



AGENDA

April 30, 2026, at 3:00 pm

Council Chambers, Ojai City Hall

401 South Ventura Street, Ojai, CA 93023

Phone: 805.640.1207 **Web site:** obgma.com

Email: obgma@aol.com

Board of Directors

Richard Hajas, Casitas Municipal Water District

Jim Finch, Ojai Water Conservation District

Michael Weaver, Mutual Water Companies

Bob Daddi, Community Facilities District

Andrew Whitman, City of Ojai

Zoom Teleconferencing for Public Call in Participation:

1. Zoom Dial in Information: 1-669-900-9128, Meeting ID: 827 5712 7464, Password: 218792.

For Public Viewing

2. Zoom Meeting

Link: <https://us02web.zoom.us/j/82757127464?pwd=Rm5JenhNUDNvRVovaEUwMzdScnFRdz09>

3. www.OBGMA.com

4. City of Ojai YouTube Channel at:

<https://www.youtube.com/channel/UC3DhCB5Z1DynNC7n8qcNeDQ/live> (2 Minute delay of transmission)

5. In Ojai, CA: Spectrum Channel 10.

Public Comments: Members of the public may provide public comments under Item 6 or on each agenda item presented herein. Please wait until the Board Chair asks if any members of the public wish to comment. This will provide for orderly participation during the meeting.

Members of the public may also submit written public comments in advance via e-mail no later than 12:00 p.m. on the day of the meeting. Public comment e-mails should be sent to OBGMA@aol.com "Attention Board of Directors".

1. CALL TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. DIRECTOR ANNOUNCEMENTS/REPORTS/COMMENTS

- Mutual Water Companies
- Ojai Water Conservation District
- City of Ojai

- Casitas Municipal Water District
- Community Facilities District – CMWD Ojai Service Area

4. GENERAL MANAGER COMMENTS

5. BASIN STATUS REPORTS

- Current Status of Basin: Input, Output, and Storage

6. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

The Board will receive comments from the public at this time. Other than for emergency items, no action can be taken during this period. Matters raised at this time may be briefly discussed by the Board and will generally be referred to staff and/or placed on a subsequent agenda.

7. CONSENT AGENDA

- a. Financial Report for March 2026**
- b. Minutes of March 26, 2026, meeting**

8. ACTION ITEMS

- a. Two-Year Financial Statements**
 - Receive and Approve the Financial Statements for Fiscal Years Ending September 30, 2025, and 2024, prepared by Harshwal & Company, LLP

9. DISCUSSION ITEMS

- a. Report on Status of Ventura River Watershed Adjudication proceedings related to the Ojai Groundwater Basin**
 - Attached “Executive Summary of Proposed San Antonio Creek Sub-watershed Physical Solution”
- b. Legislative Ad-Hoc Committee Update**
- c. Meter Compliance Ad-Hoc Committee Update**

10. ADJOURNMENT

The regular meetings of the Ojai Basin Groundwater Management Agency are scheduled for the last Thursday of each month. The meeting agenda will be posted at Ojai City Hall and the OBGMA website 72 hours prior to the meeting.

The next regular meeting of the Ojai Basin Groundwater Management Agency is scheduled for May 28, 2026, at 3:00 p.m. to be held in the Council Chambers at Ojai City Hall and by Zoom Teleconferencing. Please contact OBGMA by email at obgma@aol.com or by calling 805.640.1207 with any questions.

OBGMA EXTRACTION CHARGES BY PERIOD

2025/2026

Oct/Nov/Dec 2025		(1-2026)		(\$25/acre foot)		
	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture	286.69	\$6,308.30				
Dom/Land	53.18	\$1,759.07				
Mutual	15.67	\$391.69				
CMWD	355.40	\$8,885.00				
Totals	710.94	\$17,344.06	\$9,427.00	\$535.00	\$67,373.33	\$94,679.39

Jan/Feb/Mar 2026		(2-2026)		(\$25/acre foot)		
	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture						
Dom/Land						
Mutual						
CMWD						
Totals	0.00	\$0.00				\$0.00

April/May/June 2026		(3-2026)		(\$25/acre foot)		
	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture						
Dom/Land						
Mutual						
CMWD						
Totals	0.00	\$0.00				\$0.00

Jul/Aug/Sept 2026		(4-2026)		(\$25/acre foot)		
	Acre Feet	Charges	Well Head	Recordation	GSP Fees	Total Rec'd
Agriculture						
Dom/Land						
Mutual						
CMWD						
Totals	0.00	\$0.00				\$0.00

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

Acre Feet	Charges	Well Head Fee	Recordation Fee	GSP Fees	Total Rec'd
710.94	\$ 17,344.06	\$9,427.00	\$535.00	\$67,373.33	\$94,679.39

OBGMA
Budget Actuals FYTD 25/26

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	YTD	Annual Budget
Beginning Bank Balance								
Checking	227,919.84	383,907.54	379,923.27	378,484.95	437,305.56	435,122.03		
Savings	205,098.57	205,098.57	205,098.57	205,124.42	205,124.42	205,124.42		
	433,018.41	589,006.11	585,021.84	583,609.37	642,429.98	640,246.45		
Income								
Returned Check Charges								
Well Permit Fees				3,107.50			3,107.50	
GSP Extraction Fees	121,900.08	10,407.06	6,576.00	56,866.76	13,370.47	1,908.76	211,029.13	350,000.00
Well Head Fee	9,230.00	2,462.69	325.00	5,839.68	3,764.01	1,382.42	23,003.80	50,000.00
Late Fees	25.40	537.50	1.50	20.85	30.38	29.28	644.91	1,000.00
Recordation Fee	565.00	134.44	20.00	359.21	199.40	9.74	1,287.79	3,000.00
Extraction Charges	36,327.12	3,014.48	1,644.00	14,628.45	3,835.25	(495.79)	58,953.51	120,000.00
Savings Acct Interest			25.85			25.29	51.14	50.00
Total Income	168,047.60	16,556.17	8,592.35	80,822.45	21,199.51	2,859.70	298,077.78	524,050.00
Total Expense	168,047.60	16,556.17	8,592.35	80,822.45	21,199.51	2,859.70	298,077.78	
Equipment Purchased								
Advertising								
Outside Services	3,736.25	1,470.00	1,531.25		2,500.00	2,327.50	9,065.00	26,540.00
Dues & Subscriptions				100.00			2,600.00	
GSP Implementation		6,182.50		4,358.75	7,041.25	19,990.13	37,572.63	250,000.00
Printing and Reproduction								
Liability Insurance						3,944.00	3,944.00	4,500.00
Postage and Delivery								
Bank Service Charges								
Workers Comp Ins	(75.00)						(75.00)	500.00
Office/Administrative Expenses	480.98	234.63	381.07	328.30	166.65	3,065.50	4,657.13	7,500.00
Payroll Expenses	3,608.26	3,993.98	3,964.32	3,827.31	4,009.01	3,845.46	23,248.34	50,000.00
Professional Fees	8,181.00	8,975.25	4,171.25	10,387.25	8,806.17	16,116.00	56,636.92	160,000.00
Website Expense								
Rent	931.00	931.00	931.00	931.00	931.00	931.00	5,586.00	15,000.00
Travel								3,000.00
Telecommunications								
Total Expense	16,862.49	21,787.36	10,978.89	19,932.61	23,454.08	50,219.59	143,235.02	517,040.00
Net Ordinary Income	151,185.11	(5,231.19)	(2,386.54)	60,889.84	(2,254.57)	(47,359.89)	154,842.76	7,010.00
Grant Activity								
WCB Grant Income								
WCB (WS) Expenses								
GSP Expenses								
Net Income	151,185.11	(5,231.19)	(2,386.54)	60,889.84	(2,254.57)	(47,359.89)	154,842.76	
Other Adjustments								
Permit Deposit Paid/Deducted								
Transfer to Savings	5,000.00							
Transfer From Savings								
Customer Well Deposit								
Payroll Tax Liab Paymts	1,185.39			3,105.73	982.10	1,031.24		
Payroll Liab on hold	966.48	1,016.17	1,007.57	1,003.00	1,053.14	1,009.11		
Customer Overpayments	101.25	217.25						
Key Card Deposit								
Refund- Work Comp Ins								
Customer Credits Applied						20,642.97		
Customer Refunds	66.25							
State Comp Fund Dividend								
Rent Reimbursement								
Returned Check	13.50	(13.50)	33.50	(33.50)				
Ending Bank Balance								
Checking	383,907.54	379,923.27	378,484.95	437,305.56	435,122.03	367,071.75		
Savings	205,098.57	205,098.57	205,124.42	205,124.42	205,124.42	205,149.71		
	589,006.11	585,021.84	583,609.37	642,429.98	640,246.45	572,221.46		

