an effective workforce. During the 2025-26 Fiscal Year, we hope to see further strategic planning collaboration with the Board, and moving forward we hope the Board will consider including scheduled annual goals and objectives discussions in February or March each year to help guide strategy and continued process development towards an even more transparent, effective budget and work plan.

In lieu of current, formally adopted Agency Objectives³⁹, we have a prioritization matrix for the year, based on the seven principal drivers of Agency work tasks:

1. Board Meetings
2. Legislation and Regulations
3. Judgment and Litigation
4. Ordinance
5. Resolutions
6. Grants
7. Board Direction

1. *FCGMA Work Tasks and Board Priorities*

During times of increased workload, additional requirements ordered by the Courts, and of a challenging period for recruiting and maintaining staffing levels, the Agency began

³⁹ We do have an Agency Objectives document, but it is from 1998. [Listed in Appendices.](#)

the 2024 calendar year with the Work Tasks and Prioritization Matrix, which identified principal work tasks, drivers, and their current prioritization; the Board weighed in during the January 12, 2024, Regular meeting.

Think of the following as the Agency's current action goals for the year.

| Prioritized Task | Frequency | Work Plan Section | Current Priority |
|---|-----------|--|--------------------|
| I. Board Meetings | | | |
| 1. Board meetings, agendas, minutes | Ongoing | Administration and Fiscal Services | 1 |
| 2. Committee meetings, agendas, minutes | Ongoing | | 1 |
| II. Legislation and Regulations | | | |
| 1. GSP 5-Year Evaluation | Periodic | Special Expenditures | 2 |
| 2. GSP Annual Reports | Periodic | | 2 |
| 3. Annual Work Plan & Budget | Periodic | Administration and Fiscal Services | 2 |
| 4. Biennial Audit | Periodic | | 2 |
| 5. Public Records Act (PRA) Requests | Ongoing | | 2 |
| III. Judgment and Litigation | | | |
| 1. LPV Adjudication Judgment | Ongoing | <i>LPV Watermaster Budget – Held Separate from FCGMA</i> | 3 |
| a. Watermaster Admin | Ongoing | | 3 |
| b. Basin Optimization Yield Study | Periodic | | 3 |
| c. Basin Optimization Plan | Periodic | | 3 |
| 2. OPV Adjudication | Ongoing | Legal Services | 3 |
| a. Discovery | Ongoing | | 3 |
| IV. Ordinance | | | |
| 1. Semi-Annual Statements (SAES) | Ongoing | Records Services | 4 |
| a. Processing SAES | Periodic | | 4 |
| b. Review flowmeter photos | Ongoing | | 4 |
| c. Payments, refunds, etc. | Ongoing | | 4 |
| d. Customer service, walk-ins, etc. | Ongoing | | 4 |
| 2. Well Permit Applications | Periodic | Technical Services | 4 |
| 3. Allocation Transfer Requests | Periodic | Records Services | 4 |
| 4. Flowmeters & AMI | Ongoing | Records Services | 4 |
| a. Calibration review & processing | Ongoing | | 4 |
| b. Flowmeter replacement, rollover, water usage estimates | Ongoing | | 4 |
| c. AMI data management | Ongoing | | Technical Services |
| 5. Owner and/or operator changes | Ongoing | Records Services | 4 |
| 6. Compliance/Enforcement | Ongoing | Records Services | 5 |

| | | | |
|---|----------|---|---|
| a. Non-reporting | Ongoing | | 5 |
| b. Failure to register change of owner/operator | Ongoing | | 5 |
| c. Flowmeter calibration | Ongoing | | 5 |
| d. AMI | Ongoing | Technical Services | 5 |
| V. Resolution | | | |
| 1. Conejo Creek Project | Ongoing | | 5 |
| 2. NPV Desalter | Ongoing | Technical Services | 5 |
| 3. GREAT / RWPA Program | Ongoing | | 5 |
| VI. Grant - SGM Round 2 Grant Application LPV | | | |
| 1. Application | One-Time | | 6 |
| 2. Administration | Ongoing | Technical Services | 6 |
| 3. Quarterly reports | Ongoing | | 6 |
| VII. Board Direction (Pending Committee & Board Review & Discussion) | | | |
| 1. Rampdown Outreach and Education | Ongoing | Special Expenditures, Administration Services | 6 |
| 2. Project Prioritization and Strategic Planning | Periodic | Special Expenditures | 7 |
| 3. Replenishment Fee | One-Time | Records Services | 7 |
| 4. OPV Variance Applications | One-Time | Technical Services | 7 |
| 5. Periodic Evaluation Planning | Periodic | Special Expenditures | 7 |
| 6. CombCode - Ordinance Amendments | One-Time | Administration and Fiscal Services | 7 |
| 7. Monitoring Network Improvements | Periodic | Special Expenditures, Technical Services | 7 |

In addition, as noted in the section, “How the Agency is Staffed” earlier in this report, a staff recommendation included in the draft FY 2026-27 Budget proposes funding additional staff support in the form of an entry-level hydrologist and a management or administrative assistant to help offset the tasks our Agency must accomplish to be effective, and to provide support for Board-recommended priorities such as Monitoring Network improvement planning, systematically clearing processing backlogs associated with temporary variances or civil penalty waiver requests, and developing a stakeholder outreach plan to educate and discuss rampdown considerations with stakeholders.

The Agency has additional administrative or operations-focused goals for the year, as well, but they are works in progress:

1. Continue to bring staffing levels up by filling vacancies with talented, qualified colleagues,
2. Work with the Board to update policies and procedures, and
3. Develop an annual strategic goal review that is completed in tandem with the mid-year budget review, so that the Board and staff are aligned, and stakeholders have more transparency into our organization.
 - a. This way, we will have more to add under “Agency Priorities” and “Board Action Strategies” in future budget deliverables and will be able to further show how our expenditures align with our goal-based actions.
4. The Board has expressed interest in developing a Five-Year Strategic Plan suited to our Agency; staff are excited to research and compile existing Board mandates and sustainability goals, such as those as asserted in our Groundwater Sustainability Plans, to begin building the practical framework for this process.
5. Members of the Board have also provided immeasurably helpful resources and conversations with local agencies on their established project prioritization matrixes, and how such organizational systems provide measurable results directly tied to documented goals; FCGMA staff are looking forward to systematically implementing an actionable draft version tailored to Agency goals and priorities for discussion and development at the committee level.

