



CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

BOARD OF DIRECTORS MEETING

Board of Directors

Cory Bantilan Chair, Santa Barbara County Water Agency
Derek Yurosek Vice Chair, Cuyama Basin Water District
Matthew Young Secretary, Santa Barbara County Water Agency
Byron Albano Treasurer, Cuyama Basin Water District
Arne Anselm County of Ventura
Deborah Williams Cuyama Community Services District

Jane Wooster Cuyama Basin Water District
Jason Higbee Cuyama Basin Water District
Jimmy Paulding County of San Luis Obispo
Katelyn Zenger County of Kern
Steve Jackson Cuyama Basin Water District

AGENDA

November 5, 2025

Agenda for a meeting of the Cuyama Basin Groundwater Sustainability Agency Board of Directors to be held on Wednesday, November 5, 2025, at 2:00 PM at the **Cuyama Valley Family Resource Center 4689 CA-166, New Cuyama, CA 93254**. Participate via computer at: <https://msteams.link/4GXC> or by going to Microsoft Teams, downloading the free application, then entering Meeting ID: 211 568 992 705 Passcode: et2fD66g or enter or telephonically at (469) 480-3918 Phone Conference ID: 839 596 065#.

Teleconference Locations:

| | | | |
|-------------------------------------|--|---|---|
| 4689 CA-166 New Cuyama, CA 93254 | 1115 Truxtun Ave, 5th Floor Bakersfield, CA 93301 | 900 Truxtun Ave, Suite 220 Bakersfield, CA 93301 | 1055 Monterey St, Suite D430 San Luis Obispo, CA 93408 |
|-------------------------------------|--|---|---|

The order in which agenda items are discussed may be changed to accommodate scheduling or other needs of the Board or Committee, the public, or meeting participants. Members of the public are encouraged to arrive at the commencement of the meeting to ensure that they are present for discussion of all items in which they are interested.

In compliance with the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services, to participate in this meeting, please contact Taylor Blakslee at (661) 477-3385 by 4:00 p.m. on the Friday prior to this meeting. The Cuyama Basin Groundwater Sustainability Agency reserves the right to limit each speaker to three (3) minutes per subject or topic.

1. Call to Order (Bantilan) (1 min)
2. Roll Call (Bianchi) (1 min)
3. Pledge of Allegiance (Bantilan) (1 min)
4. Meeting Protocols (Bianchi) (2 min)
5. Report from Auditors on Fiscal Year 2024-2025 Audit (Daniells Phillips Vaughan & Bock) (10 min)
6. **CLOSED SESSION:** Conference with Legal Counsel – Existing Litigation (15 min)
Pursuant to Government Code section 54956.9(d)(1)
 - (a) Bolthouse Land Company, LLC, et al v. All Persons Claiming a Right to Extract or Store Groundwater in the Cuyama Valley Groundwater Basin (BCV-21-101927)
7. Standing Advisory Committee Meeting Report (Kelly) (3 min)

CONSENT AGENDA

Items listed on the Consent Agenda are considered routine and non-controversial by staff and will be approved by one motion if no member of the Board or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Board concerning the item before action is taken.

8. Approve September 3, 2025, Meeting Minutes (Bantilan) (1 min)
9. Approve Payment of Bills for August and September 2025 (Blakslee) (1 min)
10. Approve Financial Reports for August and September 2025 (Blakslee) (1 min)
11. Approve the 2026 Meeting Calendar (Bianchi) (1 min)

ACTION ITEMS

All action items require a simple majority vote by default (50% of the vote). Items that require a super majority vote (75% of the weighted total) will be noted as such at the end of the item.

12. Groundwater Sustainability Plan Implementation
 - a) Discuss and Take Appropriate Action on the Plan and Timeline to Evaluate Allocations in the Ventucopa Management Area (Beck/Van Lienden/Ceyhan) (90 min)
 - b) Discuss and Take Appropriate Action on Tri-County Pistachio Variance Request (Blakslee/Ceyhan) (30 min)
 - c) Discuss and Take Appropriate Action on the CMA Allocation Exchanges Policy (i.e. Water Market) (Beck/Blakslee) (30 min)
 - d) Discuss and Take Appropriate Action on Options to Address Adaptive Management Processes (Blakslee) (20 min)
 - e) Discuss and Take Appropriate Action on Options to Address New Pumping Outside the Management Area (Blakslee/Dominguez) (30 min)

REPORT ITEMS

13. Administrative Updates
 - a) Report of the Executive Director (Blakslee) (5 min)
 - b) Report of the General Counsel (Hughes) (5 min)
14. Technical Updates
 - a) Update on Groundwater Sustainability Plan Activities (Van Lienden) (5 min)
 - b) Update on Grant-Funded Projects (Van Lienden) (5 min)
15. Report of Ad Hoc Committees (1 min)
16. Directors' Forum (1 min)
17. Public Comment for Items Not on the Agenda (5 min)
18. Correspondence (1 min)
19. Adjourn (6:25 p.m.)

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

2025 Board Ad hocs

| | | |
|----------|--|--|
| 1 | CIMIS Station Implementation Policy | Burnes Bantilan Wooster |
| 2 | Variance | Albano Anselm Jackson Young |
| 3 | Farm Unit Policy | Albano Bantilan Yurosek |
| 4 | Fiscal Year Budget | Burnes Young Zenger |
| 5 | Allocation Exchanges & Carryover | Anselm Higbee Jackson Williams Wooster |
| 6 | Expanding Allocations outside the Management Area and Ventucopa | Bantilan Yurosek Reely Albano |

Tech Forum Participants

| Participants | Entity | Representing |
|---------------------------------------|--------------------------|---|
| Bob Abrams | Aquilogic | BBK |
| Matt Klinchuch | Provost & Pritchard | Cuyama Basin Water District |
| Jeff Shaw Macy Frost Wes Henson | EKI | Cuyama Basin Water District |
| Neil Currie | Cleath-Harris Geologists | Grapevine Capital |
| Matt Nafalty | Dudek | DWR Small Farmer Technical Assistance Program |



TO: Board of Directors
Agenda Item No. 5

FROM: Taylor Blakslee

DATE: November 5, 2025

SUBJECT: Report from Auditors on Fiscal Year 2024-2025 Audit

Recommended Motion

None – informational only.

Discussion

Daniells Phillips Vaughan & Bock has been retained to perform the audit for Fiscal Year 2024-2025 and the draft Financial Report (dated June 30, 2025) and auditor's report is provided as **Attachment 1**.

**CUYAMA BASIN GROUNDWATER
SUSTAINABILITY AGENCY**

FINANCIAL REPORT
June 30, 2025

DRAFT 10.27.2025

CONTENTS

| | |
|-------------------|--|
| ORGANIZATION DATA | |
|-------------------|--|

| | |
|------------------------------|-----|
| INDEPENDENT AUDITOR'S REPORT | 1-3 |
|------------------------------|-----|

| | |
|--|------|
| Management's Discussion and Analysis | 4-5 |
| Financial Statements | |
| Statements of Net Position | 6 |
| Statements of Revenues, Expenses and Changes in Net Position | 7 |
| Statements of Cash Flows | 8 |
| Notes to Financial Statements | 9-12 |

| | |
|---|-------|
| OTHER INDEPENDENT AUDITOR'S REPORT | |
| 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> | 13-14 |

| | |
|---|----|
| Schedule of Findings and Responses | 15 |
| Summary Schedule of Prior Year Findings | 16 |

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

ORGANIZATION DATA

June 30, 2025

BOARD OF DIRECTORS

Cory Bantilan, Chairperson, Santa Barbara County Water Agency

Arne Anselm, Secretary, County of Ventura

Byron Albano, Treasurer, Cuyama Basin Water District

Rick Burnes, Director, Cuyama Basin Water District

Steve Jackson, Director, Cuyama Basin Water District

Jimmy Paulding, Director, County of San Luis Obispo

Matthew Young, Director, Santa Barbara County Water Agency

Jane Wooster, Director, Cuyama Basin Water District

Deborah Williams, Director, Cuyama Community Services District

Derek Yurosek, Director, Cuyama Basin Water District

Katelyn Zenger, Director, County of Kern

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cuyama Basin Groundwater Sustainability Agency
Bakersfield, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Cuyama Basin Groundwater Sustainability Agency** (the Agency), as of and for the years ended June 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of June 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 audits. 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

The Agency's 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 opinion. 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 GAAS 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 GAAS 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 on pages 4-5 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 [DATE] 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 Agency's internal control over financial reporting and compliance.

Bakersfield, California

[DATE]

DRAFT 10.27.2025

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Board of Directors of the **Cuyama Basin Groundwater Sustainability Agency**, we offer readers of the Agency's financial statements this narrative overview and analysis of the Agency's performance during the fiscal years ended June 30, 2025 and 2024. Please read it in conjunction with the Agency's financial statements, which will follow this section.

Agency Formation and Organization

Cuyama Basin Groundwater Sustainability Agency (the Agency) is a joint powers authority established on June 6, 2017 in accordance with Sustainable Groundwater Management Act (SGMA). SGMA requires that a Groundwater Sustainability Plan (GSP) be adopted for the 21 basins and subbasins identified by the Department of Water Resources as "critically overdrafted," of which, the Agency is one. The purpose of the GSP is to achieve sustainability in the basin by the year 2040. The Agency was responsible for developing and initiating the implementation of a GSP by January 31, 2020. Funding for projects is obtained through State grants utilizing State bond funds and potential matching funds from local government agencies.

Using This Annual Report

This annual report includes this management's discussion and analysis report, the independent auditor's report and the basic financial statements of the Agency. The basic financial statements consist of a series of financial statements. The statement of net position, the statement of revenues, expenses and changes in net position and the statement of cash flows provide information about the activities of the Agency. The basic financial statements also include various footnote disclosures, which further describe Agency activities.

Required Financial Statements

The financial statements of the Agency report information of the Agency using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The statement of net position includes all of the Agency's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Agency creditors (liabilities). It also provides the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency.

All of the year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in net position. This statement measures the success of the Agency's operations over the past year and can be used to determine whether the Agency has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the statement of cash flows. This statement reports cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Highlights

- A large portion of the Agency's assets is cash of approximately \$1.7 million.
- The Agency's operating revenue in fiscal year 2025 was approximately \$2.1 million which consists of grant revenue and groundwater extraction fees.

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The Agency's operating expenses in fiscal year 2025 were approximately \$2.4 million, primarily consisting of reimbursable expenses related to the grant with the Department of Water Resources.

2025, 2024 and 2023 Condensed Financial Statements

| | 2025 | 2024 | 2023 |
|------------------------|--------------|--------------|--------------|
| Current assets | \$ 2,375,409 | \$ 4,037,185 | \$ 2,900,515 |
| Current liabilities | \$ 353,313 | \$ 1,691,069 | \$ 819,567 |
| Net position | \$ 2,022,096 | \$ 2,346,116 | \$ 2,080,948 |
| Operating revenues | \$ 2,122,764 | \$ 4,824,942 | \$ 2,507,529 |
| Operating expenses | 2,446,784 | 4,559,774 | 1,541,882 |
| Change in net position | \$ (324,020) | \$ 265,168 | \$ 965,647 |

Contacting the Agency's Financial Management

This financial report is designed to provide the Board of Directors and the Agency's stakeholders with a general overview of the Agency's accountability for the assets it receives and manages.

If you have questions about this report or need additional information, please contact Taylor Blakslee, Project Manager, at 4900 California Ave, Tower B, 2nd Floor, Bakersfield, California 93309.

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

STATEMENTS OF NET POSITION

June 30, 2025 and 2024

| | 2025 | 2024 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 1,687,745 | \$ 187,287 |
| Accounts receivable | 687,664 | 3,849,898 |
| Total current assets | \$ 2,375,409 | \$ 4,037,185 |
| LIABILITIES AND NET POSITION | | |
| Current Liabilities | | |
| Accounts payable | \$ 249,840 | \$ 1,648,390 |
| Deferred revenue | 103,473 | 42,679 |
| Total current liabilities | 353,313 | 1,691,069 |
| Net Position - Unrestricted | 2,022,096 | 2,346,116 |
| Total liabilities and net position | \$ 2,375,409 | \$ 4,037,185 |

See Notes to Financial Statements.

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION**

Years Ended June 30, 2025 and 2024

| | 2025 | 2024 |
|---------------------------------|---------------------|---------------------|
| Operating revenues | | |
| Grants | \$ 1,950,523 | \$ 3,869,900 |
| Groundwater extraction fees | 172,241 | 955,042 |
| Total operating revenues | 2,122,764 | 4,824,942 |
| Operating expenses | | |
| Program | 1,951,410 | 4,141,609 |
| General and administration | 495,374 | 418,165 |
| Total operating expenses | 2,446,784 | 4,559,774 |
| Change in net position | (324,020) | 265,168 |
| Net position, beginning | 2,346,116 | 2,080,948 |
| Net position, ending | \$ 2,022,096 | \$ 2,346,116 |

See Notes to Financial Statements.

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 and 2024

| | 2025 | 2024 |
|---|---------------------|-----------------------|
| Cash Flows From Operating Activities | | |
| Receipts from grants | \$ 4,688,450 | \$ 1,180,026 |
| Receipts from landowners | 657,342 | 98,152 |
| (Payments) for program expenses | (3,350,594) | (2,835,491) |
| (Payments) for administration services | (494,740) | (417,699) |
| Net cash provided by (used in) operating activities | 1,500,458 | (1,975,012) |
| Cash: | | |
| Beginning | 187,287 | 2,162,299 |
| Ending | <u>\$ 1,687,745</u> | <u>\$ 187,287</u> |
| Reconciliation of operating income to net cash provided by (used in) operating activities | | |
| Operating income (loss) | \$ (324,020) | \$ 265,168 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | |
| Changes in working capital components: | | |
| (Increase) decrease in: | | |
| Accounts receivable | 3,162,234 | (3,111,682) |
| Increase (decrease) in: | | |
| Accounts payable | (1,398,550) | 1,306,584 |
| Deferred revenue | 60,794 | (435,082) |
| Net cash provided by (used in) operating activities | \$ 1,500,458 | \$ (1,975,012) |

See Notes to Financial Statements.

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Agency and Summary of Significant Accounting Policies

Nature of activities: **Cuyama Basin Groundwater Sustainability Agency** (the Agency) is a joint powers Authority established on June 6, 2017 in accordance with Sustainable Groundwater Management Act (SGMA). SGMA requires that a Groundwater Sustainability Plan (GSP) be adopted for the 21 basins and subbasins identified by the Department of Water Resources (DWR) as "critically overdrafted," of which, the Agency is one. The purpose of the GSP is to achieve sustainability in the basin by the year 2040. The Agency is responsible for developing a GSP and implementing that GSP over the next 20 years.

A summary of the Agency's significant accounting policies follows:

Reporting entity: The Agency has no oversight responsibility for any other governmental entity, nor is the Agency's operation a component unit of any other governmental entity. Therefore, the reporting entity consists only of Agency operations.

The Agency operates as an enterprise fund. An enterprise fund accounts for operations that are financed and operated similarly to private business enterprises.

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 disclosures 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.

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred.

Enterprise funds have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The Agency has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by the Governmental Accounting Standards Board (GASB).

Cash: The Agency maintains its cash in a bank deposit account, which, at times may exceed federally insured limits. The Agency has not experienced any losses in such account. The Agency believes it is not exposed to any significant credit risk on cash.

Accounts receivable: Accounts receivable represents amounts due from the California Department of Water Resources. The Agency considers accounts receivable to be fully collectible; accordingly, no allowance for credit losses is required.

Deferred revenue: Deferred revenue consists of groundwater extraction fees billed for the next fiscal year received before year end.

Net position: The basic financial statements utilize a net position presentation. Net position is categorized as unrestricted.

- *Unrestricted Net Position* - This category represents the net position of the Agency, not restricted for any project or other purpose.

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

NOTES TO FINANCIAL STATEMENTS

Subsequent events: The Agency has evaluated subsequent events through [DATE], the date on which the financial statements were available to be issued. There were no subsequent events identified by management which would require disclosure in the financial statements.

Authoritative pronouncements not yet adopted: The following statement issued by the GASB is effective for year ends after June 30, 2025 and management is evaluating the impact of the implementation of this statement on their financial statements.

- In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

NOTES TO FINANCIAL STATEMENTS

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Note 2. Cash

Cash held by the Agency consists of cash in a general checking account.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unity).

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

NOTES TO FINANCIAL STATEMENTS

Note 3. Major Funding Sources

The following grantor and landowners each accounted for over 10% of the Agency's total revenue for the years ended June 30, 2025 and 2024:

| | 2025 | 2024 |
|-------------|--------------|--------------|
| Grantor | \$ 1,950,523 | \$ 3,869,900 |
| Landowner A | 61,259 | * |
| Landowner B | 39,047 | * |
| Landowner C | * | 424,909 |

* Not in excess of 10% of total revenue for the year indicated.

The grant revenue is subject to review and audit by the State of California. If the review or audit discloses exceptions, the Agency may incur a liability to the State of California.

DRAFT 10.27.2025

OTHER INDEPENDENT AUDITOR'S REPORT

DRAFT 10.27.2025

**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**

Board of Directors
Cuyama Basin Groundwater Sustainability Agency
Bakersfield, California

We have audited, 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, the financial statements of **Cuyama Basin Groundwater Sustainability Agency** (the Agency) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated [DATE].

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 procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item FS-2025-001, that we considered to be a significant deficiency.

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*.

Cuyama Basin Groundwater Sustainability Agency Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the finding identified during our audit and described in the accompanying schedule of findings and responses. The Agency's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Bakersfield, California

[DATE]

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2025

I. INTERNAL CONTROL OVER FINANCIAL REPORTING

FS-2025-001 **Condition:** The Agency does not have proper segregation of duties in the cash receipts process. The person who receives the cash also deposits the cash and enters the transaction into the general ledger.