OBGMA
Cash Flow
As of March 31, 2026

Mar 31, 26

Beginning Balance as of February 28, 2026

Bank of the Sierra-Checking	435,122.03
Bank of the Sierra-Savings	205,124.42
	<u>640,246.45</u>

Income

Savings Interest	25.29
GSP Extraction	1,908.76
Well Head Fee	1,382.42
Late Charge On Extraction	29.28
Recordation Fee	9.74
Extraction Charges	-495.79
	<u>2,859.70</u>

Expenses

Thacher Refund	20,642.97
Office & Administrative Expense	3,065.50
GSP Implementation	19,990.13
Outside Services	2,327.50
Insurance	3,944.00
Payroll Expenses	3,867.59
Professional Fees	16,116.00
Rent	931.00
	<u>70,884.69</u>

Current Assets

Checking/Savings

Bank of the Sierra-Checking	367,071.75
Bank of the Sierra-Savings	205,149.71
Total Checking/Savings	<u>572,221.46</u>

Net Change in Financial Position **(68,024.99)**

OBGMA
Disbursements
As of March 31, 2026

Date	Num	Name	Description	Amount
03/30/2026		Thacher School	Customer Refund	-20,642.97
03/02/2026	ACH	Condor Self Storage	Rent	-131.00
03/02/2026	ACH	Staples	Office & Admin	-251.00
03/02/2026	ACH	JStreet Technology Inc	Outside Services	-1,531.25
03/04/2026	ACH	Staples	Office & Admin	-20.99
03/05/2026	ACH	Staples	Office & Admin	-81.28
03/09/2026	ACH	Staples	Office & Admin	-65.20
03/09/2026	ACH	JStreet Technology Inc	Outside Services	-673.75
03/13/2026	ACH	Costco	Office & Admin	-214.49
03/16/2026	ACH	Spectrum	Office & Admin	-146.12
03/19/2026	ACH	Microsoft	Office & Admin	-99.99
03/23/2026	ACH	Stamps.com	Office & Admin	-50.00
03/25/2026	ACH	Stamps.com	Office & Admin	-20.99
03/24/2026	ACH	Stamps.com	Office & Admin	-50.00
03/25/2026	ACH	Intuit QuickBooks	Office & Admin	-2,129.00
03/26/2026	ACH	JStreet Technology Inc	Outside Services	-122.50
03/26/2026	ACH	Brown & Brown Insurance	Liability Insurance	-3,944.00
03/02/2026	E-pay	Employment Development Department	Payroll	-47.44
03/02/2026	E-pay	Employment Development Department	Payroll	-58.40
03/02/2026	E-pay	IRS	Payroll	-925.40
03/26/2026	3767	Ransom, Tara R.	Payroll	-1,242.31
03/26/2026	3768	VanDerMeer, Cece A	Payroll	-1,594.04
03/26/2026	3769	417 Bryant Circle LLC	Rent	-800.00
03/26/2026	3770	Casitas Municipal Water District	Professional Services	-1,987.72
03/26/2026	3771	Dudek	Professional Services	-22,346.25
03/26/2026	3772	Hollister & Brace, Attorneys at Law	Professional Services	-1,868.75
03/26/2026	3773	Kear Groundwater	Professional Services	-8,108.63
03/26/2026	3774	Michelle Gaston	Professional Services	-1,812.50
				-70,965.97
				<u>-70,965.97</u>

OBGMA Reconciliation Summary

Bank of the Sierra-Checking, Period Ending 03/31/2026

	Mar 31, 26
Beginning Balance	456,553.21
Cleared Transactions	
Checks and Payments - 30 items	-35,811.58
Deposits and Credits - 4 items	2,915.69
Total Cleared Transactions	-32,895.89
Cleared Balance	423,657.32
Uncleared Transactions	
Checks and Payments - 8 items	-56,585.57
Total Uncleared Transactions	-56,585.57
Register Balance as of 03/31/2026	367,071.75
New Transactions	
Checks and Payments - 4 items	-1,119.11
Deposits and Credits - 4 items	20,656.47
Total New Transactions	19,537.36
Ending Balance	386,609.11

12:33 PM

04/13/26

OBGMA Reconciliation Summary

Bank of the Sierra-Savings, Period Ending 03/31/2026

	<u>Mar 31, 26</u>
Beginning Balance	205,124.42
Cleared Transactions	
Deposits and Credits - 1 item	<u>25.29</u>
Total Cleared Transactions	<u>25.29</u>
Cleared Balance	<u>205,149.71</u>
Register Balance as of 03/31/2026	205,149.71
Ending Balance	205,149.71

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
Minutes of the Regular Board Meeting of March 26, 2026

The Regular Meeting of March 26, 2026, of the Ojai Basin Groundwater Management Agency was called to order at 3:00 PM in the Council Chambers, Ojai City Hall, 401 S. Ventura Street, Ojai, CA 93023.

Attendees were: Board Members: Richard Hajas, Bob Daddi, Andrew Whitman (arrived 3:06) and Mike Weaver. General Manager Julia Aranda and Secretary/Treasurer Cece VanDerMeer.

Also in attendance: Peter Candy, Attorney and Jordan Kear, Consultant (via Zoom)

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

2. Pledge of Allegiance: Led by Hajas.

3. Director Announcements/Reports/Comments:

Mutuals: None

Ojai Water Conservation District: None

City of Ojai: None

Casitas Municipal Water District: None

Community Facilities District Report: None

4. GENERAL MANAGER COMMENTS:

Aranda reported that the two-year audit is being conducted. Aranda reminded the Board that Form 700 is due by April 1, 2026. Aranda stated that the bookkeeper will be starting the State Controllers Report next month.

5. BASIN STATUS REPORT:

Jordan Kear had a presentation "Hydrographic Dog's Breakfast". Kear reported the Key Well was 51.1' below ground level and there was 76,800 acre-feet in the basin.