C. Performance Measurements

Our performance measures are based on the budget and work plan, and they tell the Agency’s story about whether our work is achieving its objectives, and if progress is being made toward achieving our goals.

“A performance measure is a quantifiable expression of the amount, cost, or result of activities that indicate how much, how well, and at what level, products or services are provided to customers during a given time.⁴⁰”

Our draft budget is quantifiable because it includes year-over-year data that shows the progression of the Agency’s reserves and expenditures, categorized by sections of the work plan, which is divided by project and activity, reflecting the work, business processes, and functions of FCGMA. These are understandable high-level performance measurements that are further detailed in following sections of this narrative.

1. More Measurements in Development

To measure results with more specificity, the Agency should consider developing practical, yet specific results-based performance measurements. Performance measurements must be designed to align with Board and Committee priorities.

To structure future performance measurements, staff will consider creating them with the parameters of S.M.A.R.T. goals⁴¹, so that we can more effectively show proof of results to our stakeholders and can more easily pinpoint areas for improvement. We hope that this discussion will start with the Fiscal Committee during the development of the FY 2024-2025 Draft Budget.

Examples of possible performance measurements:

- Percentage of saved but unsubmitted SAES reporting in database each quarter
- Average time spent following up with Semi-Annual Extraction Statement (SAES) reporting that contains errors and omissions in a statement cycle
- Number of Flowmeter Calibrations noticed and processed in one year

⁴⁰ <https://ofm.wa.gov/sites/default/files/public/budget/instructions/other/PMGuide.pdf>

⁴¹ University of California, SMART Goals: A How-To Guide <https://www.ucop.edu/local-human-resources/files/performance-appraisal/How%20to%20write%20SMART%20Goals%20v2.pdf>

Staff goal: Update based on project prioritization methodology structure shared by City of Camarillo.

D. Other Financial Information

1. Trends and Assumptions for Key Revenue

As noted in the main section of this narrative, to forecast revenue from pump charges, an average of historical pumping rates of 121,000 Acre-Feet has traditionally been used. Below are the Agency’s current pump charges used to calculate forecasted revenue using the historical pumping average.

| | |
|--|--------------------------------------|
| Pump Charge – set by enabling legislation (only fee for de minimis domestic operators) | \$6 / AF |
| Groundwater Sustainability Fee (GWSF) effective Oct 1, 2022 Note: Reduction in fee recommended for FY 2026-27 | \$29 / AF \$24 / AF |
| GEMES Reserve Fee (sunsets Oct 1, 2028, unless extended by Board) | \$20 / AF |
| Total With FY 26-27 Reduction in Groundwater Sustainability Fee: | \$55 / AF \$50 / AF |

A. Fee Authority for Fixed Rate Charges

The Fiscal Committee has requested that Agency Counsel investigate FCGMA’s authority to impose a fixed fee or flat rate schedule.

In short, there’s no authority to impose a flat fee under the FCGMA Act. But SGMA contains ample authority to collect such fees:

Water Code, Section 10730.2 (a) states:

A groundwater sustainability agency that adopts a groundwater sustainability plan pursuant to this part (SGMA) may impose fees on the extraction of groundwater from the basin to fund costs of groundwater management, including, but not limited to, the costs of the following:

- (1) Administration, operation, and maintenance, including a prudent reserve.
- (2) Acquisition of lands or other property, facilities, and services.
- (3) Supply, production, treatment, or distribution of water.
- (4) Other activities necessary or convenient to implement the plan

Further, (d) notes that “Fees imposed pursuant to this section may include fixed fees and fees charged on a volumetric basis...” The short answer is that FCGMA, at least when acting as a groundwater sustainability agency, has the authority to fund different groundwater management and administrative costs by adopting either fixed fees or a volumetric fee. (WC 10730.2(d).) But both fixed and volumetric fees must comply with the procedural requirements of Propositions 218 (1996) and 26 (2010), which have specific regulatory requirements for how fees can be assessed.

2. Two-Year Forecast

2.5 and 3% were used for forecasting based on past practices.

3. *About Trend and Comparative Data*⁴²

4. *Basis of Accounting*

The basis of accounting describes how financial activities are recognized and reported; specifically, when revenues, expenditures (or expenses), assets, and liabilities are recognized and reported in the financial statements.⁴³

A. Appropriations Limit Calculation

Article XIII B, section 9(C) of the California Constitution⁴⁴ exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit.

The following local governments are not subject to Appropriations Limit requirements:

- Special districts which did not, as of FY 1977-78, levy a property tax in excess of 12.5 cents per \$100 of assessed value.
- Any special district which is entirely funded by other than the proceeds of taxes.

⁴² <https://www.gfoa.org/materials/the-use-of-trend-data-and-comparative-data-for-financial>

⁴³ <https://www.dgs.ca.gov/en/Resources/SAM/TOC/7400/7440>

⁴⁴ <https://www.californiacityfinance.com/MRSHBch10GannLimit.pdf>

E. Policies and Procedures

1. Resolutions, Policies, and Procedures

Resolutions reflect a statement of Agency policy and are an official documentation of Board action regarding matters brought before the Board for consideration, which are then approved by a majority vote, provided a quorum is maintained.

Resolutions adopted by the Board typically address specific legal, technical, or administrative goals and objectives of the Agency. Resolutions may also authorize contracts, describe policy changes, or simply honor individuals for service to the Agency.

Any Board member, Alternate member, or individual from the public audience may suggest a resolution; however, the decision to consider deliberation and final approval action on any proposed resolution is at the sole discretion of the Board.