Criteria: Segregation of duties is the basic building block of sustainable risk management and internal controls.

Cause: Limited number of staff working for the Agency.

Effect: Cash received can be manipulated for personal gain and amounts received can be materially misstated on the financial statements.

Recommendation: The Agency should define separate persons to complete each task allowing for segregation of duties.

Management's Response/Planned Corrective Action: The Agency acknowledges the importance of internal controls and the segregation of duties. With a limited number of staff, the Agency relies on alternative practices to safeguard its assets. For example, the generation of revenue and invoicing amounts are developed by staff not responsible for cash receipts and entering transactions in the general ledger. Cash receipts and accounts receivable balances are reported to, and reviewed by, staff responsible for developing revenue generation and invoicing amounts not less than on a monthly basis. Additional management oversight includes the reporting of revenue and expenses, and corresponding cash receipts and disbursements, to the Agency's Board of Directors at every scheduled board meeting.

CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2025

FS-2024-001 The Agency did not have proper segregation of duties in the cash receipts process. The person who received the cash also deposited the cash and entered the transaction into the general ledger. *Similar item noted in the current year. See FS-2025-001.*

DRAFT 10.27.2025

Cuyama Basin Groundwater Sustainability Agency
Board of Directors Meeting

September 3, 2025

Draft Meeting Minutes

PRESENT:

Directors

Bantilan, Cory – Chair
Yurosek, Derek – Vice Chair
Albano, Byron – Treasurer
Anselm, Arne
DeBranch, Brad – Alternate
Jackson, Steve
Reely, Blaine – Alternate
Williams, Debby
Wooster, Jane
Young, Matthew – Secretary
Zenger, Katelyn

Staff

Beck, Jim – Executive Director
Bianchi, Grace – Project Coordinator
Blakslee, Taylor – Assistant Executive Director
Dominguez, Alex – Legal Counsel
Van Lienden, Brian – Woodard & Curran

Absent

Higbee, Jason

1. Call to Order

Cuyama Basin Groundwater Sustainability Agency (CBGSA) Chair Cory Bantilan called the meeting to order at 2:00 p.m.

2. Roll Call

Ms. Bianchi called roll (shown above) and informed Chair Bantilan that there was a quorum of the Board.

3. Pledge of Allegiance

The pledge of allegiance was led by Chair Bantilan.

CLOSED SESSION

Conference with Legal Counsel- Existing Litigation

At 2:04 PM, the Board adjourned to closed session. At 2:53 PM, the Board returned from closed session at which time Legal Counsel reported to the public that there was no reportable action.

4. Meeting Protocols

Ms. Bianchi provided an overview of the meeting protocols.

5. Standing Advisory Committee Meeting Report

Submitted to the CBGSA Board of Directors on September 3rd, 2025

By Brenton Kelly, SAC Chair

Last week on August 28th, the Standing Advisory Committee met at the Family Resource Center in a hybrid format, with all 7 members present, 5 in-person and 2 on the conference line from the remote locations that were posted on the agenda. GSA Staff Taylor Blakslee was joined by Grace Bianchi and Alex Dominguez in the room, with Brian Van Lienden and Sercan Ceyhan from Woodard & Curran on the video call. It was well attended by more than a dozen members of the public present in the room and many more stakeholders were online. The meeting lasted a little over 4.5 hours. The SAC spent almost 2 hours reviewing and discussing the Ventucopa and SBCF Data Analysis. This was a fascinating presentation and discussion but no actions were needed from the SAC. For 1.5 hours the SAC reviewed and discussed the Water Market Policy. The SAC made two unanimously approved Recommendations for this Board's consideration.

Stakeholder Tristan Zannon spoke about the Variance Request from Tri-County Pistachio Co. included in correspondence. He noted that he wasn't given sufficient time to review and address the complexity of the allocations in one month of last year. The GSA data is clearly wrong and he respectfully requests consideration for correction. Benjamin Markham, Zannon's Legal Counsel, added that there are documented errors on the GSA's estimation of historic use and they will bring this to the board on September 3, 2025. The SAC recognizes the Variance Process to be a logistical challenge for farmers and encourages every attempt to get it right and correct all known data errors.

9a) Discuss and Take Appropriate Action on the Plan and Timeline to Evaluate Allocations in the Ventucopa Management Area

The SAC was updated regarding the new timeline which continues to be delayed due to not knowing the location and characteristics of the Santa Barbara Canyon Fault. More data collection and analysis is required, thus more time is needed before we know if we know enough! We won't know until next year if there is sufficient confidence in our understanding of the SBC Fault to effectively consider allocations in the Ventucopa MA.

As for the rest of the data gaps in the other critical data sets, as clearly summarized on slide pg. 81, only a third (4 of the 12 data sets) are considered adequately available and the remaining data sets are either partially adequate or not available at all.

Committee Member Haslett asked when the CBGSA can expect to make a decision on

allocations. Mr. Blakslee responded that the staff report to the board in January will include a recommendation if the data is adequate to inform a decision to allocate. This would then inform the Annual Report and 2026-27 Budget and work plan for possible allocations in the fall of 2026, with time for the Variance Process for the calendar year 2027.

Committee Member Jaffe asked about the groundwater levels of wells on either side of the SBCF. Mr. Ceyhan confirmed that they believe the 700 ft drop in head across 1 mile (from 2600 to 1900) is indicative of being on opposite sides of a significant fault. Chair Kelly asked when the CIMIS was decommissioned and questioned the use of any historic ET Data from the old high school site which had not been maintained for decades. Even the precipitation data should not be considered accurate for Ventucopa. It is hoped that the new CIMIS stations can help correct the old. And then all the calculations can be recalibrated and changed, yet again.

The Land Use data sets were brought into question. The accuracy of Land IQ is recognized and the GSA has asked that local property owners verify and update the land use maps. It was noted that recent changes to Highland Vineyard of pulling out acres of vines are not reflected in the current Land use maps.

Mr. Ceyhan explained that Ratings Tables are used to convert the flow volume into the flow height in the channel to help define how much water is seeping into the groundwater basin from the stream surface flow. The Cuyama River is wide and braided and the data gap in Rating Tables prevents the use of the high tech LiDAR River Survey data to inform the Model to calculate the amount of groundwater coming in or surface water flowing out. This data gap is understood to introduce a significant degree of uncertainty to an important calculation in the mass balance equation of the Cuyama Groundwater Basin.

Mr. Ceyhan continued to explain that the lack of understanding of the bottom layer of the Ventucopa basin makes it difficult for the Model to estimate subsurface flows. Local stakeholder Jim Wegis commented that there is a well near his property that is 700 feet deep and dry because it is only perforated at the bottom. Once you drill below the clay at >250' there is no water. He will share the e-log for the well with staff, but it has been capped. Chair Kelly noted that this lowest layer, called the Morales, which appears to be dry or absent in the Ventucopa area is the major groundwater producing aquifer in the CMA. This is demonstrated by the steep gradient across the SBC Fault suggesting a significant separation in groundwater connectivity.

Chair Kelly was pleased to hear Mr Ceyhan's suggestion that an inexpensive Geochemical/Tracer/Isotope Analysis study would fill important data gaps and greatly enhance the Model calculations for the subsurface flows through the Basin. Chair Kelly has supported this particular technical analysis for a decade.

The collective take-away from this thorough and accessible presentation was that the analysis of available data does not support confidence in the hydrogeologic understanding of the Ventucopa Management Area and in fact it leans decidedly toward low confidence.

Santa Barbara Canyon Fault Study:

Committee Member DeBranch asked about the possibility of the fault ending between the two transect lines of the 2024 study. Mr. Van Lienden thought it might be possible but suggested that Jim Steinberg may have a more thorough answer. Stakeholder Tristan Zannon commented that visual observation of the escarpment on the west side of the River may indicate a potential fault south of the mouth to Santa Barbara Canyon. This along with well data from the new monitoring wells (Opti 915-916) could suggest the fault is farther to the south on the 33 than the first transect.

9b) Discuss and Take Appropriate Action on the CMA Allocation Exchanges Policy (i.e. Water Market)

After a thorough discussion of this item the SAC unanimously approved a motion to delay approval of this policy until further development. Legal counsel Alex Dominguez presented the Policy developed by counsel with input from the GSA ad hoc and to be presented to the GSA Board on September 3rd. The following discussion took place:

Chair Kelly asked if someone who had to over-pump, but then paid the penalty fees, would be eligible to participate in an allocation exchange? Legal Counsel Alex Dominguez responded that a landowner that has paid fees would be considered in good standing with the GSA and would be able to exchange.

Chair Kelly then asked if a lessee could exchange the allocations of parcels that they leased? Legal Counsel Alex Dominguez responded that only a property owner could participate in an exchange of their own allocations. This would suggest that any allocations assigned to Farming Units would not be available on the Exchange.

Committee Member Jaffe asked how the transfers would be tracked and reported? Mr. Blakslee noted that Hallmark Group will track allocations through the metered pumping reports and report them in an additional column on the annual Allocations Use Report that comes out in April-May Packet. She expressed concern about the lack of detail in the policy and noted the Fox Canyon water markets had to close their water market program because large pumpers' aggregated parcels operated outside the water market and depleted Fox Canyon's sensitive area even further.

It was noted that in the 2024 Allocations Use Report only 57% of the groundwater allocations were actually utilized and most of the unused allocations were in the Farming Units. It would be helpful to understand if this overestimation could be used to establish available allocations for in the Exchange.

Committee Member Haslett asked about the timeframe in which exceedances are identified and addressed. Mr. Blakslee responded that in the next agenda item Staff is recommending a process and timeframe in the Adaptive Management Standard Operating Procedures (SOP). Haslett was also concerned that the ad hoc and Board conversations are not representative of small farmers' concerns. He recommended a public process for interested parties to register for the water markets so buyers could find sellers or otherwise allocate a small percentage of the

total allocations as a pool for the exchange.

Committee Member Gaillard asked if there could be a registration process in which the exchanges are connected so that small farmers might have a priority in the market because this policy was conceived to provide viability to small farmers like the Lewis's.

Gaillard also suggested that transducers could be used to monitor changes in the groundwater elevations of participating wells.

Chair Kelly agreed with Gaillard because the Monitoring Network is not robust everywhere in the CMA and that moving forward the Network is particularly sparse in many areas outside of the CMA.

Committee Member Lewis expressed concern for the absence of small farmers on the ad hoc or board. He was disappointed that there was no mechanism for buyers to find sellers. And he repeated his objection to the policy of only using historical use to set allocations because it rewards the biggest pumpers who have been pumping too much for too long.

Committee Member DeBranch commented that a simpler policy would be best and this was a good first pass. He suggested that the price would likely be driven by the penalty fee that the GSA has set forth, and that it would serve as the back stop. He also said that no one had approached him for water.

Committee Member Jaffe recommended that the policy consider additional stakeholder input including more input from small farmers like Dave Lewis. She suggested if done right this could be an opportunity to build trust, transparency and equity in the Basin, but that the policy isn't ready for adoption yet.

Stakeholder Tristan Zannon said that although he appreciated the expediency of the policy development and would prefer a simple policy that would be subject to revisions over time, he added that he hasn't found any sellers. He suggested that without a pool to get started it was like blind moles trying to find each other in the dark. This system may not be helpful to anyone!

Stakeholder Jim Wegis commented that the pool idea only works for landowners that have extra water that they can make available and should not be taken out of everyone's allocations. He thought an auction could be good but it would not address equity concerns. He believes that the GSA should not be involved in choosing between winners and losers in the fall-out of SGMA. This is a very difficult situation for everyone.

Motion:

Committee Member Jaffe made a motion to recommend that the board NOT adopt this Exchange Policy until there is further refinement and the engagement of stakeholders impacted. The motion was seconded by Committee Member Haslett. And passed unanimously.

9d) Discuss and Take Appropriate Action on Standard Operating Procedures (SOPs) for the Adaptive Management Process

Although the discussion of this item did not take very long the Committee did adopt a unanimous recommendation.

Committee Chair Kelly asked who would be responsible for implementing the potential Adaptive Management Strategy to Install replacement wells or deepen existing wells? Would it be the GSA's responsibility? Mr. Blakslee suggested that the GSA could work with local landowners and the responsible neighbor might volunteer support. He stated that this is just one potential option, and that a more likely management strategy could be to implement a localized pumping management plan.

Committee Member Jaffe and Haslett both mentioned the concern brought up from the last item regarding the time frame within which action must be taken. The SOP does not specify a timeline by which exceedances would be investigated or by which management actions would be implemented. Mr. Blakslee stated that he could include a timeline for the steps in the procedure to be taken within months (not years). This would need to be reviewed by the Board.

Motion:

Committee Member Caufield made a motion to recommend the GSA Board adopt the SOP for Adaptive Management with the inclusion of a monthly timeline. The motion was seconded by Committee Member Haslett. A roll call vote was made, and the motion passed unanimously.

9e) Discuss and Take Appropriate Action on Options to Address New Pumping Outside the CMA

Committee Member Jaffe called out the elephant in the room and asked how these decisions will be impacted by the Adjudication and why go through this allocation process if the courts will decide in the end. She does consider it important to manage any new irrigated operations on former rangeland, like the new Salisbury Canyon cannabis operation.

Legal Counsel Dominguez responded that the GSA has to find a way to fulfill court orders and fulfill SGMA requirements. The time line for this match up can not be known as it is unclear when the courts will determine allocations, so in the meantime the GSA is exploring setting basin wide allocations on its own. He opined that the Adjudication can do things that the GSA can not do.

Committee Member Haslett stated that groundwater availability is not uniform across the basin, so the Basin can not be balanced by cutting back evenly across the basin. He supports option 1, continuing implementing the current Plan and not to descend the slippery slope toward basin wide cutbacks.

Committee Member DeBranch commented that the data he has seen suggests that cut-backs to the CMA alone will not achieve Sustainability. He asked at what point do we address the estimated 3000 to 5000 AFY of overdraft outside the CMA? He suggested this was a good first attempt.

Chair Kelly asked how the remaining model-estimated overdraft will be identified in the basin?

How do any of these options attempt to identify that specifically? Any new significant pumping on formally unirrigated land is a big problem and should be managed immediately, but historic use on unirrigated rangeland and small farming operations have not contributed to the historic basin overdraft.

*Respectfully submitted,
Brenton Kelly SAC Chair*

CONSENT AGENDA

6-8. Consent Agenda

Chair Bantilan asked if any Directors wanted to move any of the consent items out to discuss in more detail.

There were no public comments on this item.

MOTION

Director Williams made a motion to approve the consent agenda item nos. 6-8. The motion was seconded by Director Jackson. A roll call vote was made and the motion passed with 89%.

| | |
|----------|---|
| AYES: | Albano, Anselm, Bantilan, DeBranch, Jackson, Wooster, Young, Yurosek, Zenger, Reely, Williams |
| NOES: | None |
| ABSTAIN: | None |
| ABSENT: | None |

ACTION ITEMS

9. Groundwater Sustainability Plan Implementation

a. Discuss and Take Appropriate Action on the Plan and Timeline to Evaluate Allocations in the Ventucopa Management Area

Mr. Blakslee provided an overview of the objective for evaluating allocations in the Ventucopa Management Area.

Sercan Ceyhan from Woodard & Curran provided a presentation on the datasets in the Ventucopa Management Area for use to calculate sustainable yield and allocations.

Director Young asked if the rating tables will be redone with improved elevation data. Mr. Ceyhan responded that staff proposes the action of redoing the rating tables.

Mr. Ceyhan reviewed the recent efforts by the GSA to collect more data and potential improvements to the existing datasets for Cuyama Basin Water Resource Model (CBWRM) enhancement.

Director Steve Jackson asked whether the model update would help determine how to split the sustainable yield among the management areas. Staff confirmed that the model will inform that evaluation.

Director Wooster asked about the graph on pumping after ET adjustment graphs, specifically the difference between the reported pumping vs simulated pumping. Mr. Ceyhan responded that the model overestimated by approximately 5% in 2022 and underestimated by 0.5% in 2023.

Chair Bantilan asked about the outlier on the graph. Mr. Ceyhan responded that the reported pumping didn't match the land use and that they can investigate the outlier.

Mr. Van Lienden and Mr. Strandberg provided an update on the Santa Barbara Canyon Fault (SBCF) investigation.

SAC Chair Brenton Kelly provided the SAC report on this item.

Mr. Strandberg responded that there is likely to be a fault south of line 1. He noted that a western fault would not address the water level difference between wells.

Director Albano noted that there not any productive wells south of line 1 near Jim Wegis's property. He asked if its worth checking closer to that area. Mr. Strandberg responded that it wouldn't be feasible due to differences in topography across the transect.

Mr. Blakslee asked about use of dogger wells. Mr. Strandberg responded that the dogger wells are deeper and wouldn't be useful to locating the SBCF.

Chair Bantilan opened the floor for public comment.

Tristan Zannon suggested that the fault may be present to the south of the current proposed transect and pointed out an escarpment area just south of Badlands Ranch off of Highway 33.

Chair Bantilan asked if Jim and Mr. Strandberg are open to exploring this, to which Mr. Strandberg answered in the affirmative and confirmed that it is possible to run a longer transect study (~3600 ft).

Mr. Lovgren asked if the fault is bigger than previously thought, does the model show the potential range in reduction of groundwater flows from Ventucopa to the CMA?

Mr. Blakslee answered that this is one of the key questions that the study is will answer. Sercan responded that he believes the model estimates 800-1,000 af year.

Chair Bantilan closed the floor for public comment.

Director Albano expressed he feels the volume of water that the model predicts is flowing across the SB Canyon Fault into CMA is what should be managed.

Chair Bantillan asked to clarify if Director Albano means the historic flow across the fault. Director Albano responded he sees the historical flow should be the critical concern for management.

Director Albano asked if the flow across the fault (800-1000 af) is the ultimate goal for management.