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

None

7. CONSENT AGENDA:

a. Daddi motioned to approve the Consent Agenda Items. Weaver seconded. The Financial Report for February 2026 and the minutes of February 26, 2026, were approved unanimously.

Roll Call vote:

Ayes: Daddi, Whitman, Weaver and Hajas.

Noes: None

8. ACTION ITEMS:

a. Ojai Valley Groundwater Basin Annual Report:

Receive and file the Water Year 2025 Ojai Valley Groundwater Basin Annual Report. Weaver motioned to receive and file the Water Year 2025 Ojai Valley Groundwater. Daddi seconded.

Roll call vote:

Ayes: Daddi, Whitman, Weaver and Hajas.

Noes: None

9. DISCUSSION ITEMS:

a. Legislative Ad-Hoc Committee Update:

None

b. Meter Compliance Ad-Hoc Committee Update:

Aranda will schedule a meeting.

10. ADJOURNMENT

The meeting was adjourned at 3:33pm. The next regular scheduled meeting will be April 30, 2026, at 3:00 p.m. in the Council Chamber in Ojai City Hall, 401 S. Ventura Street, Ojai.

ATTEST: _____

Ojai Basin Groundwater Management Agency

Memorandum

To: Board of Directors
From: Julia Aranda, PE, General Manager
Subject: Auditor's Financial Statement for Fiscal Years Ending September 30, 2024 and September 30, 2025
April 30, 2026

Recommendation

- Receive and Approve the Financial Statements for Fiscal Years Ending September 30, 2025 and 2024, prepared by Harshwal & Company, LLP

Background and Discussion

The Financial Statements for the fiscal years ending September 30, 2025, and September 30, 2024, are attached for review and approval. The Financial Statements show OBGMA has no instances of noncompliance or other matters required to be reported under Government Auditing Standards.

Attachment: Draft Financial Statement for the Years Ended September 30, 2025, and 2024, prepared by Harshwal & Company, LLP

OJAI BASIN
GROUNDWATER MANAGEMENT AGENCY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024



**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
TABLE OF CONTENTS
SEPTEMBER 30, 2025 AND 2024**

	<u>Page(s)</u>
Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	5
Basic Financial Statements	
Statements of Net Position.....	8
Statements of Revenues, Expenses, and Changes in Net Position.....	9
Statements of Cash Flows.....	10
Notes to Basic Financial Statements	11
Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17
Schedule of Findings and Responses	19
Summary Schedule of Prior Year Audit Findings	20

Draft

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ojai Basin Groundwater Management Agency
Ojai, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Ojai Basin Groundwater Management Agency (the "Agency"), as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Agency, as of September 30, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budget comparison information on page 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April XX, 2026, on our consideration of the Agency’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency’s internal control over financial reporting and compliance.

San Diego, California
April XX, 2026

Draft

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

GOVERNING BOARD OF DIRECTORS

<u>Name</u>	<u>Position</u>
Richard Hajas	President of the Board
Michael Weaver	Board Member
Jim Finch	Board Member
Andrew Whitman	Board Member
Bob Daddi	Board Member

AGENCY PERSONNEL

Julia Aranda	General Manager
Cece VanDerMeer	Administrative Assistant
Tara R. Ransom	Database Administrator

Draft

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Ojai Basin Groundwater Management Agency (the "Agency") provides an introduction to the financial statements of the Agency for the fiscal years ended September 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

In fiscal year 2025, total assets increased by \$275,277 or 62.51% due to increase in cash and cash equivalents. In comparison, total assets increased by \$153,266 or 53.39% during fiscal year 2024.

In fiscal year 2025, total liabilities decreased \$23,389 or 57.68% due to decreased accounts payable. In comparison, the prior year total liabilities increased \$20,078 or 98.09% significantly due to increased accounts payable for professional services procured for continued development of the GSP.

In fiscal year 2025, net position increased by \$298,666 or 74.70% over prior year. The change was due to increased extraction revenue. In comparison, the Agency's net position increased by \$133,188 or 49.96% during fiscal year 2024.

During fiscal years 2025 total operating revenues increased approximately \$176,209 or 46.09% and during 2024, total operating revenues increased approximately \$114,770 or 42.90%. The increase both years was due to increased extraction amounts reported by well operators.

In fiscal year 2025, total operating expenses increased by \$10,788 or 4.33% due to increase in payroll expenses. In comparison, total expenses increased by \$10,293 or 4.31% during fiscal year 2024 due to increase in professional services pertaining to the GSP project.

Basic Financial Statements

This biennial report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies. The notes that follow the financial statements provide additional information essential to a full understanding of the data provided in the financial statements. The Statements of Net Position presents information on the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

While the Statements of Net Position provides information about the nature and number of resources and obligations at year-end, the Statements of Revenues, Expenses, and Changes in Net Position presents the results of the Agency's operations over the course of the fiscal year and information as to how the net position changed during the year. This statement can be used as an indicator of the extent to which the Agency has successfully recovered its costs through extraction fees and other charges.

All changes in net position are reported during the period in which the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as delayed collection of extraction fees.

The Statements of Cash Flows presents changes in cash resulting from operational, capital financing, and investing activities. This statement summarizes the annual flow of cash receipts, cash payments, and net changes in cash, and excludes noncash transactions such as depreciation of assets.

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

The following is a condensed Statements of Net Position summarizing assets, liabilities, and net position for the years ended September 30, 2025, 2024, and 2023.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Current assets	\$ 622,648	\$ 343,882	\$ 187,077
Noncurrent assets	<u>92,977</u>	<u>96,466</u>	<u>100,005</u>
Total assets	<u>715,625</u>	<u>440,348</u>	<u>287,082</u>
LIABILITIES			
Current liabilities	<u>17,158</u>	<u>40,547</u>	<u>20,469</u>
Total liabilities	<u>17,158</u>	<u>40,547</u>	<u>20,469</u>
NET POSITION	<u>698,467</u>	<u>399,801</u>	<u>266,613</u>
Total liability and net position	<u>\$ 715,625</u>	<u>\$ 440,348</u>	<u>\$ 287,082</u>

In fiscal year 2025, net position increased by \$298,666 or 74.70% over prior year and increased by \$133,188 or 49.96% during fiscal year 2024. In fiscal year 2025, total assets increased by \$275,277 or 62.51% and total assets increased by \$153,266 or 53.39% during fiscal year 2024.

The following condensed information reflects the actual revenues and expenses for the years ended September 30, 2025, 2024, and 2023 and the change in net position.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenue:			
Extraction fees and other revenues	\$ 558,532	\$ 382,323	\$ 267,553
Operating expense:			
Professional fees	187,769	195,262	170,241
Payroll expenses	44,838	28,563	31,758
Other expenses	<u>27,325</u>	<u>25,319</u>	<u>36,852</u>
Total operating expenses	259,932	249,144	238,851
Non-operating revenues-interest income	<u>66</u>	<u>9</u>	<u>3</u>
Change in net position	<u>\$ 298,666</u>	<u>\$ 133,188</u>	<u>\$ 28,705</u>

The Agency's total revenues increased year-over-year due to increased water extraction usage reported by well operators. Professional fees was decreased in FY 2025 and increased in FY 2024 due to the GSP project phase.