A summary of the resolutions adopted by the FCGMA Board can be found in a numbered listing with each effective date on the FCGMA website at <https://fcgma.org/resolutions/>, where you can also download a PDF with hyperlinks to each resolution.

2. Ordinances

Please visit <https://fcgma.org/ordinances/>.

3. *Financial Reporting and Policies*

Budget documents and Fiscal Policies, post Board adoption, are archived in association to the Board meeting where they were approved by Board action; see <https://fcgma.org/board-agendas-broadcasts-minutes/> to search any public Board meeting's materials. Budget documents are also collected at <https://fcgma.org/agency-budget-documents/>.

Audit reports are archived by Board action akin to the above, and are available at <https://fcgma.org/fcgma-financial-audit-archive/>.

DRAFT

4. Agency Objectives

FOX CANYON GROUNDWATER MANAGEMENT AGENCY OBJECTIVES 1998

1. **ADMINISTER GMA ORDINANCES.** Priority work to carry on normal GMA business, schedule and hold monthly meetings, bill and receive payments, and scheduling agenda items for action on items beyond the authority of the Coordinator.
2. **IMPLEMENT THE MANAGEMENT PLAN.** Implement the GMA Management Plan by bringing individual items to the board for approval.
3. **IMPLEMENT THE GMA WATER QUALITY OBJECTIVES.** Follow-on action for the water quality objectives as approved by the board.
4. **DESIGN AND SUBMIT A NEW BUDGET FORMAT SUITABLE TO THE BOARD.** Submit new budget format based upon the Waterworks District formatting. Obtain approval and submit 1998-1999 budget in new format.
5. **DEVELOP CHLORIDE DATA.** Continue to hold discussions, obtain new information and develop GMA position on chloride concentrations.
6. **INCREASE PENALTY CHARGES.** Review the need for increased penalties for overpumping and determine the new penalty assessments if appropriate.
7. **PLACE ORDINANCES AND AGENDA ON INTERNET.** Install all ordinances, enabling legislation, GMA history, directors biography and publish monthly agenda on the internet.
8. **RETURN TO A MONTHLY MEETING SCHEDULE.** Keep meeting schedule to monthly, or bi-monthly unless pressing items demand attention.
9. **INVESTIGATE USING PUMP CHARGES TO FUND WELL DESTRUCTION.** Investigate the desirability of using \$.80 per acre foot of water pumped out of the GMA to augment the well destruction program funding.
10. **CONSIDER CHANGING ORDINANCE 5.6 TO MAKE THE APPLICATION FOR CONSERVATION CREDITS AUTOMATIC.** Ordinance 5.6 requires each operator to apply for conservation credits by July 1st each year. Many credits are not applied for because they will not be used. However, there are a few pumpers who need and want the credits and some of those are not meeting the annual deadline for credit applications. Since all pumping is recorded in a data base, we already know how many credits are due each year. Automatic generation of credits would simplify the process for pumpers and staff. Alternately, making the credit application process automatic will result in approximately 20,000 acre feet of additional credits each year most of which will never be used.
11. **DISCUSS THE DESIRABILITY OF APPOINTING A COMMITTEE TO STUDY AND RECOMMEND SOLUTIONS TO THE LAS POSAS BASIN OVERDRAFT PROBLEM.** Resolution of the overdraft problems in the Las Posas Basin can best be accomplished by involving the pumpers who depend upon this basin for water. A truly representative group will have a greater probability of finding and implementing a solution to the problem.

Staff goal: Draft new objectives document based on Board initiatives and GSP sustainability goals - mark as draft for Board review and discussion.

5. Fiscal Committee

A. FY 2025-26 Policy and Procedures Recommendations

The Fiscal Committee's recent policy and procedures recommendations are summarized below.

Procedures

- The Fiscal Committee has agreed to begin its budget planning with a late January/early February midyear budget review in order to analyze estimates in the current Fiscal Year's adopted budget against its actual expenses. The Committee will then direct staff to develop a report based on their midyear recommendations and considerations for the discussion at a subsequent Board meeting.

Budget Presentation

- Clearly identify contributions to Reserves as Expense line items on any presentations.
- Separate out and provide more detail for Designated Accounts, including the GEMES fund, the Surcharge fund, and the Reserves fund. Prioritize the presentation of the Operating Account and Designated Accounts worksheets to the Board when the budget is discussed in a subsequent Item on this meeting's Agenda to provide greater clarity.
- *Year End Account Balance*: Remove year end account balance and other such statements of financial condition from Operating or Designated Accounts budget worksheets; such as yearend account balance, carry forward balance, debits for the year, and net operating results, as they are confusing to stakeholders when included with the budget. Move to a separate accounting and label it a Statement

of Financial Position. The Committee would prefer total expenses to be more clear on the budget itself.

FCGMA Reserves Policy Development

1. *Formalize the Fiscal Policy Regarding an Annual Contribution to Operating Reserve:* The Committee has requested the FCGMA Operating Reserve Target be set at 50% of anticipated annual expenses, or \$2.5 million, and recommends an annual contribution until the target is met. This Fiscal Year, the funds previously held as a \$250,000 contingency policy have been reallocated to the Reserves fund, bringing the Agency's current total reserves to \$1,250,000.
2. *Net Operating Reserve Policy:* The Fiscal Committee discussed funding the reserve by a percentage of the net operating results, 10% annually until the Operating Reserve Target is met.
3. *Reserves Policy Discussion:* As revenues and expenses have fluctuated over recent years, with major projects such as the 5-Year Periodic Evaluations or installing monitoring wells, the Committee discussed establishing a nuanced reserves policy to manage rate stabilization elements and saving for capital projects in closely monitored and clearly reported on separate accounts. The funds would only be utilized after Board approval. Set a target amount and contribute until it's met. Use unspent revenue to contribute to a rate stabilization reserve so it is funded by the efficiencies in the budget, and consider utilizing funds collected from surcharges for improvement projects. The Committee discussed allocating a percentage of net operating results into these different reserve accounts.
4. *Rate Stabilization Reserve and Policy:* The Committee recommends creating this targeted fund, and notes that funding it would need further discussion, but suggests contributing 50% of net operating results into the rate stabilization fund as a working plan. Rate stabilization would be a major contributing factor for predictable rates for the next 3 to 5 years, which would be beneficial for stakeholders as they plan their own budgets and decision making.
5. *Capital Improvement Reserve and Policy:* The Committee discussed how a targeted capital improvement reserve could, after extensive planning and Board approval, help add water to the system, whether through funding incentives or grants to support projects by member agencies that benefit the basins. The Committee identified the need to first discuss this concept with major stakeholders, especially the Agency's definition of "capital improvement" and possible uses for the fund after it is established and defined. Chair West suggests utilizing the Surcharge account as a major component of the Capital Improvement Reserve, perhaps with the addition of a 5% annual contribution from net operating results.