Mr. Ceyhan responded that the real goal is to come up with a sustainable yield calculation that managers can be confident in, but the historical outflow is one of the components of that calculation.

Mr. Van Lienden added that the goal is to calculate how much pumping allows us to be balanced in the long term, accounting for all inputs and outputs.

Director Young asked if the board needs to make the model calibration decision by November meeting and Mr. Blakslee reminded him that the meeting will be in January after the study is conducted.

Director Yurosek asked if changes in head pressure would cause changes in the flows coming into the CMA across the fault. Brian responded that there is likely variability in the amount of flow.

Director Jackson posed the question on how much unrestricted pumping outside of the CMA is impacting the ability of the CMA to become sustainable.

Director Albano iterated that the lingering question is how much inflow of groundwater into the CMA needs to be sustained.

There was consensus for staff to explore potential extension south of fault line one.

b. Discuss and Take Appropriate Action on the CMA Allocation Exchanges Policy

Mr. Blakslee provided an overview of the Central Management Area (CMA) Allocation Exchanges Policy and background on previous board direction. Legal Counsel Alex Dominguez reviewed each article of the draft policy.

Director Young asked how farming units are accounted for in this process. Legal Counsel Alex Dominguez responded that allocations are given to landowners and the entirety of the farming unit would need to approve transfers.

Director Reely asked if price of allocations will be public. Legal Counsel Dominguez responded that the GSA doesn't request landowners to provide that information

Director Albano asked if farming units are included in the CMA. Legal Counsel Dominguez responded that it was implied that farming units are included in the policy.

Director Wooster commented that the ad hoc discussed that farming units should be included in the CMA and that the map in Exhibit B be updated to include the farming units. She asked why the policy doesn't apply to the entire basin.

Director Young commented that all areas with allocations should have ability to participate in

the allocation exchanges.

Director Albano expressed concern that landowners may pump to receive allocations in the CMA to sell off allocations.

Chair Bantilan noted that farming units cannot be created until the next round of allocations in 2030.

Director Yurosek commented that allocation transfers should be traced back to the wellhead. He suggested only requiring the landowners whose allocation is being transferred from rather than requiring all farming units to sign the transfer.

SAC Chair Brenton Kelly provided the SAC feedback on this item.

Chair Bantilan opened the floor for public comment.

Stakeholder Ann Myhre commented if her landlord couldn't farm their land, then they would.

Stakeholder Tristan Zannon commented there is not going to be an allocation exchange marked if Bolthouse and Grimmway decide not to sell any water.

Stakeholder Robbie Jaffe urged the CBGSA to engage stakeholders who will be impacted in the process of developing this policy.

Stakeholder Joe Haslett commented that Dave Lewis and Tristan Zannon were two landowners impacted by the shift of the CMA following the model update. He added that the

Stakeholder Adam Lovgren commented that Sunridge would participate in allocation exchanges in the future if they are given allocations, but is worried about the formation of a market and process of exchanging allocations.

Stakeholder Tristan Zannon from Tri-County Pistachio commented that he is looking to buy water. He is in support of a carryover policy

Chair Bantilan closed the floor for public comment.

Director Young asked if the policy prohibits the carryover of purchased allocations or allocations as provided by the GSA. Legal Counsel Dominguez responded that there is no carryover of any water.

Stakeholder David Lewis expressed concern that there are no small pumpers represented on the board or on the ad hoc.

Director Wooster suggested small pumpers come to the board meetings and provide solutions.

The Board directed staff to meet with the ad hoc to revise the policy and to address a.) who signs off on the farming units, b.) develop communication strategies for allocation exchange participants, and c.) update the Exhibit B map to include farming units.

c. Discuss and Take Appropriate Action on a Monitoring Network Consultant Contract for FY 25-26

Mr. Blakslee provided an overview of the monitoring network contract with Provost & Pritchard (P&P) for fiscal year (FY) 25-26. He reported that the FY budget was for \$75k and staff recommend approving the contract as they have been historically below budget.

There were no comments on this item.

MOTION

Director Young made a motion to approve the monitoring network contract with P&P for monitoring network for fiscal year 2025-2026 for an amount not to exceed \$80,000. Director Anselm seconded, a roll call vote was made and passed with 100%.

- AYES: Albano, Anselm, Bantilan, DeBranch, Jackson, Reely, Young, Yurosek, Williams, Wooster, Zenger
- NOES: None
- ABSTAIN: None
- ABSENT: None

d. Discuss and Take Appropriate Action on Standard Operating Procedures for Adaptive Management Process

Mr. Blakslee provided an overview of the draft standard operating procedures (SOP) for adaptive management process.

Director Reely asked about the costs for the evaluating wells below MTs and if this work was accounted for in the budget. Mr. Blakslee responded that there is a line item in the budget for adaptive management.

SAC Chair Brenton Kelly provided the SAC report on this item.

There were no public comments on this item.

Chair Bantilan asked about the rationale for five percent off the glidepath in the adaptive management triggers. He suggested revising glidepath language.

MOTION

Director Young made a motion to approve the adaptive management SOP with revisions to include a timeline. Director Anselm seconded, a roll call vote was made and passed with 100%.

- AYES: Albano, Anselm, Bantilan, DeBranch, Jackson, Reely, Williams, Wooster, Young, Yurosek, Zenger

NOES: None
ABSTAIN: None
ABSENT: None

e. Discuss and Take Appropriate Action on Options to Address New Pumping Outside the Management Area

Legal Counsel Dominguez provided an overview of what the GSP allows, SGMA allows and what other GSAs are doing to address new pumping outside the management area. He reviewed some suggestions available to the CBGSA.

SAC Chair Brenton Kelly provided SAC feedback on this item.

Chair Bantilan opened the floor for public comment.

Stakeholder Kathleen March commented that the GSA should address North Fork Vineyard pumping.

Chair Bantilan closed the floor for public comment.

Director Jackson commented that the GSA should address pumping on all areas outside the CMA and if the GSA does nothing then we will be held accountable.

Director Wooster suggested focusing on all problem areas and what may be a problem.

Director Young expressed support for options that manage new use in the basin outside existing MA.

Chair Bantilan commented that the MA shouldn't be more restrictive than the CMA.

Director Wooster commented on option 4 that any water use in the valley may impact the GSAs ability to achieve sustainability.

Director Williams commented on land that has been sold for exploratory drilling and that there should be control for new pumping for that.

Director Albano asked if historical use is by parcel, landowner, etc. and suggested looking at developing options at a regional level.

Chair Bantilan commented that all parcels should have a minimum allocation.

Director Yurosek commented that he doesn't agree that all parcels should be given an allocation and it is not fair to the landowners who have put a lot of money into historic operations.

Director Albano commented that there are a lot of small farmers who will not have an opportunity to farm in the valley.

Director Jackson expressed support for option to manage the basin outside existing management areas.

Director Reely expressed support for merging option to expand groundwater allocations basin-wide and manage the basin outside the existing management areas.

Chair Bantilan directed staff to work with ad hoc to address new wells outside of the existing MA.

REPORT ITEMS

10. Administrative Updates

a. Report of the Executive Director

Mr. Blakslee noted that financial report is included in the packet.

b. Report of the General Counsel

Nothing to report.

11. Technical Updates

a. Update on Groundwater Sustainability Plan Activities

Mr. Blakslee noted that these updates are included in the board packet.

b. Update on Grant-Funded Projects

Mr. Blakslee noted that these updates are included in the board packet.

c. Quarterly Groundwater Conditions Report

Mr. Blakslee noted that these updates are included in the board packet.

12. Report of Ad Hoc Committees

Nothing to report.

13. Directors' Forum

Nothing to report.

14. Public comment for Items Not on the Agenda

There were no public comments.

15. Correspondence

Ms. Amy Steinfeld commented on the variance request submitted for Tri-County Pistachios. She added that Tri-County was not given the same time as other letters to address the variance. She noted that allocations are inconsistent and violate

Tristan Zannon from Tri-County Pistachio noted that the historical use is incorrect and this can be seen on google earth.

Director Albano asked about impacts to the variance process. He requested staff review land use data.

Legal Counsel Dominguez responded that by allowing the variance process, it could open the door for other landowners to request variance.

Director Zenger asked if the accounting error was a human error.

Director Anselm suggested that staff review the data and determine the source of error.

Director Young suggested legal analysis on potential legal exposure to the GSA, or on both parties.

Director Jackson suggested staff look the water use data for any potential clerical issues and review land use.

Chair Bantilan noted that this will be agendized in the future.

16. Adjourn

Chair Bantilan adjourned the meeting at 7:13 PM.

BOARD OF DIRECTORS OF THE
CUYAMA BASIN GROUNDWATER SUSTAINABILITY AGENCY

Chair: _____

ATTEST:

Secretary: _____



TO: Board of Directors
 Agenda Item No. 9

FROM: Taylor Blakslee, Hallmark Group

DATE: November 5, 2025

SUBJECT: Approve Payment of Bills for August and September 2025

Recommended Motion

Approve payment of the bills for August and September 2025 in the amount of \$207,672.

Discussion

Consultant invoices for the months of August and September 2025 are summarized below for consideration of Board approval.

| Expense | August | September | Totals |
|--|------------------|------------------|------------------|
| Woodard & Curran – Technical Services | \$45,170 | \$42,741 | \$ 87,911 |
| Hallmark – Executive Director services | \$30,500 | \$23,812 | \$ 54,312 |
| Klein DeNatale Goldner – Legal services | \$19,582 | \$15,923 | \$ 35,505 |
| U.S. Geological Survey – Stream gauges | \$0 | \$13,150 | \$ 13,150 |
| Provost & Pritchard – Quarterly groundwater levels | \$4,562 | \$4,233 | \$ 8,795 |
| Daniells Phillips Vaughan & Bock – Audit services | \$5,000 | \$3,000 | \$8,000 |
| TOTALS | \$104,814 | \$102,859 | \$207,672 |



TO: Board of Directors
Agenda Item No. 10

FROM: Taylor Blakslee, Hallmark Group

DATE: November 5, 2025

SUBJECT: Approve Financial Reports for August and September 2025

Recommended Motion

Approve financial reports for August and September 2025.

Discussion

The Cuyama Basin Groundwater Sustainability Agency's financial report for August 2025 is provided as **Attachment 1** and the financial report for September 2025 is provided as **Attachment 2**.

The reports include:

- Statement of Financial Position
- Receipts and Disbursements
- A/R Aging Summary
- A/P Aging Summary
- Statement of Operations with Budget Variance
- 2025/2026 Operating Budget



Cuyama Basin GSA

Financial Statements August 2025

CUYAMA BASIN GSA
Statement of Financial Position
As of August 31, 2025

| | Aug 31, 25 | Aug 31, 24 | \$ Change | % Change |
|--|------------------|------------------|-------------------|-------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Checking/Savings | | | | |
| Chase - General Checking | 1,589,986 | 80,029 | 1,509,957 | 1,887% |
| Total Checking/Savings | 1,589,986 | 80,029 | 1,509,957 | 1,887% |
| Accounts Receivable | | | | |
| Accounts Receivable | 1,047 | 3,852,055 | -3,851,008 | -100% |
| Total Accounts Receivable | 1,047 | 3,852,055 | -3,851,008 | -100% |
| Other Current Assets | | | | |
| Grant Retention Receivable | 687,664 | 0 | 687,664 | 100% |
| Total Other Current Assets | 687,664 | 0 | 687,664 | 100% |
| Total Current Assets | 2,278,697 | 3,932,084 | -1,653,387 | -42% |
| TOTAL ASSETS | 2,278,697 | 3,932,084 | -1,653,387 | -42% |
| LIABILITIES & EQUITY | | | | |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts Payable | | | | |
| Accounts Payable | 255,994 | 2,480,276 | -2,224,282 | -90% |
| Total Accounts Payable | 255,994 | 2,480,276 | -2,224,282 | -90% |
| Other Current Liabilities | | | | |
| New/Repl Well Deposits | 0 | 3,100 | -3,100 | -100% |
| Total Other Current Liabilities | 0 | 3,100 | -3,100 | -100% |
| Total Current Liabilities | 255,994 | 2,483,376 | -2,227,382 | -90% |
| Total Liabilities | 255,994 | 2,483,376 | -2,227,382 | -90% |
| Equity | | | | |
| Unrestricted Net Assets | 2,022,095 | 2,346,115 | -324,020 | -14% |
| Net Income | 608 | -897,407 | 898,015 | 100% |
| Total Equity | 2,022,703 | 1,448,708 | 573,995 | 40% |
| TOTAL LIABILITIES & EQUITY | 2,278,697 | 3,932,084 | -1,653,387 | -42% |

CUYAMA BASIN GSA
Receipts and Disbursements
As of August 31, 2025

| Type | Date | Num | Name | Debit | Credit |
|---------------------------------|------------|--------|---|------------------|-------------------|
| Chase - General Checking | | | | | |
| Bill Pmt -Check | 07/09/2025 | 1223 | HGCPM, Inc. | | 41,881.43 |
| Bill Pmt -Check | 07/09/2025 | 1224 | Klein DeNatale Goldner | | 34,078.41 |
| Bill Pmt -Check | 07/09/2025 | 1225 | Provost & Pritchard Consulting Group | | 11,231.19 |
| Bill Pmt -Check | 07/09/2025 | 1226 | Woodard & Curran Inc | | 86,576.03 |
| Payment | 07/18/2025 | 25335 | Groundwater Extraction Fees:Yeguada Trujillo | 165.25 | |
| Payment | 07/18/2025 | 542062 | Groundwater Extraction Fees:Grimmway Enterprises, Inc | 66,896.75 | |
| Payment | 07/18/2025 | 10608 | Groundwater Extraction Fees:JHP Global, Inc | 1,771.50 | |
| Payment | 07/18/2025 | 2616 | Groundwater Extraction Fees:Tri-County Pistachios | 5,450.00 | |
| Payment | 07/18/2025 | 53647 | Groundwater Extraction Fees:Cuyama Dairy Farm | 1,711.65 | |
| Deposit | 07/18/2025 | | | 13.20 | |
| Total Chase - General Checking | | | | 76,008.35 | 173,767.06 |
| TOTAL | | | | 76,008.35 | 173,767.06 |

**CUYAMA BASIN GSA
A/R Aging Summary
As of August 31, 2025**

| | <u>Current</u> | <u>1 - 30</u> | <u>31 - 60</u> | <u>61 - 90</u> | <u>> 90</u> | <u>TOTAL</u> |
|--|-----------------|-----------------|-----------------|-----------------|---------------------|---------------------|
| Groundwater Extraction Fees | | | | | | |
| Double H Farming, LLC | 0 | 0 | 0 | 0 | 568 | 568 |
| Duncan Family Farms | 0 | 0 | 0 | 0 | 263 | 263 |
| Lewis, David | 0 | 0 | 0 | 0 | 216 | 216 |
| Total Groundwater Extraction Fees | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,047</u> | <u>1,047</u> |
| TOTAL | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,047</u> | <u>1,047</u> |

**CUYAMA BASIN GSA
A/P Aging Summary**

As of August 31, 2025

| | Current | 1 - 30 | 31 - 60 | 61 - 90 | > 90 | TOTAL |
|--------------------------------------|----------------|----------|---------------|---------------|----------|----------------|
| Daniells Phillips Vaughan & Bock | 5,000 | 0 | 0 | 0 | 0 | 5,000 |
| HGCPM, Inc. | 30,500 | 0 | 16,696 | 17,028 | 0 | 64,225 |
| Klein DeNatale Goldner | 19,582 | 0 | 8,511 | 9,650 | 0 | 37,742 |
| Provost & Pritchard Consulting Group | 4,562 | 0 | 12,290 | 596 | 0 | 17,448 |
| U.S. Geological Survey | 0 | 0 | 0 | 13,150 | 0 | 13,150 |
| Woodard & Curran Inc | 45,170 | 0 | 39,776 | 33,482 | 0 | 118,428 |
| TOTAL | 104,814 | 0 | 77,274 | 73,906 | 0 | 255,994 |

CUYAMA BASIN GSA

Statement of Operations with Budget Variance

July through August 2025

| | Jul - Aug 25 | Budget | \$ Over Budget | % of Budget |
|---|--------------|---------|----------------|-------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Direct Public Funds | | | | |
| Groundwater Extraction Fees | 180,515 | 180,000 | 515 | 100% |
| Total Direct Public Funds | 180,515 | 180,000 | 515 | 100% |
| Other Income | | | | |
| Interest Income | 13 | 0 | 13 | 100% |
| Total Other Income | 13 | 0 | 13 | 100% |
| Total Income | 180,529 | 180,000 | 529 | 100% |
| Cost of Goods Sold | | | | |
| Program Expenses | | | | |
| Technical Consulting | | | | |
| Adjudication Support | 0 | 6,500 | -6,500 | 0% |
| GSP Implementation - W&C | 21,073 | 34,830 | -13,757 | 61% |
| Stakeholder Engagement | 12,378 | 16,200 | -3,822 | 76% |
| Technical Support for DWR | 0 | 1,668 | -1,668 | 0% |
| Outreach | 0 | 3,520 | -3,520 | 0% |
| Grant Administration | 11,020 | 10,000 | 1,020 | 110% |
| Improve Basin Water Use Info | 355 | 3,170 | -2,815 | 11% |
| Fault Investigation | 13,411 | 0 | 13,411 | 100% |
| Other Technical Tasks | 26,709 | 44,000 | -17,291 | 61% |
| Total Technical Consulting | 84,946 | 119,888 | -34,942 | 71% |
| Other Technical Consulting | | | | |
| Monitoring Network | 16,852 | 12,500 | 4,352 | 135% |
| CIMIS Station | 0 | 20,000 | -20,000 | 0% |
| Total Other Technical Consulting | 16,852 | 32,500 | -15,648 | 52% |
| Total Program Expenses | 101,798 | 152,388 | -50,590 | 67% |
| Total COGS | 101,798 | 152,388 | -50,590 | 67% |
| Gross Profit | 78,730 | 27,612 | 51,118 | 285% |
| Expense | | | | |
| General and Administrative | | | | |
| Executive Director | | | | |
| Board Meetings | 21,466 | 22,800 | -1,334 | 94% |
| Consult Mgmt and GSP Devel | 14,568 | 8,340 | 6,228 | 175% |
| Financial Information Coor | 8,768 | 7,800 | 968 | 112% |
| Support for DWR/Public Comments | 0 | 2,350 | -2,350 | 0% |
| Funding - GWE Fees | 833 | 0 | 833 | 100% |
| CMA Policy and Allocations | 0 | 7,000 | -7,000 | 0% |
| Outreach | 235 | 3,420 | -3,185 | 7% |
| Adjudication Support | 786 | 4,020 | -3,234 | 20% |
| Water Use Enforcement | 0 | 330 | -330 | 0% |
| Travel and Direct Costs | 542 | 0 | 542 | 100% |
| Total Executive Director | 47,197 | 56,060 | -8,863 | 84% |