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024**

Budget-to-Actual Analysis

The Board of Directors adopts an annual budget each year. Performance is monitored throughout the year, comparing actual performance results to the budget. The following is a summary of actual results in comparison to the budget for the years ended September 30, 2025 and 2024.

Year ended September 30, 2025:

	<u>Actual</u>	<u>Budget</u>	<u>% Change Favorable / (Unfavorable)</u>
Operating revenues:			
Extraction fees and other revenue	\$ 558,532	\$ 434,000	29 %
Operating expenses:			
Professional fees	187,769	214,700	13 %
Payroll expenses	44,838	48,000	7 %
Other expenses	27,325	39,500	31 %
Total operating expenses	<u>259,932</u>	<u>302,200</u>	<u>14 %</u>
Non-operating revenue-interest income	<u>66</u>	<u>5</u>	<u>1,220 %</u>
Change in net-position	<u><u>\$ 298,666</u></u>	<u><u>\$ 131,805</u></u>	<u><u>127 %</u></u>

Year ended September 30, 2024:

	<u>Actual</u>	<u>Budget</u>	<u>% Change Favorable / (Unfavorable)</u>
Operating revenues:			
Extraction fees and other revenue	\$ 382,323	\$ 272,020	41 %
Operating expenses:			
Professional fees	195,262	175,100	(12)%
Payroll expenses	28,563	25,000	(14)%
Other expenses	25,319	49,000	48 %
Total operating expenses	<u>249,144</u>	<u>249,100</u>	<u>0 %</u>
Non-operating revenue-interest income	<u>9</u>	<u>5</u>	<u>80 %</u>
Change in net-position	<u><u>\$ 133,188</u></u>	<u><u>\$ 22,925</u></u>	<u><u>481 %</u></u>

Conditions Affecting Current Financial Position

Operating revenues are highly dependent on groundwater extractions in the basin, which in turn, are dependent on the climate (precipitation or drought, for example). Management is unaware of any other facts, decisions, or conditions which could have a significant effect on the Agency's current financial position or results of operations.

Requests for Information

This financial report is designed to provide a general overview of the Agency's financial operations and financial condition. Questions concerning any information in this report or requests for additional financial information should be addressed to the General Manager, Ojai Basin Groundwater Management Agency, P.O. Box 1779, Ojai, California 93024.

BASIC FINANCIAL STATEMENTS

Draft

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 433,018	\$ 171,413
Accounts receivable, net	189,630	172,469
Total current assets	622,648	343,882
Noncurrent assets		
Deposits	950	900
Capital assets, net	92,027	95,566
Total noncurrent assets	92,977	96,466
Total Assets	715,625	440,348
 LIABILITIES AND NET POSITION		
LIABILITIES		
Current liabilities		
Accounts payable	16,021	29,428
Deposits payable	-	9,444
Payroll liabilities	1,137	1,675
Total current liabilities	17,158	40,547
Total liabilities	17,158	40,547
 NET POSITION		
Net investment in capital assets	92,027	95,566
Unrestricted	606,440	304,235
Total net position	698,467	399,801
Total liabilities and net position	\$ 715,625	\$ 440,348

The accompanying notes are an integral part of these financial statements.

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Extraction charges	\$ 113,983	\$ 102,943
Extraction charges-GSP	382,528	232,703
Fee and permit charges	59,023	43,418
Other revenue	2,998	3,259
Total operating revenues	558,532	382,323
OPERATING EXPENSES		
Payroll expenses	44,838	28,563
Professional expenses	187,769	195,262
Rent	11,117	11,067
Insurance	4,088	3,738
Office expenses	8,098	6,273
Bad debts expenses	-	37
Depreciation	3,539	3,539
Other expense	483	665
Total operating expenses	259,932	249,144
Operating income/(loss)	298,600	133,179
NONOPERATING REVENUES (EXPENSES)		
Interest income	66	9
Total nonoperating revenues (expenses)	66	9
Change in net position	298,666	133,188
Net position, beginning of year	399,801	266,613
Net position, end of year	\$ 698,467	\$ 399,801

The accompanying notes are an integral part of these financial statements.

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Receipts from well owners/operators	\$ 541,321	\$ 337,130
Payments for payroll expenses	(45,376)	(28,446)
Payments for operating expenses	(234,406)	(197,081)
Net cash provided by operating activities	261,539	111,603
Cash flows from investing activities		
Interest income	66	9
Net cash provided by investing activities	66	9
Net change in cash and cash equivalents	261,605	111,612
Cash and cash equivalents, beginning of year	171,413	59,801
Cash and cash equivalents, end of year	\$ 433,018	\$ 171,413
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		
Operating income	\$ 298,600	\$ 133,179
Adjustment to reconcile income from operating to net cash flows from operating activities:		
Depreciation	\$ 3,539	\$ 3,539
Change in operating assets and liabilities:		
Accounts receivable	(17,161)	(45,193)
Deposits	(50)	-
Accounts payable	(13,407)	10,517
Deposits payable	(9,444)	9,444
Payroll liabilities	(538)	117
Net cash provided by operating activities	\$ 261,539	\$ 111,603

The accompanying notes are an integral part of these financial statements.

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Ojai Basin Groundwater Management Agency (the "Agency"), a special district of the State of California, was formed in 1991 pursuant to the Ojai Basin Groundwater Management Agency Act (Senate Bill 534). The Agency is responsible for managing the supply and demand and preserving the quantity and quality of groundwater in the Ojai basin for the protection and common benefit of all water users of the basin.

The Agency is governed by a five-member Board of Directors. The Board of Directors are appointed by their respective organizations; one from each to represent the City of Ojai, Casitas Municipal Water District, Ojai Water Conservation District, Communities Facilities District, and one chosen to represent three mutual water companies. The Board is charged with exercising the powers of the agency which include, for example: decision-making, designation of management, approval of contracts, development of rates and fees and the Agency's policies.

Basis of Accounting and Measurement Focus

The accounting methods and procedures adopted by the Agency conform to U.S. generally accepted accounting principles as applied to governmental enterprise funds. Accordingly, the financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments" as it specifically relates to enterprise funds.

The Agency reports its activities as an enterprise fund, which means that it operates in a manner similar to a private business enterprise, where the intent of the Agency is that costs of monitoring water conditions on a continuing basis be financed or recovered primarily through extraction charges, capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses, such as extraction fees and rent expense, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Professional services, office supplies, and depreciation are also considered operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Agency's primary source of revenue is groundwater extraction charges. Extraction charges are billed quarterly, in arrears, which means that charges for water extracted during the final quarter of each fiscal year are billed during the subsequent billing cycle. As such, the majority of accounts receivable reported on the Statements of Net Position is the accrual of the fourth quarter extraction fees received after year-end. Extraction rates are established by the Board on an as-needed basis, after notice and hearing, and are subject to the terms stipulated in governing document Senate Bill 534.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency is a limited-purpose government engaged solely in business-type activities: accordingly, activities are reported as an enterprise fund.