This fund and its intent will need to be communicated to stakeholders efficiently to show how the capital improvement funds are tied to specific projects, including their timeline and costs. First, the capital improvement reserve would need to be created, then funded, then project prioritization established, then funding projects would be approached. The Committee discussed developing a 5-year capital improvement plan in the future.

6. FY 2024-25 Staff Recommendations for

Development

Annual Agency Objectives Discussion

A review of Agency objectives should be scheduled annually with the Board in February or March for input into the next fiscal year's budget and work plan. Objectives related to project evaluations and data management should be sent to the Operations Committee meetings during the year, as needed.

Annual Strategic Goal Review

Along with Agency objectives, a review of the Agency's strategic goals should be scheduled annually with the Board in February or March for input into the next fiscal year's budget and work plan. The Executive Committee should be directed to address how the Agency will meet its strategic goals.

Fiscal Committee Policy Development

The Fiscal Committee has identified several areas for policy development, as noted in the appendices; the policies they would like to prioritize are highlighted below.

- Loan and Reimbursement Policies
- Reserve Policy

Sufficient reserves should be available to ensure Agency operations. A clear policy on how reserves are set, contributed to, and accessed through a separate accounting should be developed.

Review Policy

- Budget and Fiscal Policy
- Fiscal Management Policy
- Audit Management Policy
 - Audit Review Policy
- Enforcement Policy
 - Collect resources for review⁴⁵
- Funding Policies
 - Grants
 - Interfund Loans
 - Loans to Other Programs (LPV Watermaster)

⁴⁵ <https://www.cdtfa.ca.gov/taxes-and-fees/manuals/cpm-07.pdf>

F. Agency Contacts

1. Who can help me with...?

If you have a specific request or need to deliver documents to our Agency, route your information to the appropriate email inbox for accurate, expedited processing. Please include your CombCode and/or State Well Number in your message.

FCGMA@venturacounty.gov

- Questions about allocations or Board or Committee meetings
- Public Records requests, general inquiries
- Comments regarding Agenda Items, to be added to the official meeting record
- Proposal, contract, or invoice deliveries
- *Note:* Agenda notifications are sent from this address.

FCGMA.Report@venturacounty.gov

- SAES reporting and payment inquiries
- Meter photos for SAES reporting
- Additional Reporting Requirements forms
- Waiver requests
- *Note:* Reporting notifications are sent from this address.

FCGMA.Flowmeter@venturacounty.gov

- Flowmeter Update Forms (for new, repaired, or replaced meters)
- Meter Registration photos
- Flowmeter Exemption forms
- Flowmeter Calibration forms or waivers
- *Note:* Flowmeter notifications are sent from this address.

FCGMA.Register@venturacounty.gov

- Groundwater Extraction Facility Registration forms
- Authorization forms

- Contact information changes
- Allocation Transfers
- *Note:* Correspondence related to registration or authorization is sent from this address.

AMI@venturacounty.gov

- Submit AMI data
- Domestic Exemption Forms
- Data or compliance requests
- AMI Update forms

Office Location

Ventura County Government Center
Hall of Administration Building
800 S. Victoria Avenue Location #1610
Ventura, CA 93009

Office Hours

8:00 A.M. to 5:00 P.M.
Monday through Friday

2. DIRECTORS

Eugene F. West (Chair) – Small Water Districts (805) 657-2121 (*Term Exp 2-28-27*)
Executive Committee, Fiscal Committee

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

Richard Cavaletto – Farming Interests (805) 766-9602 (*Term Exp 2-28-28*) *Operations Committee, Flynn Award Selection Committee*

Lynn Maulhardt – United Water Conservation District (805) 982-0780 (*Term Exp 2-28-27*) *Operations Committee*

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

3. ALTERNATE DIRECTORS

Reddy Pakala – Seven Water Districts (805) 990-6809 (*Term Exp 2-28-27*)

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

VACANT – Farming Interests

Keith Ford – United Water Conservation District (805) 207-9062 (*Term Exp 2-28-27*)

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

4. STAFF

John Demers – Agency Executive Officer (805) 654-2373

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

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

Robert Hampson – Groundwater Specialist (805) 654-3952

VACANT – Engineer

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

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

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

Arne Anselm – Groundwater Specialist Ret. PT (805) 654-3942

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

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Las Posas Valley Watermaster
 FY 2026-27 Budget - Draft (as of June 18, 2026)
 OPERATING ACCOUNT