CUYAMA BASIN GSA
Statement of Operations with Budget Variance
July through August 2025

| | <u>Jul - Aug 25</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|---------------------|-----------------------|-----------------------|--------------------|
| Other Administrative | | | | |
| Legal | 25,583 | 41,670 | -16,088 | 61% |
| Audit Fees | 5,000 | 2,000 | 3,000 | 250% |
| Printing and Copying | 0 | 800 | -800 | 0% |
| Other Admin Expense | 343 | 0 | 343 | 100% |
| Contingency | 0 | 3,330 | -3,330 | 0% |
| Total Other Administrative | <u>30,925</u> | <u>47,800</u> | <u>-16,875</u> | <u>65%</u> |
| Total General and Administrative | <u>78,122</u> | <u>103,860</u> | <u>-25,738</u> | <u>75%</u> |
| Total Expense | <u>78,122</u> | <u>103,860</u> | <u>-25,738</u> | <u>75%</u> |
| Net Ordinary Income | <u>608</u> | <u>-76,248</u> | <u>76,856</u> | <u>-1%</u> |
| Net Income | <u>608</u> | <u>-76,248</u> | <u>76,856</u> | <u>-1%</u> |

CUYAMA BASIN GSA
FY 25/26 Budget
 July 2025 - June 2026

| | Jul '25 - Jun 26 |
|---|------------------|
| Ordinary Income/Expense | |
| Income | |
| Direct Public Funds | |
| Groundwater Extraction Fees | 180,000 |
| Grant Reimbursements | 72,336 |
| Total Direct Public Funds | 252,336 |
| Total Income | 252,336 |
| Cost of Goods Sold | |
| Program Expenses | |
| Technical Consulting | |
| Adjudication Support | 38,500 |
| GSP Implementation - W&C | 209,000 |
| Stakeholder Engagement | 97,200 |
| Technical Support for DWR | 10,000 |
| Outreach | 21,100 |
| Grant Proposals | 45,100 |
| Grant Administration | 30,000 |
| Improve Basin Water Use Info | 19,000 |
| Other Technical Tasks | 262,100 |
| Total Technical Consulting | 732,000 |
| Other Technical Consulting | |
| Monitoring Network | 75,000 |
| Stream Gauge Maintenance (USGS) | 53,200 |
| CIMIS Station | 74,000 |
| Total Other Technical Consulting | 202,200 |
| Total Program Expenses | 934,200 |
| Total COGS | 934,200 |
| Gross Profit | -681,864 |
| Expense | |
| General and Administrative | |
| Executive Director | |
| Board Meetings | 136,700 |
| Consult Mgmt and GSP Devel | 50,000 |
| Financial Information Coor | 46,800 |
| Support for DWR/Public Comments | 14,100 |
| Funding - GWE Fees | 12,000 |
| CMA Policy and Allocations | 24,500 |
| Outreach | 20,500 |
| Adjudication Support | 24,100 |
| Water Use Enforcement | 2,000 |
| Total Executive Director | 330,700 |
| Other Administrative | |
| Legal | 250,000 |
| Insurance Policies | 21,400 |
| Audit Fees | 10,000 |
| Printing and Copying | 5,000 |
| Other Admin Expense | 4,200 |
| Contingency | 20,000 |
| Total Other Administrative | 310,600 |
| Total General and Administrative | 641,300 |
| Total Expense | 641,300 |
| Net Ordinary Income | -1,323,164 |
| Net Income | -1,323,164 |



Cuyama Basin GSA

Financial Statements September 2025

CUYAMA BASIN GSA
Statement of Financial Position
As of September 30, 2025

| | Sep 30, 25 | Sep 30, 24 | \$ Change | % Change |
|--|------------------|------------------|-------------------|-------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Checking/Savings | | | | |
| Chase - General Checking | 1,418,802 | 612,727 | 806,075 | 132% |
| Total Checking/Savings | 1,418,802 | 612,727 | 806,075 | 132% |
| Accounts Receivable | | | | |
| Accounts Receivable | 800 | 4,383,439 | -4,382,639 | -100% |
| Total Accounts Receivable | 800 | 4,383,439 | -4,382,639 | -100% |
| Other Current Assets | | | | |
| Grant Retention Receivable | 710,665 | 0 | 710,665 | 100% |
| Total Other Current Assets | 710,665 | 0 | 710,665 | 100% |
| Total Current Assets | 2,130,266 | 4,996,166 | -2,865,899 | -57% |
| TOTAL ASSETS | 2,130,266 | 4,996,166 | -2,865,899 | -57% |
| LIABILITIES & EQUITY | | | | |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts Payable | | | | |
| Accounts Payable | 207,672 | 2,665,162 | -2,457,490 | -92% |
| Total Accounts Payable | 207,672 | 2,665,162 | -2,457,490 | -92% |
| Other Current Liabilities | | | | |
| New/Repl Well Deposits | 0 | 3,100 | -3,100 | -100% |
| Total Other Current Liabilities | 0 | 3,100 | -3,100 | -100% |
| Total Current Liabilities | 207,672 | 2,668,262 | -2,460,590 | -92% |
| Total Liabilities | 207,672 | 2,668,262 | -2,460,590 | -92% |
| Equity | | | | |
| Unrestricted Net Assets | | | | |
| Net Income | 2,022,095 | 2,346,115 | -324,020 | -14% |
| Net Income | -99,501 | -18,212 | -81,289 | -446% |
| Total Equity | 1,922,594 | 2,327,904 | -405,309 | -17% |
| TOTAL LIABILITIES & EQUITY | 2,130,266 | 4,996,166 | -2,865,899 | -57% |

CUYAMA BASIN GSA
Receipts and Disbursements

As of September 30, 2025

| Type | Date | Num | Name | Debit | Credit |
|---------------------------------|------------|--------|---|------------------|-------------------|
| Chase - General Checking | | | | | |
| Bill Pmt -Check | 07/09/2025 | 1223 | HGCPM, Inc. | | 41,881.43 |
| Bill Pmt -Check | 07/09/2025 | 1224 | Klein DeNatale Goldner | | 34,078.41 |
| Bill Pmt -Check | 07/09/2025 | 1225 | Provost & Pritchard Consulting Group | | 11,231.19 |
| Bill Pmt -Check | 07/09/2025 | 1226 | Woodard & Curran Inc | | 86,576.03 |
| Payment | 07/18/2025 | 25335 | Groundwater Extraction Fees:Yeguada Trujillo | 165.25 | |
| Payment | 07/18/2025 | 542062 | Groundwater Extraction Fees:Grimmway Enterprises, Inc | 66,896.75 | |
| Payment | 07/18/2025 | 10608 | Groundwater Extraction Fees:JHP Global, Inc | 1,771.50 | |
| Payment | 07/18/2025 | 2616 | Groundwater Extraction Fees:Tri-County Pistachios | 5,450.00 | |
| Payment | 07/18/2025 | 53647 | Groundwater Extraction Fees:Cuyama Dairy Farm | 1,711.65 | |
| Deposit | 07/18/2025 | | | 13.20 | |
| Bill Pmt -Check | 09/05/2025 | 1227 | HGCPM, Inc. | | 33,724.66 |
| Bill Pmt -Check | 09/05/2025 | 1228 | Klein DeNatale Goldner | | 18,160.50 |
| Bill Pmt -Check | 09/05/2025 | 1229 | Provost & Pritchard Consulting Group | | 12,886.35 |
| Bill Pmt -Check | 09/05/2025 | 1230 | U.S. Geological Survey | | 13,150.00 |
| Bill Pmt -Check | 09/05/2025 | 1231 | Woodard & Curran Inc | | 73,258.46 |
| Bill Pmt -Check | 09/22/2025 | 1232 | Campbell Scientific Inc. | | 20,267.35 |
| Payment | 09/24/2025 | 84963 | Groundwater Extraction Fees:Duncan Family Farms | 263.40 | |
| Total Chase - General Checking | | | | 76,271.75 | 345,214.38 |
| TOTAL | | | | 76,271.75 | 345,214.38 |

**CUYAMA BASIN GSA
A/R Aging Summary
As of September 30, 2025**

| | <u>Current</u> | <u>1 - 30</u> | <u>31 - 60</u> | <u>61 - 90</u> | <u>> 90</u> | <u>TOTAL</u> |
|--|-----------------|------------------|-----------------|-----------------|-------------------|-------------------|
| Groundwater Extraction Fees | | | | | | |
| Double H Farming, LLC | 0 | 0 | 0 | 0 | 568 | 568 |
| El Rancho Espanol | 0 | 16 | 0 | 0 | 0 | 16 |
| Lewis, David | 0 | 0 | 0 | 0 | 216 | 216 |
| Total Groundwater Extraction Fees | <u>0</u> | <u>16</u> | <u>0</u> | <u>0</u> | <u>784</u> | <u>800</u> |
| TOTAL | <u>0</u> | <u>16</u> | <u>0</u> | <u>0</u> | <u>784</u> | <u>800</u> |

CUYAMA BASIN GSA
A/P Aging Summary
As of September 30, 2025

| | <u>Current</u> | <u>1 - 30</u> | <u>31 - 60</u> | <u>61 - 90</u> | <u>> 90</u> | <u>TOTAL</u> |
|--------------------------------------|-----------------------|-----------------------|-----------------|-----------------|-----------------|-----------------------|
| Daniells Phillips Vaughan & Bock | 3,000 | 5,000 | 0 | 0 | 0 | 8,000 |
| HGCPM, Inc. | 23,812 | 30,500 | 0 | 0 | 0 | 54,312 |
| Klein DeNatale Goldner | 15,923 | 19,582 | 0 | 0 | 0 | 35,505 |
| Provost & Pritchard Consulting Group | 4,233 | 4,562 | 0 | 0 | 0 | 8,795 |
| U.S. Geological Survey | 13,150 | 0 | 0 | 0 | 0 | 13,150 |
| Woodard & Curran Inc | 42,741 | 45,170 | 0 | 0 | 0 | 87,911 |
| TOTAL | <u>102,858</u> | <u>104,814</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>207,672</u> |

CUYAMA BASIN GSA
Statement of Operations with Budget Variance
 July through September 2025

| | Jul - Sep 25 | Budget | \$ Over Budget | % of Budget |
|---|--------------|---------|----------------|-------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Direct Public Funds | | | | |
| Groundwater Extraction Fees | 180,531 | 180,000 | 531 | 100% |
| Grant Reimbursements | 23,001 | 0 | 23,001 | 100% |
| Total Direct Public Funds | 203,532 | 180,000 | 23,532 | 113% |
| Other Income | | | | |
| Interest Income | 13 | 0 | 13 | 100% |
| Total Other Income | 13 | 0 | 13 | 100% |
| Total Income | 203,546 | 180,000 | 23,546 | 113% |
| Cost of Goods Sold | | | | |
| Program Expenses | | | | |
| Technical Consulting | | | | |
| Adjudication Support | 0 | 9,700 | -9,700 | 0% |
| GSP Implementation - W&C | 26,663 | 52,247 | -25,584 | 51% |
| Stakeholder Engagement | 23,489 | 24,300 | -811 | 97% |
| Technical Support for DWR | 0 | 2,502 | -2,502 | 0% |
| Outreach | 0 | 5,278 | -5,278 | 0% |
| Grant Administration | 14,038 | 15,000 | -963 | 94% |
| Improve Basin Water Use Info | 355 | 4,753 | -4,398 | 7% |
| Fault Investigation | 32,894 | 0 | 32,894 | 100% |
| Other Technical Tasks | 30,249 | 66,000 | -35,751 | 46% |
| Total Technical Consulting | 127,687 | 179,780 | -52,093 | 71% |
| Other Technical Consulting | | | | |
| Monitoring Network | 41,352 | 18,750 | 22,602 | 221% |
| Stream Gauge Maintenance (USGS) | 13,150 | 13,300 | -150 | 99% |
| CIMIS Station | 0 | 30,000 | -30,000 | 0% |
| Total Other Technical Consulting | 54,502 | 62,050 | -7,548 | 88% |
| Total Program Expenses | 182,190 | 241,830 | -59,640 | 75% |
| Total COGS | 182,190 | 241,830 | -59,640 | 75% |
| Gross Profit | 21,356 | -61,830 | 83,186 | -35% |
| Expense | | | | |
| General and Administrative | | | | |
| Executive Director | | | | |
| Board Meetings | 31,933 | 34,200 | -2,267 | 93% |
| Consult Mgmt and GSP Devel | 21,535 | 12,510 | 9,025 | 172% |
| Financial Information Coord | 10,028 | 11,700 | -1,673 | 86% |
| Support for DWR/Public Comments | 0 | 3,525 | -3,525 | 0% |
| Funding - GWE Fees | 2,185 | 0 | 2,185 | 100% |
| CMA Policy and Allocations | 0 | 10,200 | -10,200 | 0% |
| Outreach | 1,109 | 5,128 | -4,019 | 22% |
| Adjudication Support | 786 | 6,028 | -5,242 | 13% |
| Water Use Enforcement | 0 | 497 | -497 | 0% |
| Travel and Direct Costs | 3,433 | 0 | 3,433 | 100% |
| Total Executive Director | 71,008 | 83,788 | -12,780 | 85% |

CUYAMA BASIN GSA
Statement of Operations with Budget Variance
 July through September 2025

| | <u>Jul - Sep 25</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|-----------------------|------------------------|-----------------------|--------------------|
| Other Administrative | | | | |
| Legal | 40,925 | 62,503 | -21,579 | 65% |
| Audit Fees | 8,000 | 7,000 | 1,000 | 114% |
| Printing and Copying | 0 | 1,300 | -1,300 | 0% |
| Other Admin Expense | 924 | 0 | 924 | 100% |
| Contingency | 0 | 4,997 | -4,997 | 0% |
| Total Other Administrative | <u>49,848</u> | <u>75,800</u> | <u>-25,952</u> | <u>66%</u> |
| Total General and Administrative | <u>120,856</u> | <u>159,588</u> | <u>-38,732</u> | <u>76%</u> |
| Total Expense | <u>120,856</u> | <u>159,588</u> | <u>-38,732</u> | <u>76%</u> |
| Net Ordinary Income | <u>-99,501</u> | <u>-221,418</u> | <u>121,917</u> | <u>45%</u> |
| Net Income | <u>-99,501</u> | <u>-221,418</u> | <u>121,917</u> | <u>45%</u> |

CUYAMA BASIN GSA
FY 25/26 Budget
 July 2025 - June 2026

| | Jul '25 - Jun 26 |
|---|------------------|
| Ordinary Income/Expense | |
| Income | |
| Direct Public Funds | |
| Groundwater Extraction Fees | 180,000 |
| Grant Reimbursements | 72,336 |
| Total Direct Public Funds | 252,336 |
| Total Income | 252,336 |
| Cost of Goods Sold | |
| Program Expenses | |
| Technical Consulting | |
| Adjudication Support | 38,500 |
| GSP Implementation - W&C | 209,000 |
| Stakeholder Engagement | 97,200 |
| Technical Support for DWR | 10,000 |
| Outreach | 21,100 |
| Grant Proposals | 45,100 |
| Grant Administration | 30,000 |
| Improve Basin Water Use Info | 19,000 |
| Other Technical Tasks | 262,100 |
| Total Technical Consulting | 732,000 |
| Other Technical Consulting | |
| Monitoring Network | 75,000 |
| Stream Gauge Maintenance (USGS) | 53,200 |
| CIMIS Station | 74,000 |
| Total Other Technical Consulting | 202,200 |
| Total Program Expenses | 934,200 |
| Total COGS | 934,200 |
| Gross Profit | -681,864 |
| Expense | |
| General and Administrative | |
| Executive Director | |
| Board Meetings | 136,700 |
| Consult Mgmt and GSP Devel | 50,000 |
| Financial Information Coor | 46,800 |
| Support for DWR/Public Comments | 14,100 |
| Funding - GWE Fees | 12,000 |
| CMA Policy and Allocations | 24,500 |
| Outreach | 20,500 |
| Adjudication Support | 24,100 |
| Water Use Enforcement | 2,000 |
| Total Executive Director | 330,700 |
| Other Administrative | |
| Legal | 250,000 |
| Insurance Policies | 21,400 |
| Audit Fees | 10,000 |
| Printing and Copying | 5,000 |
| Other Admin Expense | 4,200 |
| Contingency | 20,000 |
| Total Other Administrative | 310,600 |
| Total General and Administrative | 641,300 |
| Total Expense | 641,300 |
| Net Ordinary Income | -1,323,164 |
| Net Income | -1,323,164 |



TO: Board of Directors
Agenda Item No. 11

FROM: Taylor Blakslee, Hallmark Group

DATE: November 5, 2025

SUBJECT: Approval of the 2026 Meeting Calendar

Recommended Motion

Approve the 2026 Groundwater Sustainability Agency Board of Directors and Standing Advisory Committee meetings schedule.