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Agency's cash is in a single financial institution and at year-end was covered by Federal depository insurance. The Agency defines cash equivalents as highly liquid investments with original maturities of three months or less at the time of purchase. The Agency does not have any cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable includes both billed and unbilled extraction fees charged to well operators in the Ojai basin. An allowance for doubtful accounts is provided for uncollectible accounts based on the Agency's bad debt experience and on management's estimate. The Agency charges doubtful accounts arising from receivables to bad debt expense when it is probable that the accounts will be uncollectible. As of September 30, 2025 and 2024, the Agency's allowance for doubtful accounts was \$7,415 and \$7,415, respectively.

Capital Assets

All property, plant, and equipment acquired and/or constructed are capitalized at historical cost. Depreciation is recorded on a straight-line basis over the estimated useful life. As of the date of this report, a formal capitalization policy has not been established.

Net Position

The Agency is required to report the difference between assets and liabilities as net position. Net position is classified in the following categories:

- Investment in capital assets - This category consists of capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. As of September 30, 2025 and 2024, the Agency did not have any capital-related debt.
- Restricted - This category consists of net assets that have external constraints placed on them by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions of constitutional law or enabling legislation. As of September 30, 2025 and 2024, the Agency did not have restricted net position.
- Unrestricted - This category consists of net assets that do not meet the definition of "restricted" or "investment in capital assets".

Compensated Absences

The Agency's staff are employed on a part-time basis and do not receive compensated absences; therefore, no liability for compensated absences exists.

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statements of Net Position will sometimes report separate sections for deferred outflows or inflows of resources, respectively. These separate financial statement elements represent either a consumption or acquisition of net position that applies to future periods and will not be recognized as an outflow or inflow of resources until that time. The Agency has no items that qualify for reporting in this category.

Income Taxes

The Agency's income is exempt from taxation under the provisions of the Internal Revenue Code and related California provisions; accordingly, no income tax provision is required.

Current Accounting Pronouncements

The Agency has adopted all current statements of the Governmental Accounting Standards Board (GASB) that are applicable. As of September 30, 2025, the Agency implemented the following new standards issued by GASB:

GASB has issued Statement No. 100, Accounting Changes and Error Corrections -an amendment of GASB Statement No. 62, effective for fiscal years beginning after June 15, 2023. This Statement amends GASB Statement No. 62 to enhance accounting and financial reporting requirements for accounting changes and error corrections. There was no effect of this standard to financials.

GASB has issued Statement No. 101, Compensated Absences, effective for fiscal years beginning after December 15, 2023. This Statement amends the existing requirements related to Compensated Absences by updating the recognition and measurement guidance. There was no effect of this standard to financials.

Future Changes in Accounting Standards

GASB has issued Statement No. 102, Certain Risk Disclosures, effective for fiscal years beginning after June 15, 2024. This Statement's objective is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB has issued Statement No. 103, Financial Reporting Model Improvements, effective for fiscal years beginning after June 15, 2025. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statements also address certain application issues.

GASB has issued Statement No. 104, New Capital Asset Disclosures, effective for fiscal years beginning after June 15, 2025, which requires capital assets held for sale, intangible assets, lease assets, and subscription assets to be broken out separately in note disclosure.

GASB has issued Statement No. 105, Subsequent Events, which establishes accounting and financial reporting standards for events that occur after the financial statement date but before the statements are issued. This statement requires governments to evaluate subsequent events to determine whether they should be recognized in the financial statements or disclosed in the notes. GASB statement no. 105 is effective for fiscal years beginning after June 15, 2026.

The Agency will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - CASH AND CASH EQUIVALENTS

The carrying amount of cash in banks was \$433,018 and \$171,413 as of September 30, 2025 and 2024, respectively. Corresponding bank balances were \$443,965 and \$179,049 as of September 30, 2025 and 2024, respectively. The net difference represents outstanding checks, deposits-in-transit, and/or other reconciling items between the financial institution's balance and the Agency's balance for each year.

The Agency does not have a policy for custodial credit risk for deposits. Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and \$193,965 remains uninsured for FY 2025; for FY 2024, all balances were fully insured.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable, net of allowance for doubtful accounts as of September 30, consisted of the following:

	2025	2024
Accounts receivable	\$ 197,082	\$ 179,921
Less: Allowance for doubtful accounts	(7,452)	(7,452)
Accounts receivable, net	\$ 189,630	\$ 172,469

NOTE 4 - CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended September 30, 2025, was as follows:

	October 01, 2024	Additions	September 30, 2025
<u>Depreciable assets</u>			
Infrastructure	\$ 106,183	\$ -	\$ 106,183
Total depreciable assets	106,183	-	106,183
Less: accumulated depreciation	(10,617)	(3,539)	(14,156)
Total capital assets, net	\$ 95,566	\$ (3,539)	\$ 92,027

Capital assets activity for the year ended September 30, 2024, was as follows:

	October 01, 2023	Additions	September 30, 2024
<u>Depreciable assets:</u>			
Infrastructure	\$ 106,183	\$ -	\$ 106,183
Total depreciable assets	106,183	-	106,183
Less: accumulated depreciation	(7,078)	(3,539)	(10,617)
Total capital assets, net	\$ 99,105	\$ (3,539)	\$ 95,566

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 5 - RISK MANAGEMENT

The Agency is exposed to potential losses from claims arising from its business operations. The Agency maintains insurance coverage through an independent carrier with limits of \$1,000,000 per occurrence. There have been no reductions in insurance coverage from coverage in the prior year.

NOTE 6 - SUSTAINABLE GROUNDWATER MANAGEMENT ACT

The Sustainable Groundwater Management Act (SGMA) was approved by the State of California in 2017 to provide a framework to help protect groundwater resources. Under the requirements of the law, the Agency is required to develop and adopt a groundwater sustainability plan (GSP). The Agency's GSP was approved by the California Department of Water Resources in October 2023. The Agency continues to work on compliance with the SGMA and has engaged outside consultants to assist in that endeavor.

NOTE 7 - CONCENTRATIONS

Major Customers

The Agency has one major customer, Casitas Municipal Water District, whose water extraction charges represent a significant portion of total operating revenue. Revenue from this well operator represented approximately 37.42% and 36.61% of total operating revenue during the years ended September 30, 2025 and 2024, respectively.

NOTE 8 - RELATED PARTIES

During the years ended September 30, 2025 and 2024, the Agency collected extraction fees from one of the Agency's Board of Directors, Jim Finch. The extraction rates and fees paid by the members of the Board of Directors are the same extraction rates and fees paid by all customers of the Agency.

NOTE 9 - LEASES

The Agency entered into a month-to-month, short-term lease for commercial office space in May 2018. Rent has remained fixed at \$800 per month, or \$9,600 per year, since inception of the lease. The Agency also leases storage space under a separate agreement, with total payments of \$1,467 for the year ended June 30, 2024, and \$1,517 for the year ended June 30, 2025.

NOTE 10 - COMMITMENTS & CONTINGENCIES

Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties.

Ventura River Watershed Adjudication

The Agency is not a party to ongoing litigation in which parties claim rights to take and beneficially use waters of the Ventura River Watershed, but the Agency has been following the litigation as a matter of interest. The Agency does not fall within this class of persons and was not named as a party to the lawsuit. Nevertheless, the Agency is a management entity with statutory responsibility for ensuring the health and sustainability of the Ojai Valley Groundwater Basin ("Ojai Basin"), which serves as a critically important hydrologic component of the larger Ventura River Watershed. The Agency thus has an interest in the final outcome of the adjudication process, which invariably will result in a final court judgment and physical solution governing the rights and duties of parties which rely on the Ojai Basin for water supply. Moreover, the Agency may have a direct role to play as a management entity with responsibilities assigned to it by the court under the final judgment and physical solution. As such, the Agency has been monitoring the litigation and may decide to voluntarily intervene in the litigation and join as a party in the future, if it appears its involvement may be necessary or beneficial.