| A | B | C | D | E | F | G | H | I |
|--|-----------------------|-----------------------|---|--|-------------------------------------|----------------------------|--|------------------|
| Description | Actuals FY 2023-24 | Actuals FY 2024-25 | Adopted Budget FY 2025-26 (without 4th BA WY 2024-4) ¹ | Actuals FY 2025-26 Through May 2026 | Projected Year End FY 2025-26 | Draft Budget FY 2026-27 | Increase / Decrease Over Previous Year | % Change Over PY |
| Operating Revenues | | | | | | | | |
| Basin Assessment Fee ² | \$ 1,259,607 | \$ 1,898,016 | \$ 1,851,281 | \$ 1,686,261 | \$ 1,851,281 | \$ 2,340,898 | \$ 489,617 | 26% |
| Basin Assessment Interest ³ | \$ 20,026 | \$ 24,469 | \$ 27,769 | \$ 14,530 | \$ 17,769 | \$ 22,769 | \$ (5,000) | -18% |
| Attorney Fees Collected - Enforcement Action ⁴ | - | - | - | 1,744 | 1,744 | - | - | - |
| Costs of Collection - Enforcement Action | - | - | - | 1,139 | 1,139 | - | - | - |
| Total Operating Revenues | \$ 1,279,633 | \$ 1,922,485 | \$ 1,879,051 | \$ 1,703,674 | \$ 1,871,934 | \$ 2,363,667 | \$ 484,617 | 26% |
| Operating Expenses | | | | | | | | |
| PWA Labor Cost | | | | | | | | |
| Watermaster Administration | \$ 66,034.35 | \$ 127,392 | \$ 89,653 | \$ 161,686 | \$ 191,686 | \$ 197,086 | \$ 107,433 | 120% |
| Allocations & Record Keeping | \$ 3,071.70 | \$ 57,360 | \$ 121,144 | \$ 179,203 | \$ 194,203 | \$ 231,910 | \$ 110,766 | 91% |
| Basin Management | \$ 3,936.87 | \$ 50,579 | \$ 26,257 | \$ 90,774 | \$ 95,000 | \$ 91,901 | \$ 65,644 | 250% |
| Committee Coordination and Consultations | \$ 3,622.07 | \$ 30,456 | \$ 40,813 | \$ 21,031 | \$ 24,308 | \$ 17,952 | \$ (22,861) | -56% |
| Budget and Assessments | \$ 4,768.26 | \$ 30,565 | \$ 58,429 | \$ 38,512 | \$ 43,512 | \$ 56,257 | \$ (2,172) | -4% |
| IT Services and Support | \$ 3,338.46 | \$ 18,204 | \$ 23,794 | \$ 17,668 | \$ 23,794 | \$ 34,807 | \$ 11,013 | 46% |
| Calleguas Aquifer Storage & Recovery Project | - | \$ 792 | \$ 10,087 | \$ 14,455 | \$ 16,455 | \$ 38,576 | \$ 28,489 | 282% |
| Staff time (ongoing or anticipated litigation) | - | \$ 2,360 | \$ 8,507 | \$ 4,239 | \$ 7,073 | \$ 10,850 | \$ 2,343 | 28% |
| Total PWA Labor Cost⁵: | \$ 84,772 | \$ 317,708 | \$ 378,682 | \$ 527,570 | \$ 596,032 | \$ 679,339 | \$ 300,657 | 79% |
| Contract Costs | | | | | | | | |
| Allocations & Record Keeping | | | | | | | | |
| Extraction Monitoring and Reporting ⁶ (Ex A, Article V) | \$ 17,244 | \$ 44,442 | \$ 53,000 | \$ 59,386 | \$ 63,000 | \$ - | \$ (53,000) | -100% |
| Subtotal - Allocations & Record Keeping | \$ 17,244 | \$ 44,442 | \$ 53,000 | \$ 59,386 | \$ 63,000 | \$ - | \$ (53,000) | -100% |
| Basin Management | | | | | | | | |
| Initial Basin Optimization Plan ⁷ (5.3) | - | \$ 78,840 | - | \$ 443 | \$ 443 | \$ - | \$ - | - |
| 2025 Basin Optimization Yield Study ⁸ (4.10) | - | \$ 31,698 | \$ 271,302 | \$ 254,914 | \$ 271,302 | \$ - | \$ (271,302) | -100% |
| GSP Update (Periodic Evaluation) ⁹ | - | \$ 6,579 | - | - | - | - | - | - |
| Annual Report ¹⁰ | - | - | - | - | - | - | - | - |
| Watermaster Technical Support ¹¹ | - | \$ 50,000 | \$ 50,000 | - | \$ 25,000 | \$ 50,000 | \$ - | 0% |
| Subtotal - Basin Management | \$ - | \$ 117,117 | \$ 321,302 | \$ 255,356 | \$ 296,745 | \$ 50,000 | \$ (271,302) | -84% |
| Committee Coordination and Consultations | | | | | | | | |
| PAC Administrator ¹² | - | \$ 22,349 | \$ 175,100 | \$ 6,102 | \$ 10,000 | \$ 60,000 | \$ (115,100) | -66% |
| Technical Advisory Committee ¹³ (6.11, Ex A Article IV) | - | \$ 66,694 | \$ 100,363 | \$ 29,191 | \$ 70,363 | \$ 60,000 | \$ (40,363) | -40% |
| TAC Member Cost ¹⁴ | - | \$ 148,399 | \$ 276,480 | \$ 98,877 | \$ 150,000 | \$ 206,500 | \$ (69,980) | -25% |
| Insurance ¹⁵ | - | - | - | - | - | - | - | - |
| Subtotal - Committee Coordination and Consultations | \$ - | \$ 237,441 | \$ 551,943 | \$ 134,171 | \$ 230,363 | \$ 326,500 | \$ (225,443) | -41% |
| Budget and Assessments | | | | | | | | |
| Basin Assessments (7.1-7.3,7.6, Ex A 2.8) | - | - | - | - | - | - | - | - |
| Processing Fees (7.4) | - | - | \$ 25,000 | - | - | \$ 38,250 | \$ 13,250 | 53% |
| Audits (7.7) | - | \$ 17,650 | \$ 14,150 | \$ 16,720 | \$ 21,150 | \$ 20,800 | \$ 6,650 | 47% |
| CSD Fiscal Services Staff ¹⁶ | - | \$ 33,900 | \$ 24,900 | \$ 18,675 | \$ 24,900 | \$ 43,000 | \$ 18,100 | 73% |
| Subtotal - Budget and Assessments | \$ - | \$ 51,550 | \$ 64,050 | \$ 35,395 | \$ 46,050 | \$ 102,050 | \$ 38,000 | 59% |
| IT Services and Support | | | | | | | | |
| Data Management and Support ¹⁷ | - | \$ 90,200 | \$ 200,000 | \$ 135,075 | \$ 185,000 | \$ 260,200 | \$ 60,200 | 30% |
| Subtotal - IT Services and Support | \$ - | \$ 90,200 | \$ 200,000 | \$ 135,075 | \$ 185,000 | \$ 260,200 | \$ 60,200 | 30% |
| Calleguas Aquifer Storage & Recovery Project | | | | | | | | |
| Calleguas ASR Project Operations Study ¹⁸ (8.4) | - | - | \$ 100,000 | - | \$ 30,000 | \$ 100,000 | \$ - | 0% |
| ASR Study Group Landowner Representative ¹⁹ | - | - | \$ 25,000 | \$ 16,800 | \$ 18,800 | \$ 60,000 | \$ 35,000 | 140% |
| Subtotal - Calleguas Aquifer Storage & Recovery Project | \$ - | \$ - | \$ 125,000 | \$ 16,800 | \$ 48,800 | \$ 160,000 | \$ 35,000 | 28% |
| Legal Services²⁰ | | | | | | | | |
| Agency Counsel (Ventura County Counsel's Office) ²¹ | \$ 59,959 | \$ 185,434 | \$ 175,000 | \$ 93,707 | \$ 150,000 | \$ 200,000 | \$ 25,000 | 14% |
| LPV WM Special Counsel (Stoet Rives) ²² | - | \$ 602,941 | \$ 375,000 | \$ 285,110 | \$ 325,000 | \$ 350,000 | \$ (25,000) | -7% |
| LPV Water Rules Appeal ²³ (9.2) | - | \$ 200,000 | - | - | - | - | - | - |
| Subtotal - Legal Services | \$ 59,959 | \$ 988,375 | \$ 550,000 | \$ 378,817 | \$ 475,000 | \$ 550,000 | \$ - | 0% |
| Total Operating Expenses | \$ 161,974 | \$ 1,846,832 | \$ 2,243,977 | \$ 1,542,570 | \$ 1,940,990 | \$ 2,128,089 | \$ (115,888) | -5% |
| Net Operating Results | \$ 1,117,659 | \$ 75,652 | \$ (364,927) | \$ 161,104 | \$ (69,056) | \$ 235,578 | \$ 600,505 | -165% |
| Less: Contribution to Reserves ²⁴ | - | \$ 137,809 | \$ 224,398 | \$ 184,858 | \$ 194,099 | \$ 212,809 | \$ (11,589) | -5% |
| Add: Non-Operating Revenues ²⁵ - Investment Income | \$ 9,846 | \$ 62,157 | \$ 25,000 | \$ 23,755 | \$ 40,000 | \$ 40,000 | \$ 15,000 | 60% |
| Total Operating Results | \$ 1,127,505 | \$ - | \$ (564,325) | \$ - | \$ (223,155) | \$ 62,769 | \$ 627,094 | -111% |