Discussion

The proposed Cuyama Basin Groundwater Sustainability Agency (CBGSA) Board of Directors and Standing Advisory Committee (SAC) meeting calendar for 2026 is provided as **Attachment 1** for consideration of approval.

Staff is looking for feedback on the July Board meeting date, whether to keep it on July 1st or move to July 8th.

Cuyama Basin Groundwater Sustainability Agency 2026 Meeting Calendar

BOD
 SAC
 Holiday

| January | | | | | | |
|---------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | 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 | 28 | 29 | 30 | 31 |

| February | | | | | | |
|----------|----|----|----|----|----|----|
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| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |

| March | | | | | | |
|-------|----|----|----|----|----|----|
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| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

| April | | | | | | |
|-------|----|----|----|----|----|----|
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| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | | |

| May | | | | | | |
|-----|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
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| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

| June | | | | | | |
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| S | M | T | W | T | F | S |
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
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| July | | | | | | |
|------|----|----|----|----|----|----|
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| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

| August | | | | | | |
|--------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 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 | 28 | 29 |
| 30 | 31 | | | | | |

| September | | | | | | |
|-----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | 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 | 28 | 29 | 30 | | | |

| October | | | | | | |
|---------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
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| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

| November | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
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| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | |

| December | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
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| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |



TO: Board of Directors
Agenda Item No. 12a

FROM: Brian Van Lienden and Sercan Ceyhan, Woodard & Curran

DATE: November 5, 2025

SUBJECT: Discuss and Take Appropriate Action on the Plan and Timeline to Evaluate Allocations in the Ventucopa Management Area

Recommended Motion

None – information only.

Discussion

On July 9, 2025, the Board approved staff's proposed plan outlining the technical tasks, coordination steps, and a draft schedule for evaluating if the current data and model is adequate to assess if allocations are required in the Ventucopa Management Area.

A technical approach to review the existing data and impact on the model was developed and reviewed with the basin Tech Forum on August 13, 2025 and the Ventucopa Ad hoc (Directors Albano, Bantilan, Reely, and Yurosek) on August 19, 2025.

At the September 3, 2025, Board meeting, staff reported that an assessment of allocations in the Ventucopa Management Area would not be ready for consideration until the January 2026 Board meeting (previously planned for November 2025) to allow incorporation of findings from the ongoing Santa Barbara Canyon Fault (SBCF) field investigation.

Since September, staff have continued refining the technical analysis and reviewed it with the Tech Forum on October 17, 2025, and the ad hoc on October 21, 2025. The findings from the data and model review, along with preliminary recommendations are summarized in **Attachment 1**. An update on the SBCF is provided as **Attachment 2**.

Cuyama Basin Groundwater Sustainability Agency

Ventucopa Area Data Gaps Analysis



Plan and Timeline to Evaluate Allocations in the Ventucopa Management Area

- **Overall Task Objective:** Develop a recommendation for whether the allocations should be expanded to the Ventucopa management area or if additional data and/or model recalibration is needed in the next fiscal year.



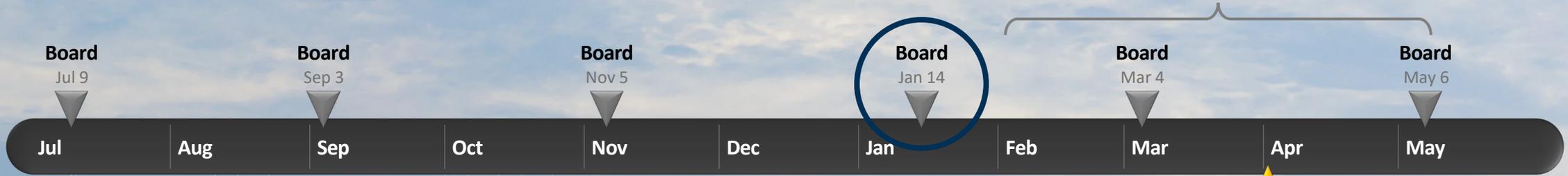
Proposed Process to Assess Available Data and Current Model

- Determine if current data and model are adequate to assess if allocations are needed:
 - **Assess data availability and adequacy:** develop a list of data needed and data available in the Ventucopa Management Area and identify data gaps and assess potential impact to model
 - **Assess model performance:** present and evaluate comparisons of modeled vs measured groundwater levels and modeled water budgets for the 1998-2024 water years
- Consider options for evaluation of potential allocations:
 - Use current data and model to evaluate potential allocations
 - Perform a model re-calibration with currently available data (including current SBCF study)
 - Develop additional data or perform additional analysis before performing a model re-calibration availability of data to perform model re-calibration

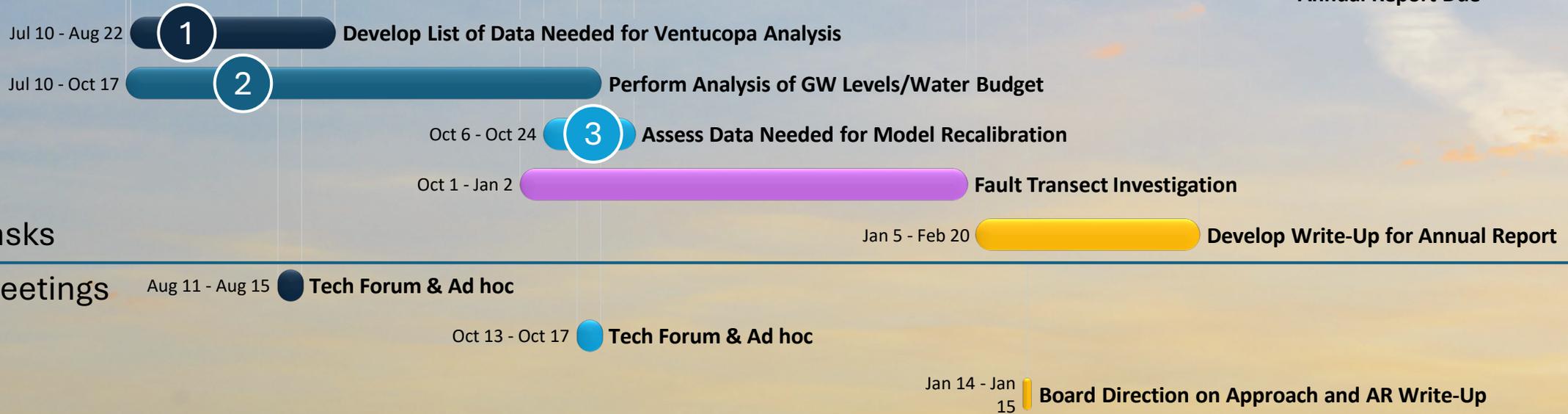
Ventucopa Management Area

Revised: Draft Plan/Timeline for Assessing the Implementation of Allocations

Fiscal Year 2026-2027 Development



★
Apr 1
Annual Report Due



Allocations aim to balance inflows and outflows

$$\text{Change in Storage} = \text{Inflows} - \text{Outflows}$$

- Cannot measure the storage volume directly but we use GWLs as indicators.
- Deep Percolation (Surface Recharge)
- Stream Seepage
- Subsurface Inflow
- Pumping
- Stream Loss
- Subsurface Outflow

CBWRM is a tool that calculates this balance spatially and temporally.

Are the existing datasets adequate to estimate and validate these components?

Recap – Datasets reviewed last time

- Groundwater Levels
 - Declining trend after 1998, stable after 2015
 - Recoveries in the historical wet years, recovery after 2023 winter
- Deep Percolation / Applied Water
 - Precipitation, ET, Land Use, Pumping
- Streams
 - Potential improvements in stream representation in CBWRM
- Subsurface Flows
 - Uncertainty in SBC Fault, CBWRM Stratigraphy
 - Flow from foothills and Badlands

Agenda

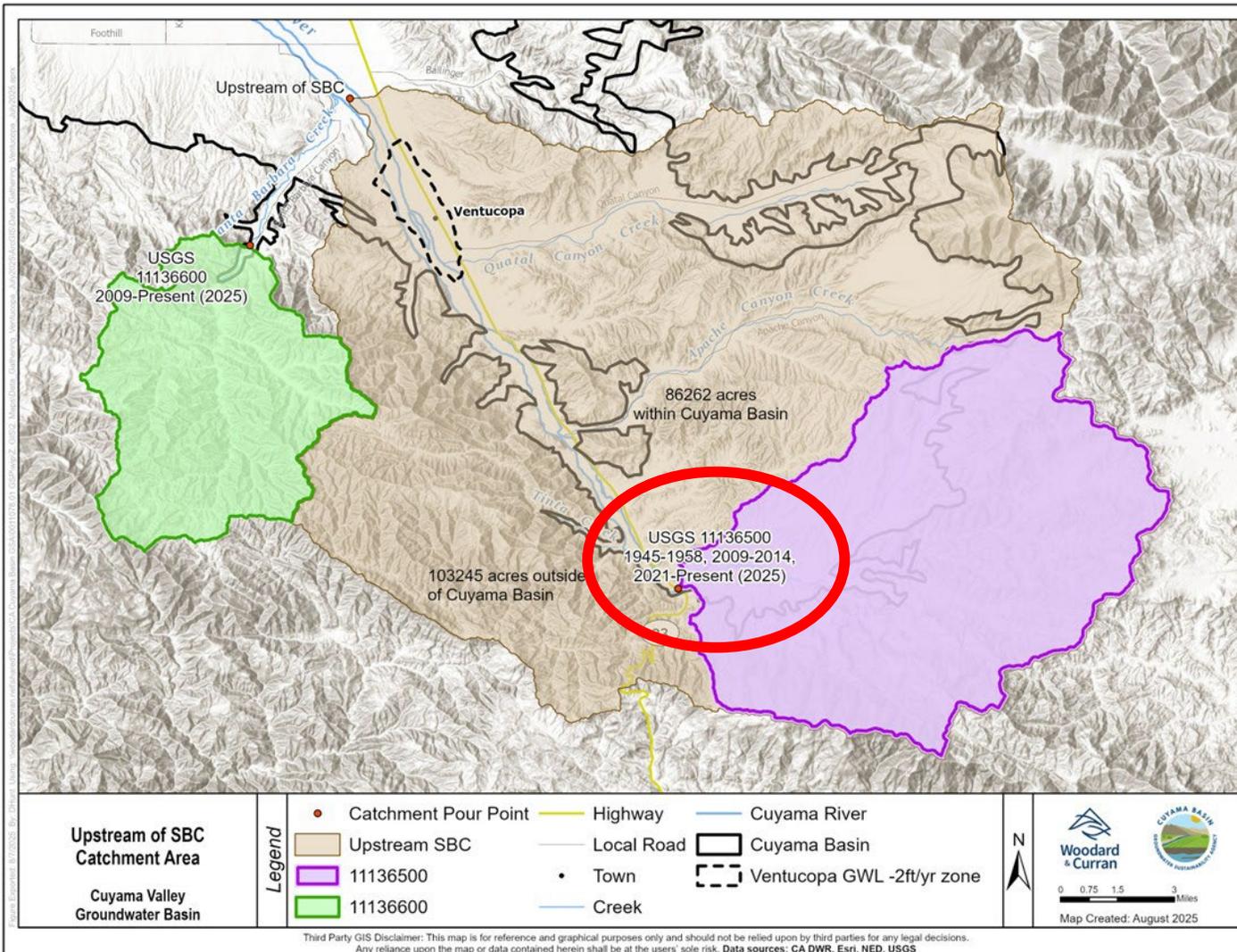
1. Streamflow at USGS 11136500
2. Groundwater levels
3. Pumping
4. Simulated water budget for the vicinity of Ventucopa Management Area
 - Root Zone Budget
 - Groundwater Budget
 - Detailed Subsurface flows

MODEL RESULTS

Streamflow at USGS 11136500

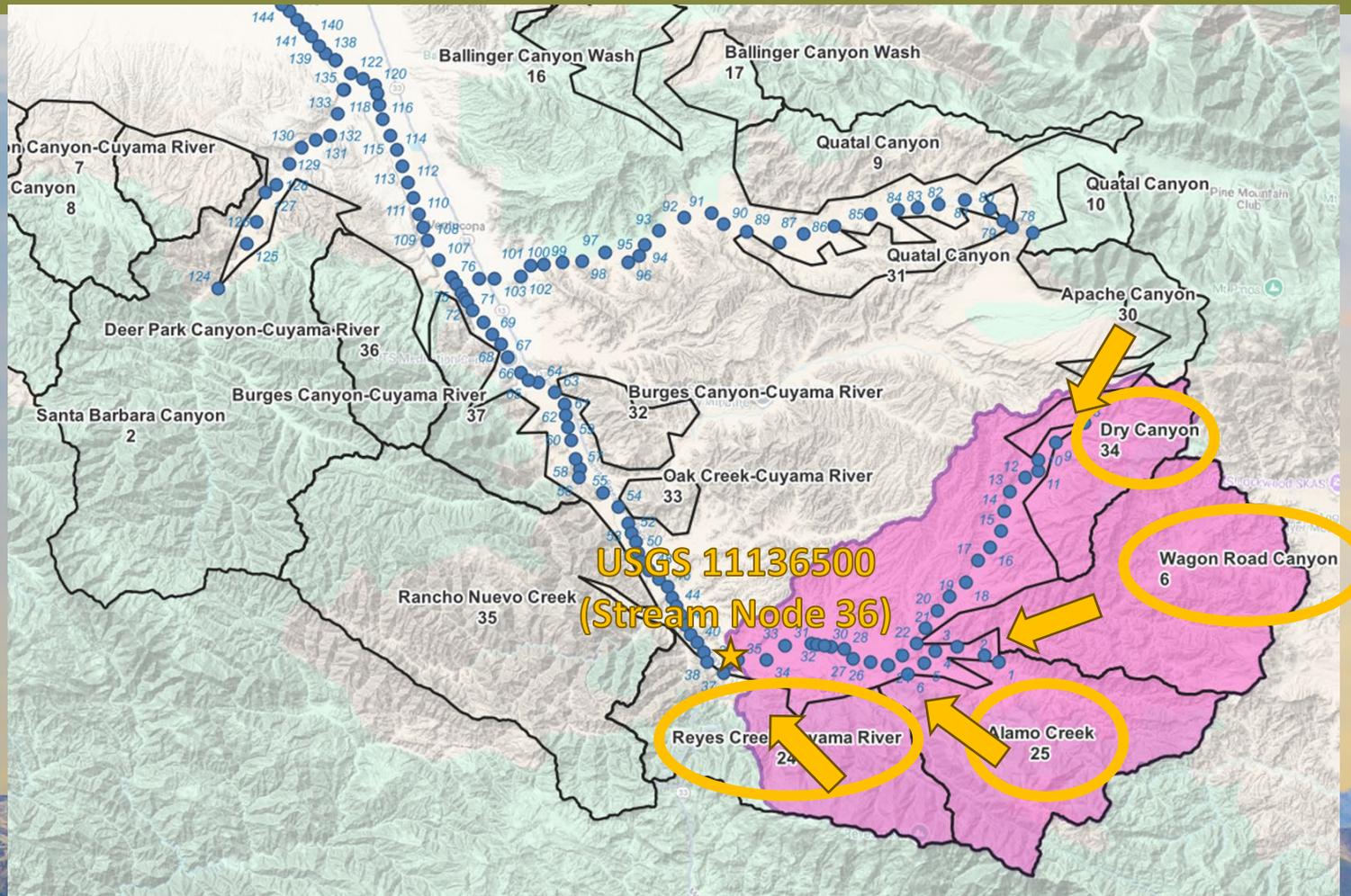


Streamflow Records near Ventucopa



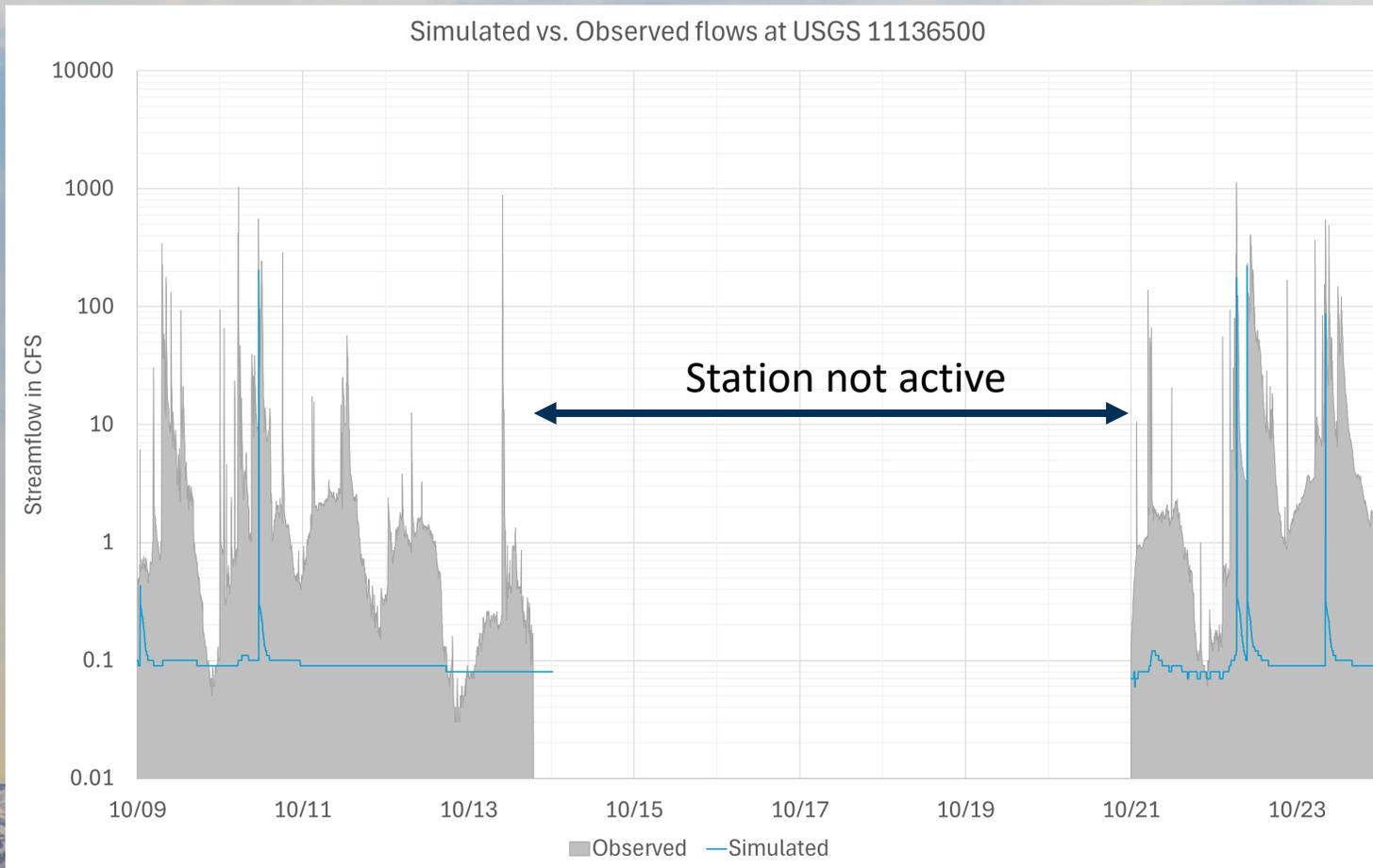
- Streamflow recorded at USGS 11136500 is not sufficient as model input due to data gaps.
- The data recorded 2009-2014 and 2021-present can be used for the validation of simulated streamflows.