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 10 - COMMITMENTS & CONTINGENCIES (CONT'D)

Asset Retirement Obligations

A groundwater monitoring well, with an expected useful service life of approximately 30 years, was constructed during 2021 to expand monitoring of water conditions in the Ojai basin. The County of Ventura Well Permit No. GWP-08557 requires destruction of the well upon completion of the monitoring program. The County's requirement to deconstruct the well triggers recognition of an asset retirement obligation. An asset retirement obligation (ARO) is a legally enforceable liability associated with the future retirement of a tangible capital asset. The process to deconstruct the well and restore the land requires the Agency to obtain a separate well destruction permit, remove the concrete lid encasement, withdraw the PVC, and refill the hole with soil. The Agency has determined that the estimated cost to deconstruct the well and restore the land to its original condition is insignificant and has elected not to recognize an ARO liability and corresponding deferred outflow of resources.

NOTE 11 - SUBSEQUENT EVENTS

The management of the Agency has evaluated subsequent events through April XX, 2026, the date at which the financial statements were available for issuance. Management concluded that no material subsequent events have occurred since September 30, 2025, which would require recognition or disclosure in the financial statements.

COMPLIANCE SECTION

Draft

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Ojai Basin Groundwater Management Agency
Ojai, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Ojai Basin Groundwater Management Agency (the "Agency") as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated April XX, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
April XX, 2026

Draft

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	None reported
• Noncompliance material to financial statements noted?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings reported in the current years.

Draft

**OJAI BASIN GROUNDWATER MANAGEMENT AGENCY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

There were no findings reported in the prior years.

Draft

1 Robert G. Kuhs, Esq. (SBN 160291)
Armand A. Ash, Esq. (SBN 365955)
LEBEAU • THELEN, LLP
2 9801 Camino Media, Suite 103
Post Office Box 22077
3 Bakersfield, California 93390
(661) 325-8962; Fax (661) 325-1475
4 rkuhs@lebeauthelen.com
aash@lebeauthelen.com
5

6 Roger J. Marzulla, Esq. (SBN 51113)
MARZULLA LAW, LLC
7 1150 Connecticut Ave., NW
Washington, D.C. 20036
8 (202) 822-6760; Fax (202)822-6774
roger@marzulla.com
9

10 *Attorneys for Casitas Municipal Water District*

EXEMPT FROM FILING FEES PURSUANT
TO GOVERNMENT CODE SECTION 6103

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA,
12 COUNTY OF LOS ANGELES

13 SANTA BARBARA CHANNELKEEPER, a
California non-profit corporation,

14 Petitioner,
15

16 v.

17 STATE WATER RESOURCES CONTROL
BOARD, etc., et al.

18 Respondents.
19
20

Case No. 19STCP01176

Judge: Hon. William F. Highberger

**EXECUTIVE SUMMARY OF
[PROPOSED] PHYSICAL SOLUTION
FOR THE SAN ANTONIO CREEK
MANAGEMENT AREA**

Action Filed: September 19, 2014

Trial Date: June 1, 2026

21 CITY OF SAN BUENAVENTURA, etc.,
22

23 Cross-Complainant,
24

25 v.

26 DUNCAN ABBOTT, an individual, et al.
27

Cross-Defendants.

1 **EXECUTIVE SUMMARY**

2 **SAN ANTONIO CREEK MANAGEMENT AREA PHYSICAL SOLUTION**

3 Casitas Municipal Water District (**Casitas**) and the City of San Buenaventura (**City**) submit
4 their proposed Physical Solution (**Solution**) for the San Antonio Creek Management Area (**SAC**
5 **MA**), including the Ojai and Upper Ojai Valley Groundwater Basins (**Basins**), within the Ventura
6 River Watershed (**Watershed**)¹.

7 **A. Purpose and Scope**

8 The Solution maintains and enhances suitable habitat for the endangered Southern
9 California Steelhead while balancing all beneficial water uses. Because the Basins are not in a state
10 of overdraft and the Ojai Basin is managed by the Ojai Basin Groundwater Management Agency
11 (**OBGMA**) under SGMA, the Physical Solution does not adjudicate or determine water rights.
12 The Solution appoints Casitas as the SAC MA Management Entity, but reserves to the OBGMA
13 exclusive statutory jurisdiction to manage the Ojai Basin. The Court retains broad continuing
14 jurisdiction to enforce the management plan and address future controversies. The Solution phases
15 implementation over time and aligns reporting with SGMA-style five-year milestones for efficient
16 coordination with basin management.

17 This Solution includes (1) a Management Plan (§ 4.2) with projects and objectives, and
18 (2) a Monitoring and Reporting Plan (§ 4.2.5, Exhibit F). The Solution creates a focused,
19 adaptive, and financeable program to maintain and improve steelhead habitat in the San Antonio
20 Creek portion of the Watershed. Additionally, the Solution preserves reasonable and beneficial
21 consumptive uses consistent with the Constitution and California water law and policy. This
22 Solution resolves the need to adjudicate previously scheduled Phase 1 issues, and will mesh
23 smoothly with a later approved plan for the mainstem and ultimately provide a single, seamless
24 judgment and physical solution for the entire Watershed.

25 This Solution prioritizes tangible habitat actions, invasive flora and fauna removal,
26 passage improvement, fish rescue and protection, and science-based monitoring in the SAC MA,

27 _____
¹ See map at Exhibit B, SAC MA.

1 where targeted intervention will yield the greatest benefit to the endangered steelhead population
2 segment.

3 Casitas, as the Management Entity, will implement the Solution under continuing Court
4 supervision, with SGMA-consistent timelines, in coordination with the OBGMA and input from
5 a standing Technical Advisory Committee (TAC), the State Water Resources Control Board
6 (State Board), and the California Department of Fish and Wildlife (CDFW). (§§ 4.4, 4.5)
7 Funding will be provided through existing rates and substantial external grants, ensuring timely,
8 trackable progress toward recovery objectives in the SAC MA. The Solution also provides
9 adaptability to accommodate changing conditions, including the County of Ventura’s impending
10 removal of Matilija Dam.

11 **B. Central Role of San Antonio Creek to Steelhead Recovery: Key Points**

- 12 • The SAC MA is one of the largest sub-watersheds, about 50 square miles, with
13 San Antonio Creek as the largest creek flowing to the Ventura River above Casitas
14 Springs. Flow is highly variable and typically reaches zero baseflow between June and
15 October, intensifying the need for targeted habitat measures for steelhead survival. The
16 Watershed experiences drought cycles that prevent reliable anadromous migration, so
17 suitable sheltering and rearing habitat must be created and maintained by human
18 intervention to sustain the Ventura River steelhead population. The Plan uses steelhead
19 habitat condition as a performance metric for instream uses and sets objectives to
20 maintain and improve that habitat within the SAC MA.
- 21 • The SAC MA provides spawning and juvenile rearing habitat under suitable
22 precipitation and geomorphic conditions, but suffers from limited pools, insufficient
23 habitat complexity, *Arundo* invasion, and bank trampling that degrade spawning gravels
24 and rearing cover. The Solution recognizes that post-1959 flow metrics are similar or
25 higher than pre-development in key reaches, indicating that habitat loss and access—not
26 flow alone—now limit steelhead viability, making habitat work in SAC MA decisive. The
27 SAC MA leverages existing monitoring, known limiting factors, and discrete

1 implementable projects to quickly increase habitat quality and access for the population
2 segment that occupies this portion of the Watershed.