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**Las Posas Valley Watermaster
FY 2026-27 Budget - Draft (as of June 18, 2026)
OPERATING ACCOUNT**

| | A Description | B Actuals FY 2023-24 | C Actuals FY 2024-25 | D Adopted Budget FY 2025-26 (without 4th BA WY 2024-4) ¹ | E Actuals FY 2025-26 Through May 2026 | F Projected Year End FY 2025-26 | G Draft Budget FY 2026-27 | H Increase / Decrease Over Previous Year | I % Change Over PY |
|---|------------------|----------------------------|----------------------------|--|---|--|---------------------------------|---|-----------------------|
| 1 | | | | | | | | | |

Footnotes

- 1 LPV-2024-4 Basin Assessment (4th Quarter, July - September 2025) falls into FY 2025-26.
- 2 Basin Assessment Fees assessed to Water Right Holders per acre-foot of Annual Allocation held by the Water Right Holders.
- 3 Basin Assessment Interest assessed for delinquent Basin Assessment Fees payment.
- 4 Enforcement Action payments for Attorneys' Fees and Cost of Collection associated with the Stipulated Partial Settlement to Collect Delinquent Assessments for Water Year 2023-1 (Agreement).
- 5 Labor cost estimate based on Ventura County Public Works Agency providing LPV Watermaster staff at actual rates for FY 2025-26. For FY 2026-27, Labor cost estimates are based on Ventura County Public Works Agency providing LPV Watermaster staff at actual rates, assuming a 20% increase from FY 2025-26 actual rates.
- 6 Contract costs for Regional Government Services assisting Extraction Monitoring and Reporting (approved 09/25/2024). The FY 2025-26 projection of \$63K is based on past actual contract spend plus estimates for the first and second Extraction and Use reporting periods. Reference to LPV Adjudication Judgment section; "Ex A" in Exhibit A of the Judgment
- 7 Contract costs for Dudek for assisting with preparation of BOP \$76,025 (approved 01/12/2024); projection based on actual contract spend.
- 8 Contract costs for Dudek for assisting with BOYS \$303,000 (modification approved 06/01/2025); projection based on actual contract spend.
- 9 Contract estimates for Dudek assisting with GSP Periodic Evaluation (Task 10.2.1, Committee Evaluation Review and Response).
- 10 Annual Report costs are covered by FCGMA per the Fiscal Committee's recommendation.
- 11 Consultant to provide technical support to Watermaster as needed on Basin Management, proposed for FY 2026-27.
- 12 PAC Administrator contract \$170,000 (approved 09/25/2024).
- 13 Contract cost estimate for Dudek for assisting as Watermaster TAC member \$97,440 (approved 05/22/2024). Assumes two meetings per month.
- 14 Contract cost estimate for three TAC members including Administrator, and preparation of Recommendation Reports. Assumes two meetings per month. 2026 costs subject to approval 3/25/2026.
- 15 PAC request for PAC and TAC members insurance; covered under FCGMA Budget.
- 16 CSD Fiscal services is an annual allocation. Costs are allocated quarterly between CSD and Watermaster.
- 17 IT Services and Support costs are split evenly between FCGMA and Watermaster. Budget amount includes \$40,700 CSD IT annual cost allocated quarterly.
- 18 Estimate provided by Calleguas Municipal Water District for \$100,000 for Watermaster's responsibility of 20% of ASR Study expenses with regard to total study cost.
- 19 Estimated expenses for ASR Study Group Landowner Representative.
- 20 Agency Counsel and Special Counsel FY26-27 budget estimates are best estimates based on LPV WM legal work/services to date, current status of LPV ADJ, and experience in other similar matters. Estimates do include costs for work/services related to uncertainties/variables such as whether LPV ADJ overturned, and remand for further trial court proceedings.
- 21 Agency Counsel services include advising on LPV ADJ implementation, administration, compliance, and enforcement; LPV WM Board, PAC, TAC meetings, staff reports, presentations; coordination with LPV WM Special Counsel.
- 22 Special Counsel services include interpretation of LPV Judgment, Watermaster administration and Judgment implementation; initiation of compliance, enforcement actions; coordination with Agency Counsel.
- 23 Share of legal expenses for LPV Watermaster Rules Appeal (approved 9/13/2024), processed in FY2025.
- 24 Operating reserves are calculated at 10% of annual budget and are cumulative. A new Reserve Policy is in development.
- 25 Earnings from County Pooled Investment fund. FY2026-27 Budget Development Manual states to use an interest rate of 3.00% when estimating interest earnings on cash available within the fund. The rate recommended for the FY2025-26 budget process was 3.40%.