USGS 11136500 vs Small Watersheds



- In CBWRM, streamflows from the foothills are simulated using the “Small Watersheds” module.
- Streamflows generated from the 4 highlighted small watersheds and the runoff generated inside the Cuyama basin flow through the USGS station.

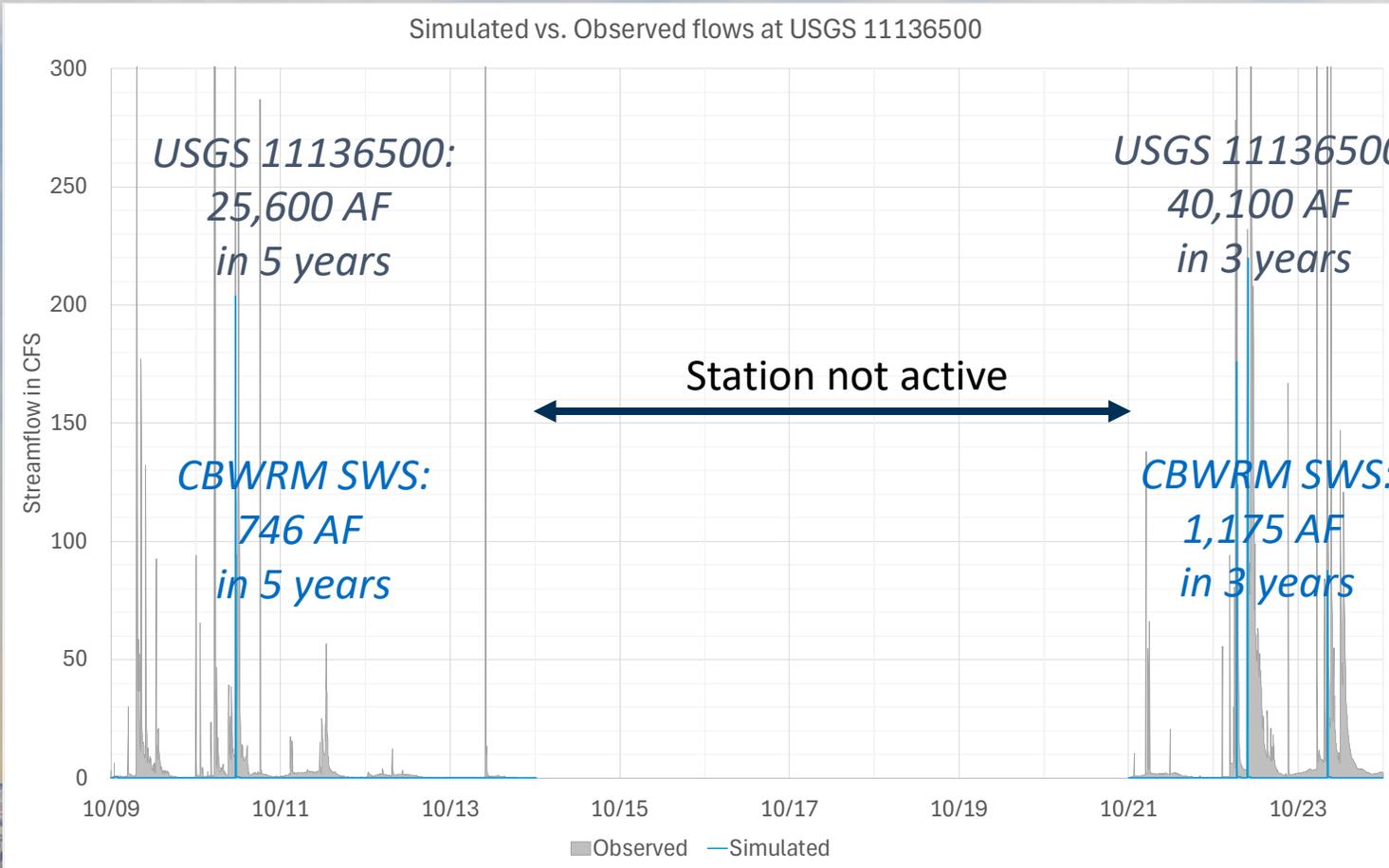
USGS 11136500 Simulated Streamflows



- Comparison shows discrepancy between simulated and observed streamflow rates and volume.
- CBWRM's Small Watersheds module cannot adequately simulate the streamflows.

USGS 11136500 Simulated Streamflows

Zoomed in to 0-300 CFS



- Comparison shows discrepancy between simulated and observed streamflow rates and volume.
- CBWRM's Small Watersheds (SWS) module cannot adequately simulate the streamflows.

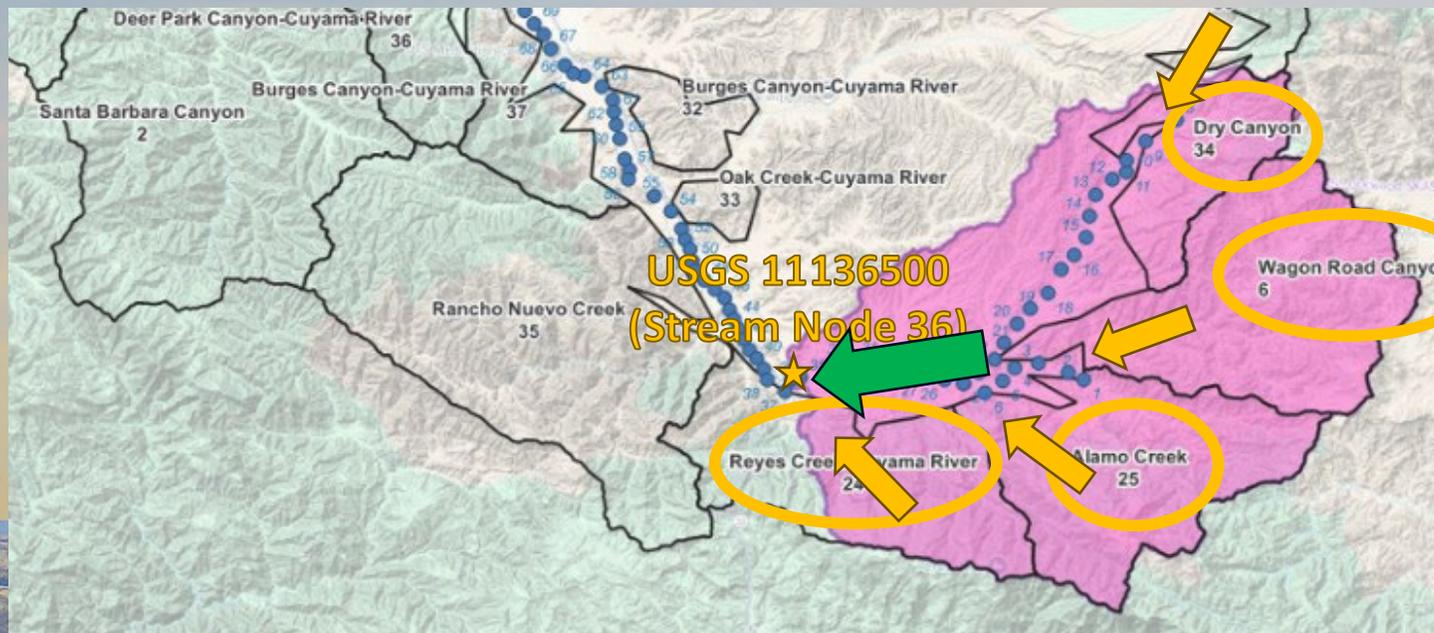


MODEL RESULTS

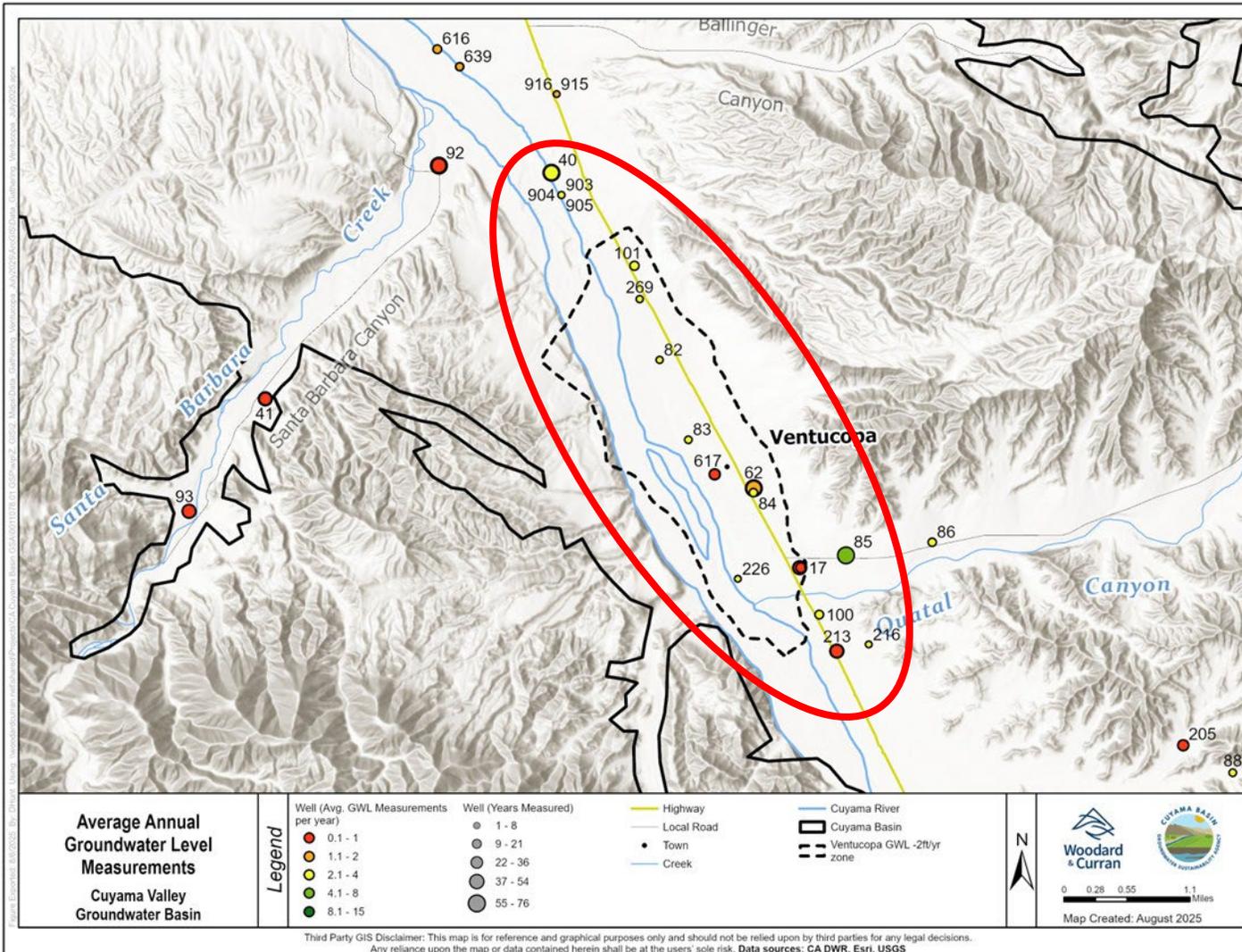
Groundwater Levels

Simulated vs. Observed GWLs

- Compared two model runs with the observed GWLs:
 - Latest historical used in 2024 Annual Report (v0.31)
 - v0.31 + added observed streamflows at USGS 11136500 for after 2021 to stream node 36

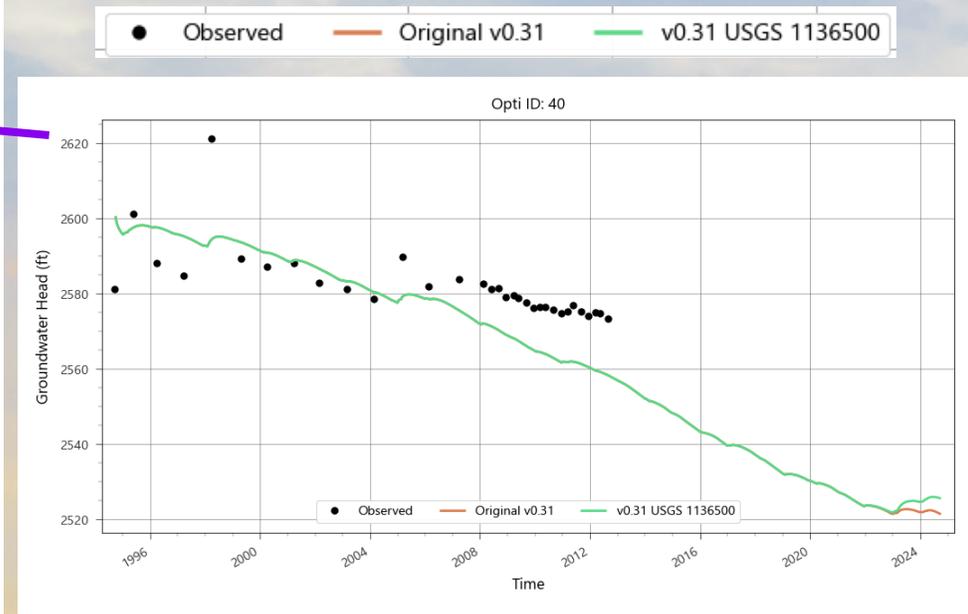
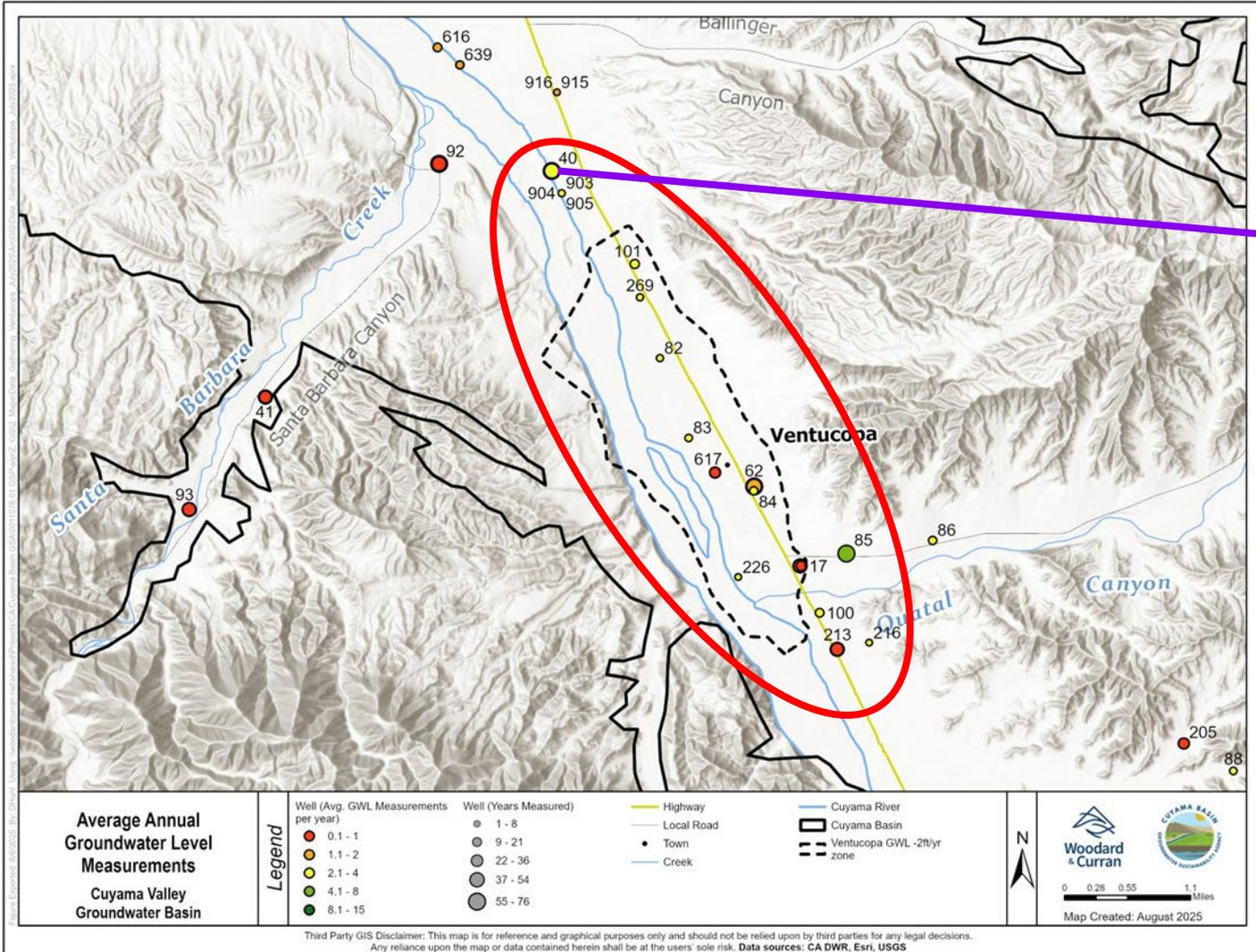