3 • This Solution utilizes natural precipitation cycles, combined with habitat/access
4 measures, to sustain habitat conditions.

5 • This Solution recognizes and builds on science that steelhead population cycles
6 have evolved to rely on wet and dry periods.

7 • This Solution recognizes that SAC MA flows and habitat are highly variable and
8 often seasonally intermittent, creating bottlenecks for juvenile rearing and adult holding
9 that can be most effectively addressed with localized structural habitat improvements,
10 invasive removal, and barrier remediation.

11 • The Ojai Basin’s perched-aquifer connection to San Antonio Creek provides an
12 identifiable groundwater-surface water linkage for targeted monitoring and management
13 to protect instream conditions without broadly constraining deeper production aquifers.

14 • Existing gauges at Camp Comfort and near the Ventura River confluence facilitate
15 flow-triggered rescue responses and evaluation of habitat-flow relationships in SAC MA
16 reaches.

17 **C. Phasing Based on Matilija Dam Removal**

18 Because removal of the Matilija Dam will dramatically alter steelhead habitat throughout
19 the Watershed, the Management Plan is divided into pre-and post-Dam removal phases:

20 • The Solution requires implementing habitat actions, monitoring, reporting, and
21 revising actions based on best available science and new information under Court
22 oversight.

23 • The Initial Implementation Phase begins upon the adoption of the Solution and
24 runs through Matilija Dam removal, with annual reporting and five-year
25 comprehensive assessments provided to the Court.

26 • The Secondary Implementation Phase continues for 10 years thereafter with the
27 same reporting cadence to re-assess objectives and management actions.

1 **D. Immediate Actions to Benefit Steelhead (§ 4.2)**

- 2
- 3 • Boulder Augmentation Pilot Project: Install or modify boulders or equivalent
- 4 clasts at selected San Antonio Creek locations to increase juvenile and adult
- 5 rearing habitat, cover from predation, structural diversity, velocity refuges at high
- 6 flows, and over-summering refuges at low flows, subject to permitting.
- 7
- 8 • Arundo Removal Program: the Ojai Valley Land Conservancy (OVLC) has
- 9 \$7,000,000 in CAL FIRE and CDFW grants, with \$6,920,000 remaining to
- 10 remove *Arundo* in SAC MA and the Ventura River mainstem; OVLC will report
- 11 annually each March on removal results, expenditures, remaining funds, and
- 12 planned activities for inclusion in the Annual Report.
- 13
- 14 • Removal of Barriers to Steelhead Passage: Within 180 days, CDFW and the
- 15 Technical Advisory Committee will begin assessing man-made passage barriers
- 16 in SAC MA, compiling ownership, barrier status, benefits, remediation costs,
- 17 environmental and community impacts, feasibility, and timelines; a prioritized
- 18 report is due within 18 months for Management Entity consideration and grant
- 19 support.
- 20
- 21 • Management of Non-native Fish: The Management Entity will consider any
- 22 CDFW-approved, funded non-native fish management plan, with annual March
- 23 reporting by CDFW for the Annual Report.
- 24
- 25 • Fish Rescue Plans and Procedures: Within 180 days, CDFW will establish a
- 26 notification process for stranded steelhead rescues, use existing authority for
- 27 rescue and relocation, and provide annual March action reports.
- Population Protection: Within one year, CDFW and parties will develop a plan for
- enhanced anti-poaching signage and CALTIP publicization, subject to identified
- funding.
- Anthropogenic Impacts: Within 180 days, CDFW and relevant property
- authorities will convene and, within 18 months, develop and implement a
- coordinated plan to abate unlawful human impacts harming steelhead and
- steelhead habitat in SAC MA.
- Conservation Efforts: All parties will continue legally required water
- conservation, and agricultural parties will continue industry-standard efficiency
- measures, without altering water rights claims.
- Other Self-Funded Projects: Any party may propose scientifically grounded,
- funded habitat projects to the Technical Advisory Committee and Management
- Entity for consideration and possible implementation.
- San Antonio Creek Flow Monitoring and Fish Rescue: OBGMA studies indicate
- that outside water use activities within the perched-aquifer zone contributes to

1 recharge and enhances natural San Antonio Creek flow. The Management Entity
2 will monitor Camp Comfort flows and, when flow approaches 0.5 cfs, conduct a
survey for stranded fish and coordinate with CDFW for possible fish rescues.

3 **E. Management Entity and Governance**

- 4 • The Solution appoints Casitas MWD as the SAC MA Management Entity to
5 implement the Solution in areas outside OBGMA’s exclusive SGMA jurisdiction.
6 Casitas will coordinate with OBGMA. Meetings will be open to the public, with
7 agendas and minutes, similar to Brown Act requirements. (§§ 4.3.1, 4.3.2(a))
- 8 • The SAC MA is predominantly within Casitas’ boundaries and will be managed
by Casitas as an arm of the Court.
- 9 • The Management Entity’s primary duty will be to implement the Management
10 Plan and Monitoring Plan, including project construction, data gathering, and
11 compliance, using its procedures and authorities consistent with law and the
Court’s orders.
- 12 • The Plan preserves local self-management in the Upper Ojai Basin, recognizing
13 unique hydrology and partial drainage outside SAC MA.
- 14 • Other parties may propose self-management standards subject to approval.
- 15 • The State Board and CDFW will receive regular technical input opportunities on
16 project design, construction, and performance, may sponsor self-funded
habitat/flow programs, and are encouraged to streamline permitting to support the
17 Solution.
- 18 • A three-person TAC will be appointed by the City of Ojai, County of Ventura,
19 and OBGMA within 180 days, meeting publicly and advising the Management
Entity on technical implementation and new projects. (§ 4.5)

20 **F. Monitoring and Reporting Plan (§ 4.2.5, Ex. F)**

- 21 • A detailed Monitoring and Reporting Plan (Exhibit F) establishes compliance,
22 validation, and long-term trend monitoring, including temperatures, dissolved
oxygen, flows, habitat mapping, snorkel surveys, genetics, and project
23 performance, with standardized annual technical reports.
- 24 • The Management Entity will monitor habitat suitable for steelhead in San Antonio
Creek, install measuring devices for water quality and flows, and use best
25 available science, with updates as records are revised.
- 26 • If sound scientific evidence shows Upper Ojai groundwater production harms San
Antonio Creek flows and public trust resources, the Management Entity may
27 undertake demand reduction programs as needed.

1 **G. Court Oversight and Dispute Resolution (§ 5.0)**

- 2
- 3 • The Court will retain full continuing jurisdiction to interpret, enforce, and supplement the Solution, and may remove the Management Entity for good cause.
 - 4 • Final Management Entity decisions are subject to *de novo* court review upon timely motion, with specified notice, timing, and appealable supplemental orders. Disputes under the Solution are first heard by the Management Entity, with written decisions and opportunity for court review; relative water right priorities remain reserved.