**Las Posas Valley Watermaster
FY 2026-27 Budget - Draft (as of June 18, 2026)
BOP PROJECTS**

| A | B | C | D | E | F |
|-----------------|--|-------------------|-------------------------------------|-------------------------------|-------------------------|
| BOP Project No. | Basin Optimization Plan (BOP) Project Name | Budget FY 2025-26 | Actuals FY 2025-26 Through May 2026 | Projected Year End FY 2025-26 | Draft Budget FY 2026-27 |
| | REVENUES | | | | |
| | LPV BOP Assessment | | \$ 190,869 | \$ 195,227 | \$ 2,311,000 |
| | LPV BOP Assessment Interest | | \$ 914 | \$ 961 | \$ 1,000 |
| | Total REVENUES | | \$ 191,783 | \$ 196,188 | \$ 2,312,000 |
| | EXPENSES | | | | |
| | Initial Project Implementation Planning | \$ 25,000 | \$39,861 | \$39,861 | \$91,901 |
| | Purchase of Imported Water from CMWD | | | | |
| | Program Development | \$ 45,000 | | | |
| | Administration | \$ 5,000 | | | |
| | Total Cost | \$ 50,000 | | \$ - | \$ 1,736,000 |
| | Arroyo Simi-Las Posas Water Acquisition | | | | |
| | Agreement Negotiation with the City of Simi Valley | \$ 45,000 | | | |
| | Total Cost | \$ 45,000 | \$ 5,000 | \$ 20,000 | \$ 100,000 |
| | In Lieu Deliveries to northern ELPMA Feasibility Study | | | | |
| | Develop Scope of Work and Request for Proposal | \$ 35,000 | | | |
| | Total Cost | \$ 35,000 | | \$ - | \$ 106,000 |
| | Allocation Buyback and Reduction Program | | | | |
| | Program Development | \$ 55,000 | | | |
| | Consultant Development of Transaction Mechanics | \$ 40,000 | | | |
| | Total Cost | \$ 95,000 | | \$ - | \$ 200,000 |
| | Regional Desalter Feasibility Study | | | | |
| | Purveyor engagement, Development of Scope of Work and Request for proposal | \$ 40,000 | | | |
| | Total Cost | \$ 40,000 | | \$ - | \$ 169,000 |
| | Total EXPENSES | \$ 290,000 | \$ 44,861 | \$ 59,861 | \$ 2,402,901 |
| | Net Operating Results | | \$ 146,922 | \$ 136,327 | \$ (90,901) |

**Las Posas Valley Watermaster
Draft FY 2026-27 Budget (as of June 18, 2026)
BOP PROJECT ASSESSMENT SCENARIOS**

| A | B | C | D | E |
|---|---------------------|---------------------|---------------------|---------------------|
| BOP Project | Scenario 1 | Scenario 2 | Scenario 3 | Scenario 4 |
| BOP 2: Purchase of CMWD Imported Water | \$ 5,451,040 | \$ 2,725,520 | \$ 1,736,000 | \$ 868,000 |
| BOP 5: Arroyo Simi-Las Posas Water Acquisition | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| BOP 7: In Lieu Deliveries to Northern ELPMA Feasibility Study | \$ 106,000 | \$ 106,000 | \$ 106,000 | \$ 106,000 |
| BOP 8: Allocation Buyback and Reduction Program | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 |
| BOP 9: Regional Desalter Feasibility Study | \$ 169,000 | \$ 169,000 | \$ 169,000 | \$ 169,000 |
| Total Expenses | \$ 6,026,040 | \$ 3,300,520 | \$ 2,311,000 | \$ 1,443,000 |

Scenario Cost Assumptions

| | | | | |
|--|-----------|----------|----------|----------|
| Cost per AF, if spread evenly over 40,000 acre-feet (AF) | \$ 150.65 | \$ 82.51 | \$ 57.78 | \$ 21.70 |
| Excluding WWLP from BOP 2, Cost per AF for CMWD service area | \$ 184.72 | \$ 99.55 | \$ 68.63 | \$ 41.50 |
| Excluding WWLP from BOP 2, Cost per AF for UWCD service area | \$ 14.38 | \$ 14.38 | \$ 14.38 | \$ 14.38 |

| | |
|---|--------------------|
| CMWD Rate per AF, Effective January 2026 | \$ 2,058.00 |
| RTS Charge | \$ 131.00 |
| Capacity Rate <small>(May-September)</small> | \$ 194.00 |
| CMWD Total Cost per AF <small>(assuming 50% of in-lieu is delivered between May -September)</small> | \$ 2,286.00 |
| Watermaster Incentive per AF | \$ 1,736.00 |