GWL Records Upstream of the SBC Fault past 1998

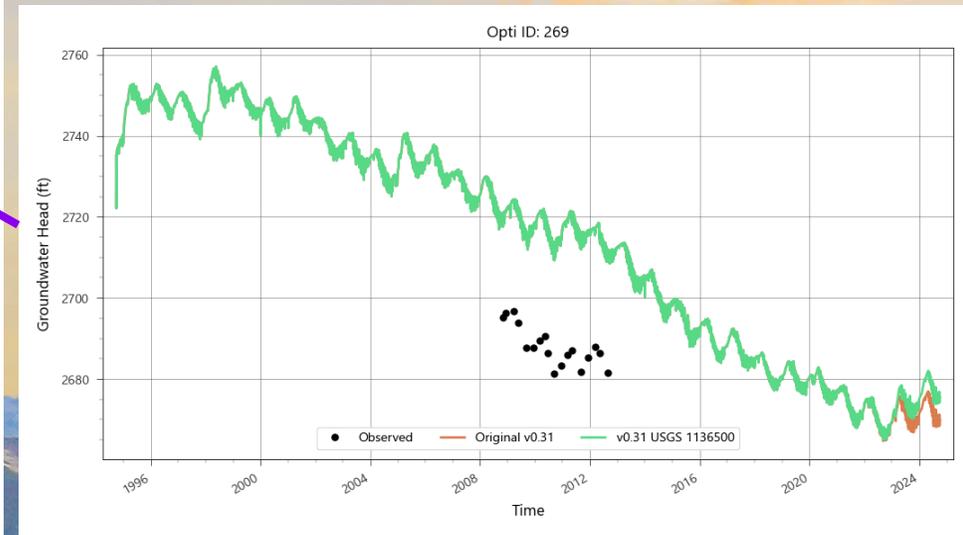
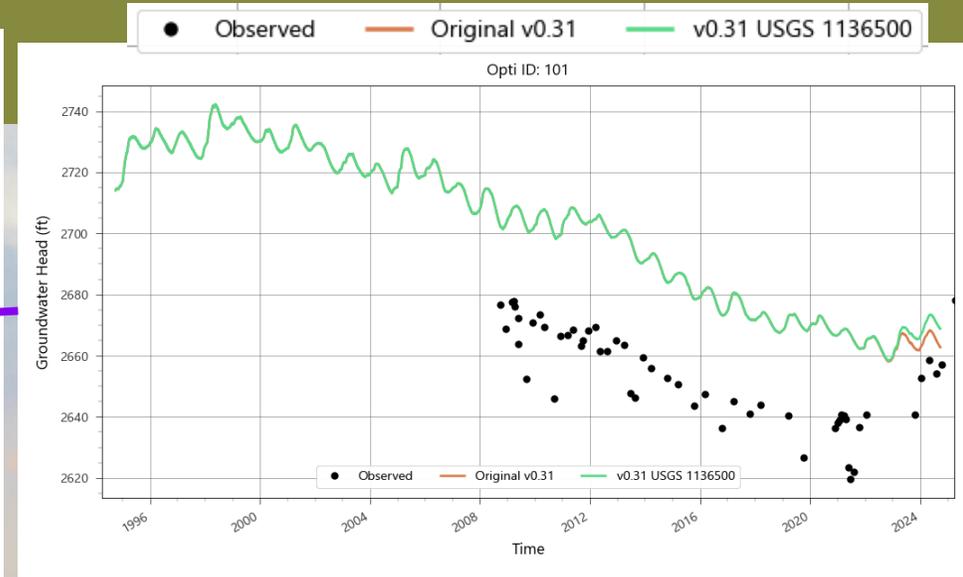
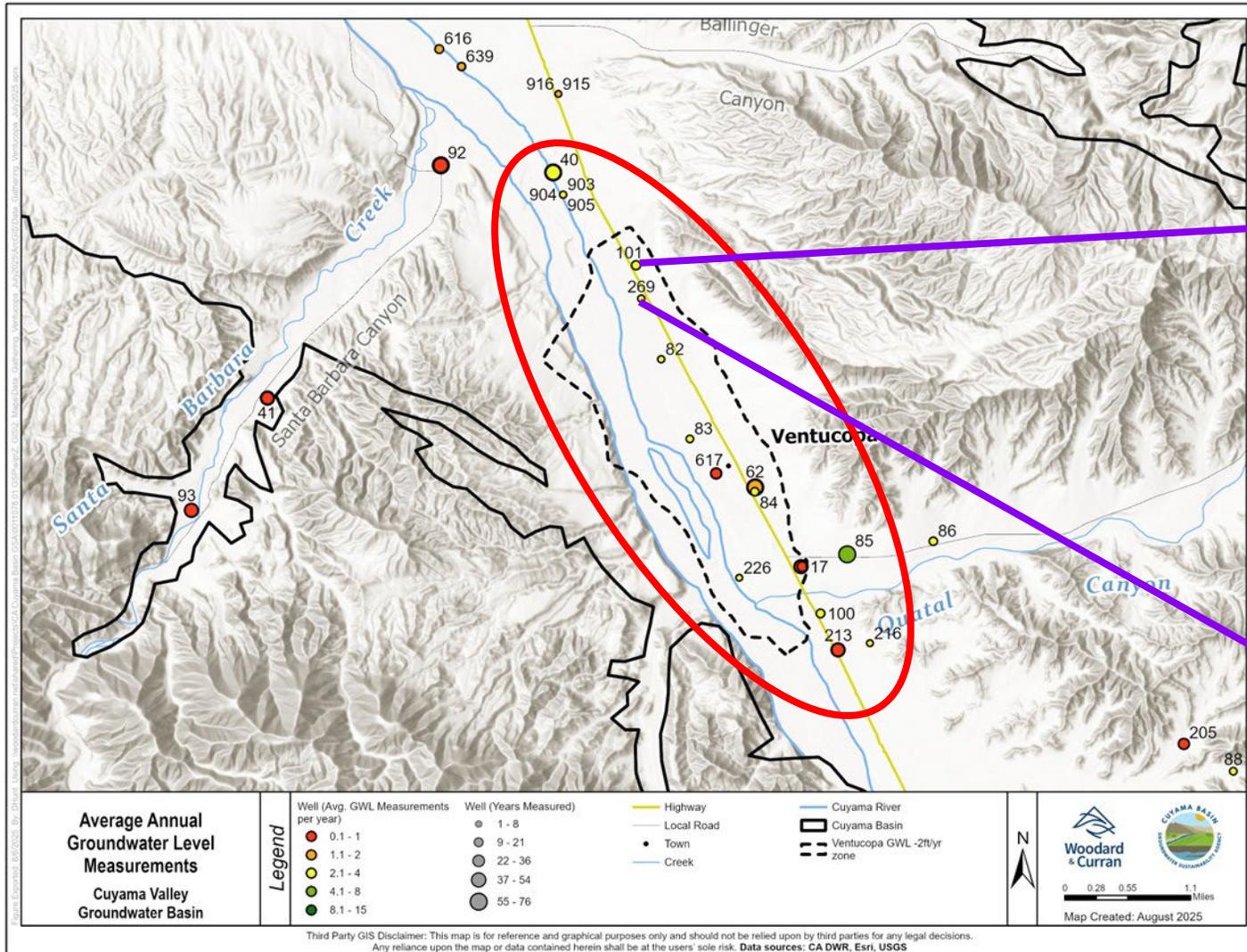


- Labels indicate OptiIDs.
- Red area is where we focus our efforts.

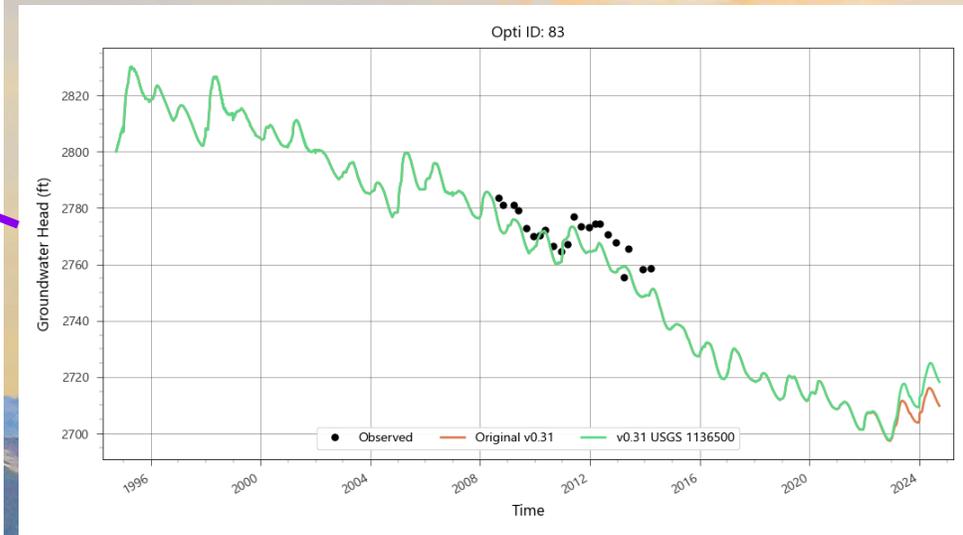
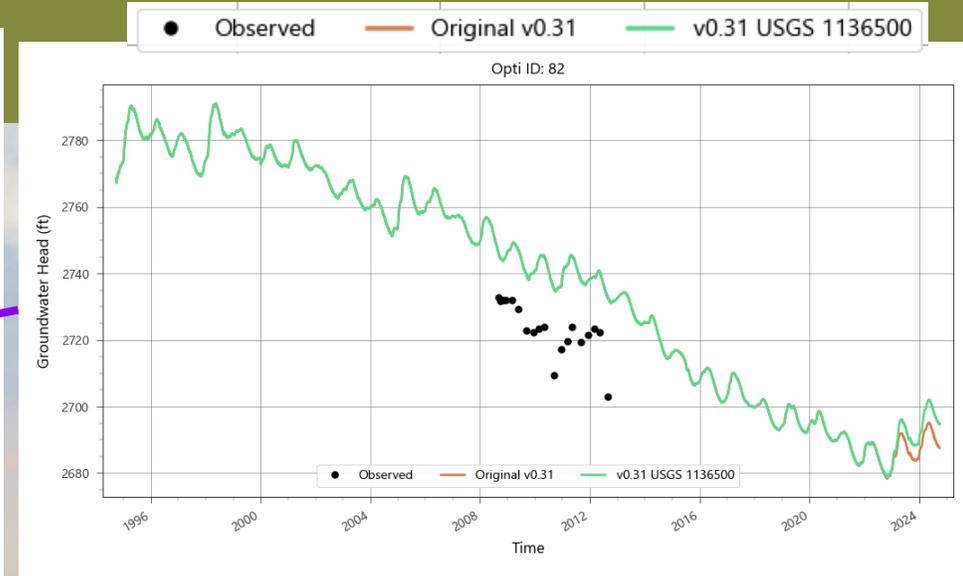
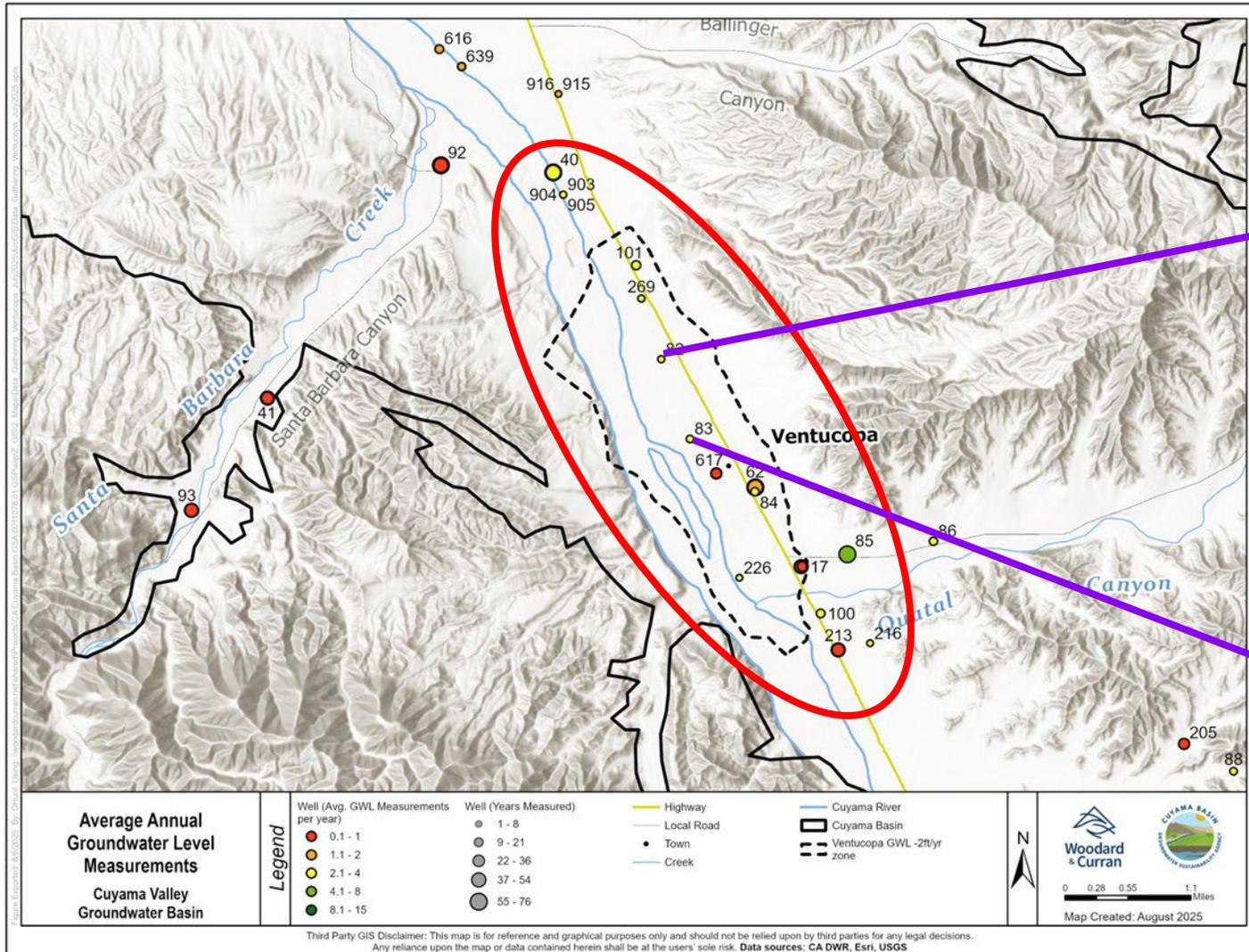
Simulated GWLs (v0.31)