7 **H. Financing the Plan**

- 8
- 9 • The Management Entity will prepare and adopt an annual administrative budget covering operations and consultants at a public hearing, separate from but coordinated with its other budgets. Casitas MWD anticipates the currently identified SAC projects can be implemented within its existing water rate structure. (§ 4.3.2 (d).)
 - 12 • Each project must include long-term operations, maintenance, and monitoring provisions, and sufficient funding for those components prior to approval. Annual reports will include fiscal summaries of revenue and expenditures, ensuring transparency and accountability for the financing of management actions.

15 **I. Conclusion**

16 The Plan sequences implementable actions in SAC MA that are permit-ready or supported
17 by streamlined approaches, enabling early ecological gains while longer-horizon watershed
18 changes, such as Matilija Dam removal, proceed. The Monitoring Plan centers on SAC MA habitat
19 and fish response metrics, allowing adaptive management and Court-supervised accountability
20 focused where endangered steelhead benefits can be measured most directly.

- 21
- 22 • Key Deliverables and Timelines:
 - 23 - Within 180 days initiate barrier assessment; establish stranded fish notification process; convene anthropogenic impact coordination meeting;
 - 24 Technical Advisory Committee participants appointed by their respective
 - 25 principals; begin Arundo ordinance collaboration reporting.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

- Within 12 months: Complete signage and enforcement publicization plan, subject to funding; file annual Arundo and non-native fish reports each March, as applicable.
- Within 18 months: Deliver prioritized barrier remediation assessment and coordinated anthropogenic impact abatement plan.
- Annually and every five years: File Annual Reports with habitat status against Baseline Conditions, fiscal summaries, production inventory, new production evaluations, and five-year cumulative assessments aligned with SAC MA milestones.

Date: April 10, 2026

LEBEAU THELEN, LLP

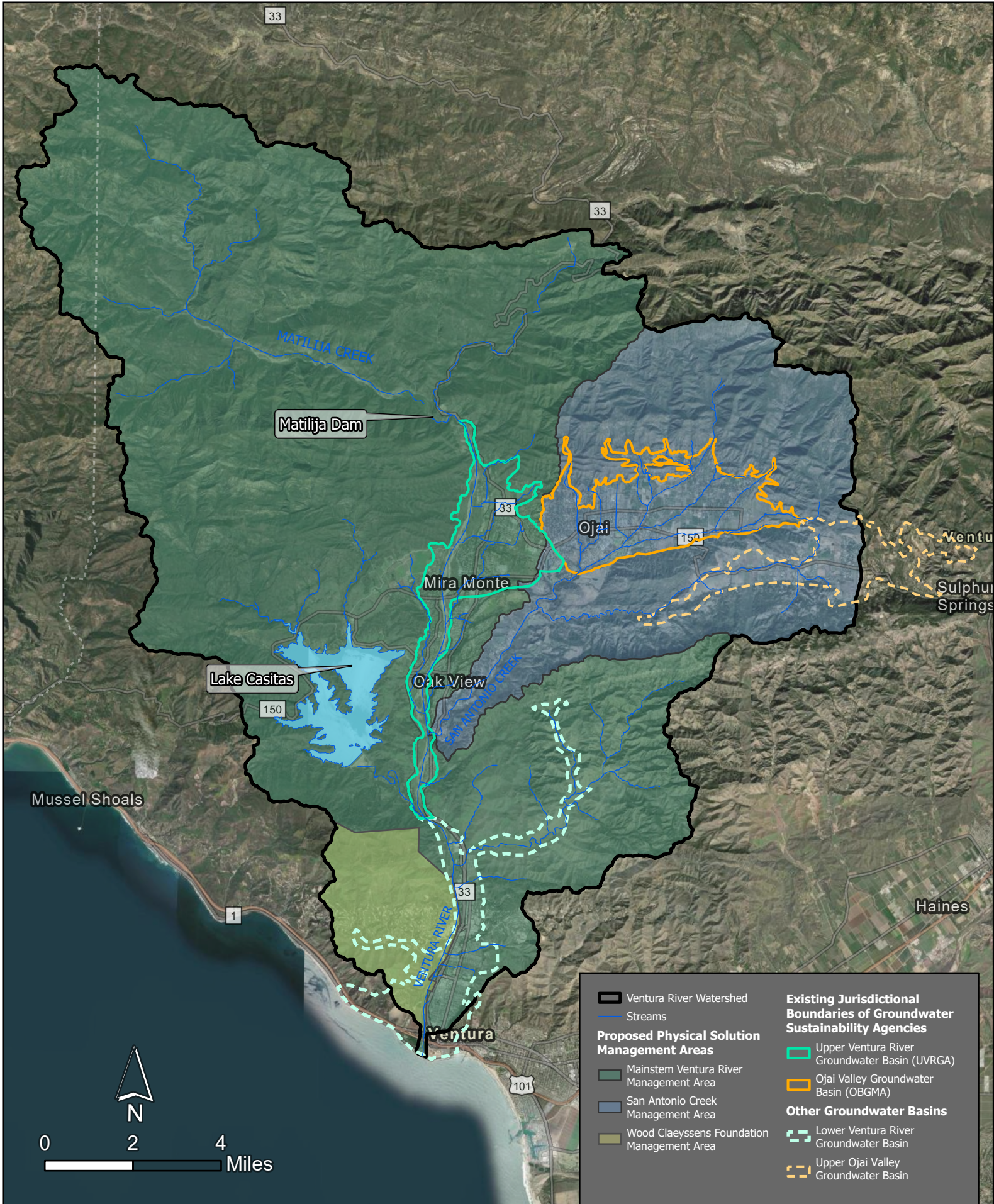
By: /s/ Robert G. Kuhs
ROBERT G. KUHS, ESQ.
Attorneys for Casitas Municipal Water District

Date: April 10, 2026

MARZULLA LAW, LLC

By: /s/ Roger J. Marzulla
ROGER J. MARZULLA, ESQ.
Attorneys for Casitas Municipal Water District

EXHIBIT B



Ventura River Watershed Proposed Management Areas

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

PROOF OF SERVICE

Los Angeles County Superior Court Complex Action Case No. 19STCP01176

STATE OF CALIFORNIA, COUNTY OF KERN

I, Kristen L. Moen, declare I am a citizen of the United States and a resident of the county aforesaid; I am and was at the times of the service hereunder mentioned, over the age of eighteen (18) years, and not a party to the within cause. My business address is: 9801 Camino Media, Suite 103, Bakersfield, CA 93311.

On April 10, 2026, I caused to be served the below listed document(s) titled as: **EXECUTIVE SUMMARY OF [PROPOSED] PHYSICAL SOLUTION FOR THE SAN ANOTNIO CREEK MANAGEMENT AREA** on the interested parties in this action as listed below.

XX **VIA FILE & SERVEXPRESS:** I affected electronic service by submitting as electronic version of the document(s) to File & ServeXpress, LLC, which caused the document(s) to be sent by electronic transmission to the person(s) at the electronic service address(es) listed.

XX **(STATE)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct, and that the foregoing was executed on **April 10, 2026**, in Bakersfield, California.

/s/ Kristen L. Moen
KRISTEN L. MOEN