Scenario Notes

| |
|--|
| Scenario 1 assumes 3,140 AF purchase from CMWD |
| Scenario 2 assumes 1,570 AF purchase from CMWD |
| Scenario 3 assumes 1,000 AF purchase from CMWD |
| Scenario 4 assumes 500 AF purchase from CMWD, PAC recommendation |

**Las Posas Valley Watermaster
FY 2026-27 Budget - Draft (As of June 18, 2026)
STATEMENT OF FINANCIAL POSITION**

| | A | B | C | D | E | F | G |
|---------------------------|-----------------------|-----------------------|--|--|-------------------------------------|----------------------------|---|
| Account | Actuals FY 2023-24 | Actuals FY 2024-25 | Adopted Budget FY 2025-26 (without 4th BA WY 2024-4) ¹ | Actuals FY 2025-26 Through May 2026 | Projected Year End FY 2025-26 | Draft Budget FY 2026-27 | |
| Operating Account | \$ 1,127,505 | \$ 1,127,505 | \$ 563,180 | \$ 1,127,505 | \$ 904,350 | \$ 967,119 | |
| BOP Projects | \$ - | \$ - | \$ - | \$ 146,922 | \$ 136,327 | \$ 45,426 | |
| Reserves ² | \$ - | \$ 137,809 | \$ 362,207 | \$ 322,668 | \$ 331,908 | \$ 544,717 | |
| Ending Total Fund Balance | \$ 1,127,505 | \$ 1,265,314 | \$ 925,387 | \$ 1,597,094 | \$ 1,372,586 | \$ 1,557,263 | |

| AF | FY 2024-25 | FY 2025-26 | FY 2026-27 |
|--|------------|------------|------------|
| Total Annual Allocation (AF): | 40,000 | 40,000 | 40,000 |
| Basin Assessment per AF ³ : | \$ 64.58 | \$ 60.00 | \$ 58.52 |
| Quarterly Assessment | \$ 16.14 | \$ 15.00 | \$ 14.63 |

| Operating ⁴ | Actuals FY 2023-24 | Actuals FY 2024-25 | Adopted Budget FY 2025-26 (without 4th BA WY 2024-4) | Actuals FY 2025-26 Through May 2026 | Projected Year End FY 2025-26 | Draft Budget FY 2026-27 |
|--------------------------|-----------------------|-----------------------|---|--|-------------------------------------|----------------------------|
| Beginning Balance | \$ - | \$ 1,127,505 | \$ 1,127,505 | \$ 1,127,505 | \$ 1,127,505 | \$ 904,350 |
| Revenues | \$ 1,289,479 | \$ 1,984,642 | \$ 1,904,051 | \$ 1,727,429 | \$ 1,911,934 | \$ 2,403,667 |
| Expenses | \$ 161,974 | \$ 1,846,832 | \$ 2,243,977 | \$ 1,542,570 | \$ 1,940,990 | \$ 2,128,089 |
| Contribution to Reserves | \$ - | \$ 137,809 | \$ 224,398 | \$ 184,858 | \$ 194,099 | \$ 212,809 |
| Total Operating Results | \$ 1,127,505 | \$ - | \$ (564,325) | \$ - | \$ (223,155) | \$ 62,769 |
| Ending Account Balance | \$ 1,127,505 | \$ 1,127,505 | \$ 563,180 | \$ 1,127,505 | \$ 904,350 | \$ 967,119 |

| BOP Projects ⁵ | Actuals FY 2023-24 | Actuals FY 2024-25 | Adopted Budget FY 2025-26 (without 4th BA WY 2024-4) | Actuals FY 2025-26 Through May 2026 | Projected Year End FY 2025-26 | Draft Budget FY 2026-27 |
|---------------------------|-----------------------|-----------------------|---|--|-------------------------------------|----------------------------|
| Beginning Balance | - | - | - | \$ - | \$ - | \$ 136,327 |
| Revenues | - | - | - | \$ 191,783 | \$ 196,188 | \$ 2,312,000 |
| Expenses | - | - | - | \$ 44,861 | \$ 59,861 | \$ 2,402,901 |
| Net Operating Results | - | - | - | \$ 146,922 | \$ 136,327 | \$ (90,901) |
| Ending Account Balance | - | - | - | \$ 146,922 | \$ 136,327 | \$ 45,426 |

| Reserves ⁶ | Actuals FY 2023-24 | Actuals FY 2024-25 | Adopted Budget FY 2025-26 (without 4th BA WY 2024-4) | Actuals FY 2025-26 Through May 2026 | Projected Year End FY 2025-26 | Draft Budget FY 2026-27 |
|-----------------------------|-----------------------|-----------------------|---|--|-------------------------------------|----------------------------|
| Beginning Account Balance | \$ - | \$ - | \$ 137,809 | \$ 137,809 | \$ 137,809 | \$ 331,908 |
| Contribution from Operating | \$ - | \$ 137,809 | \$ 224,398 | \$ 184,858 | \$ 194,099 | \$ 212,809 |
| Expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Account Balance | \$ - | \$ 137,809 | \$ 362,207 | \$ 322,668 | \$ 331,908 | \$ 544,717 |

Footnotes:

- 1 LPV-2024-4 Basin Assessment (4th Quarter, July - September 2025) falls into FY 2025-26.
- 2 Operating reserves are calculated at 10% of annual budget and are cumulative. A Reserve Policy is in development.
- 3 Basin Assessment calculation based on the FY 2026-27 budget.
- 4 Operating account balance.
- 5 Basin Optimization Plan (BOP) Projects account balance.
- 6 Reserves account balance.