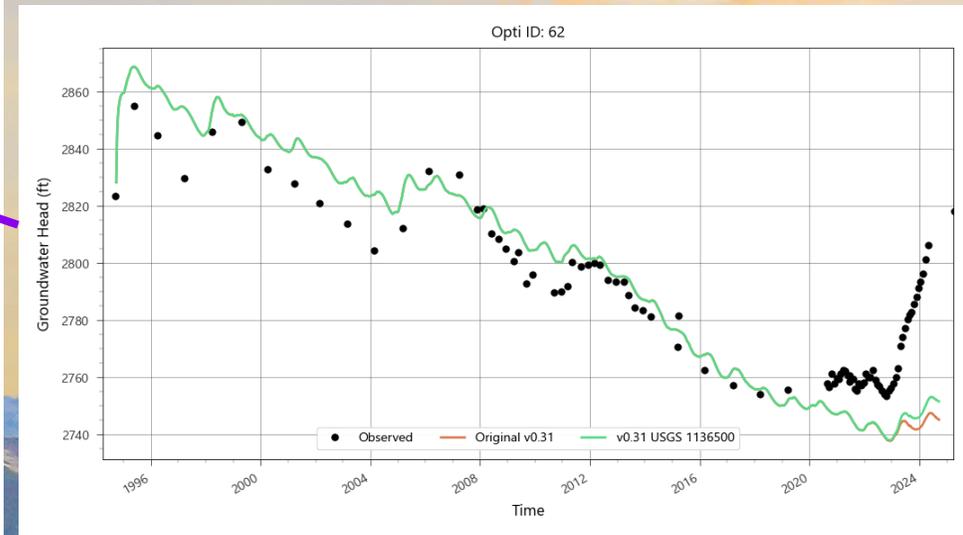
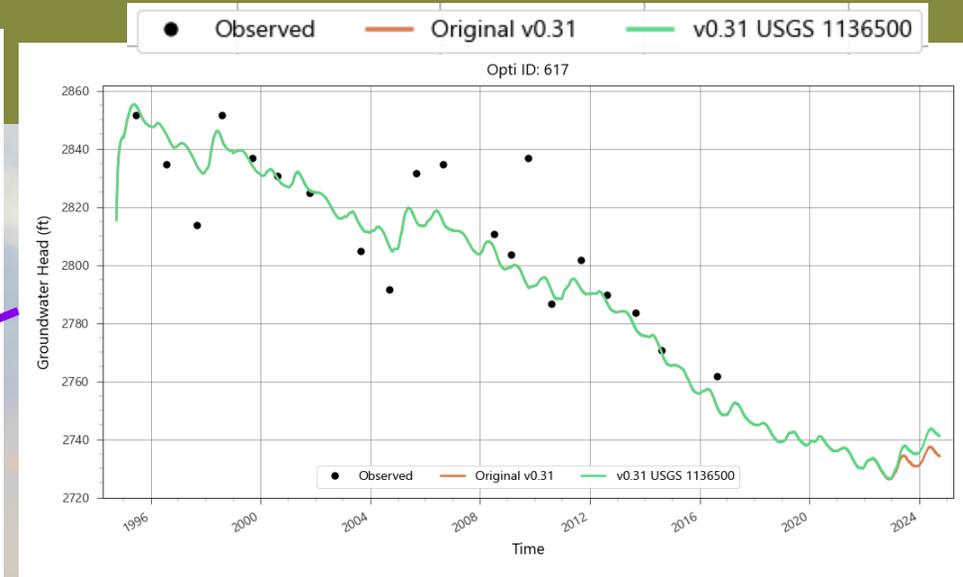
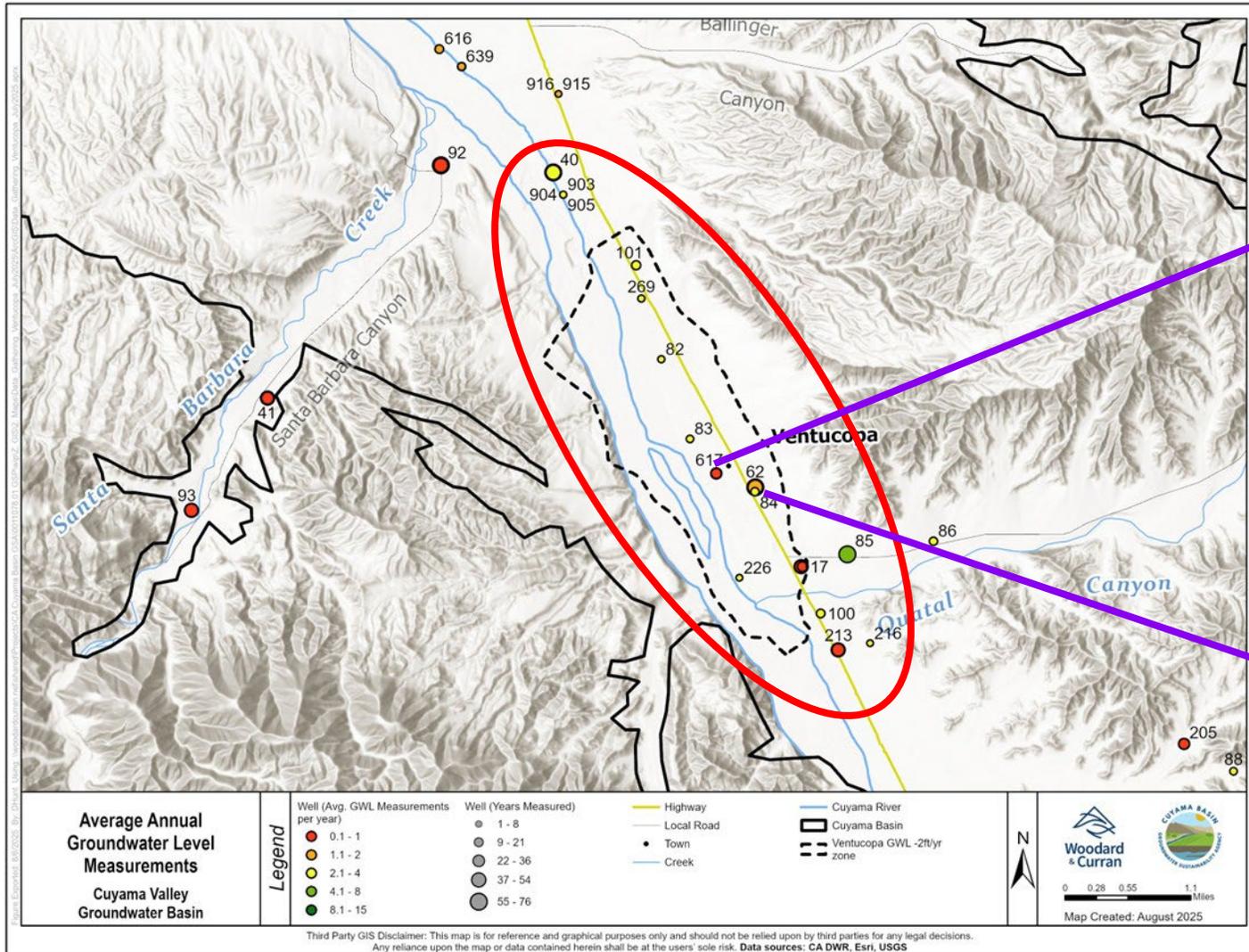
Simulated GWLs (v0.31)



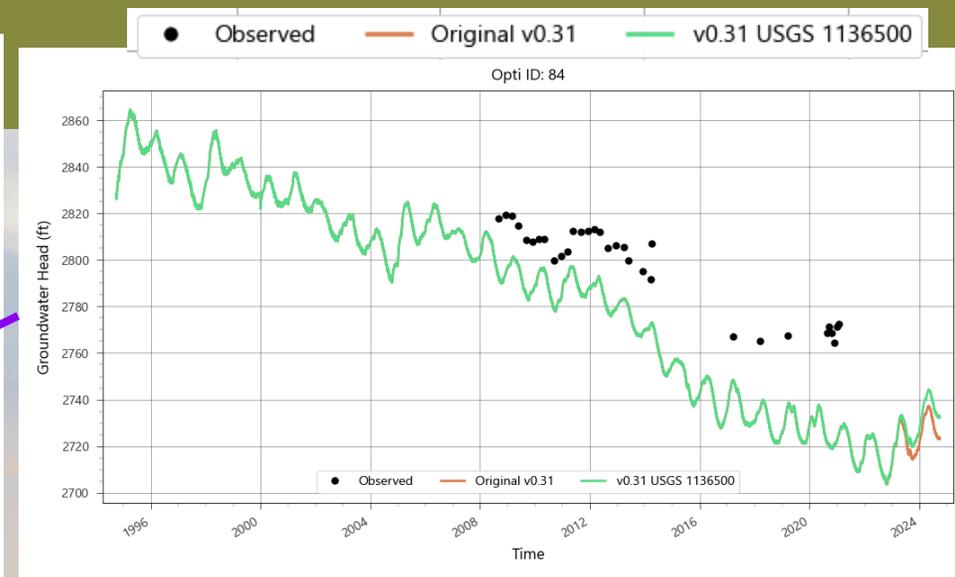
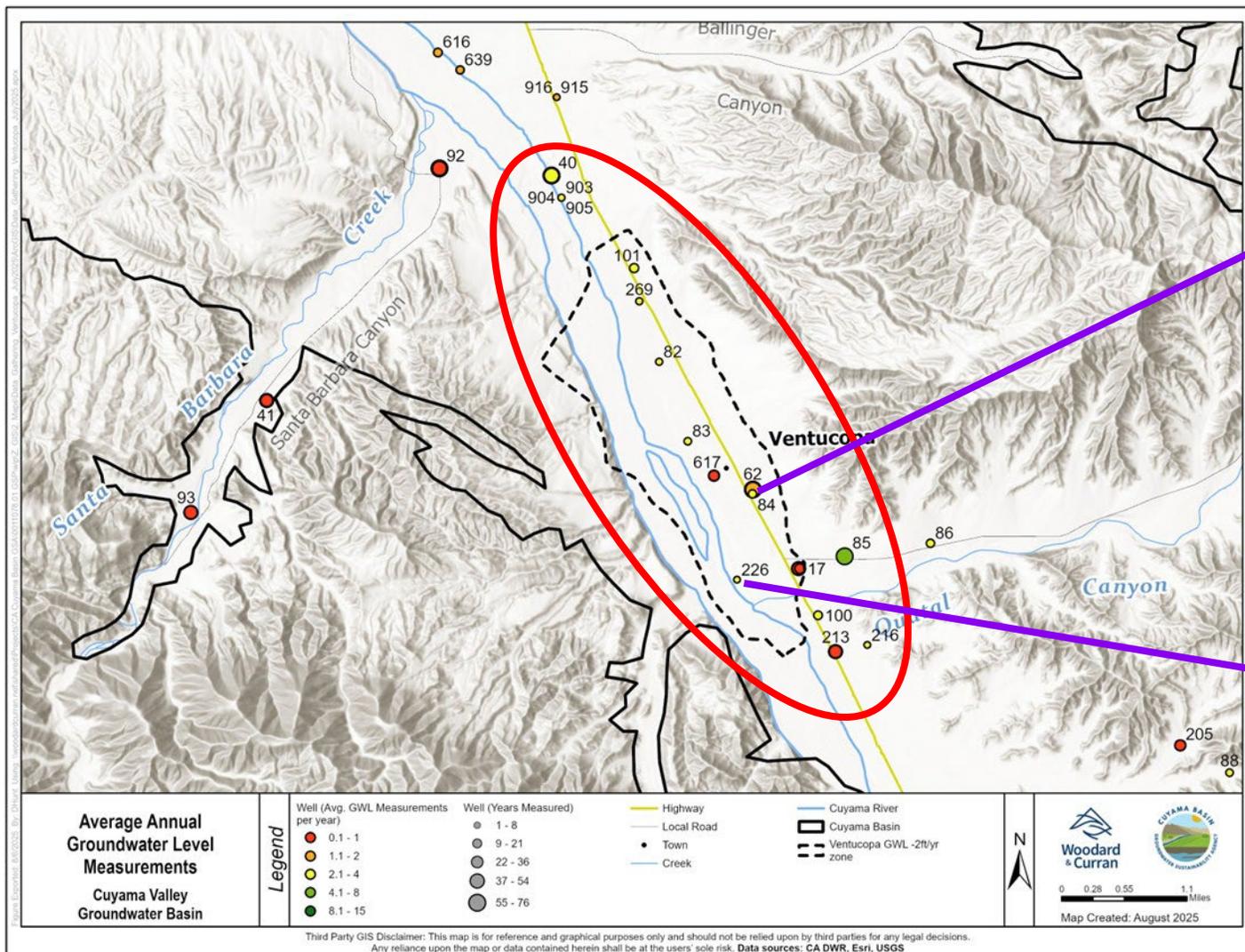
Simulated GWLs (v0.31)



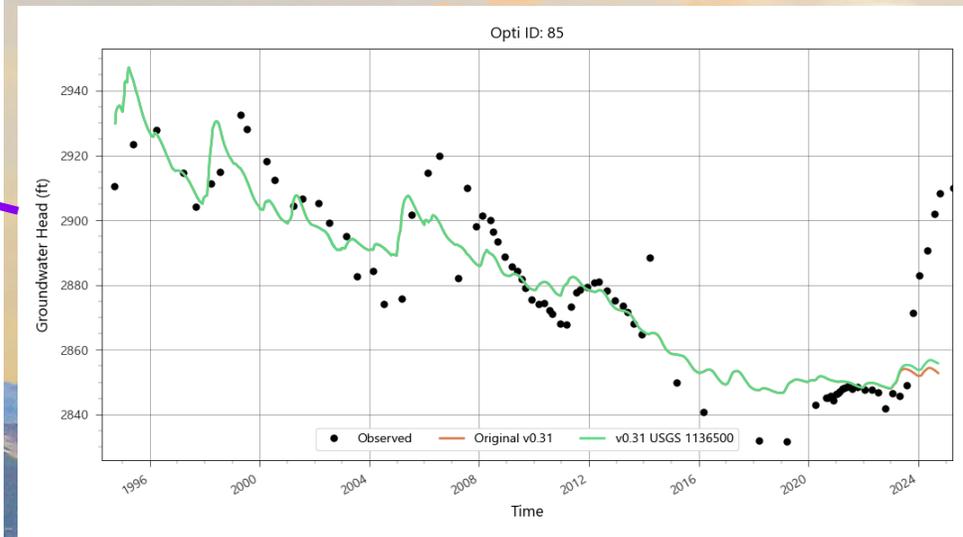
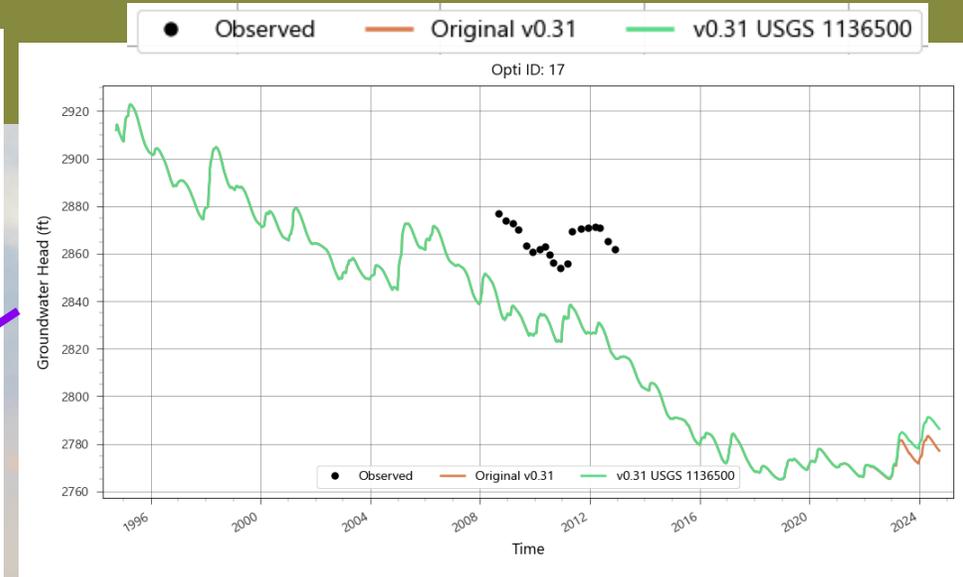
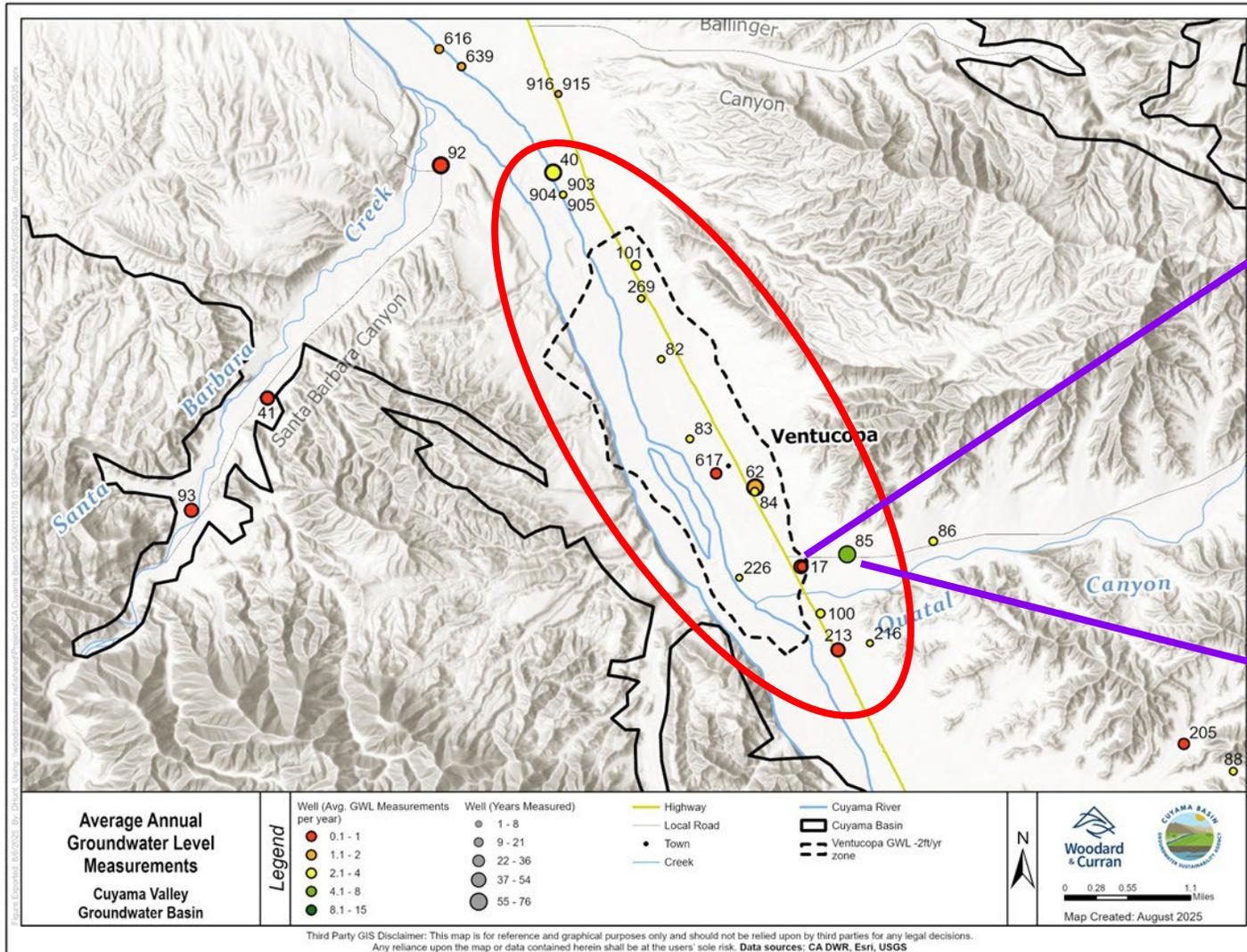
Simulated GWLs (v0.31)



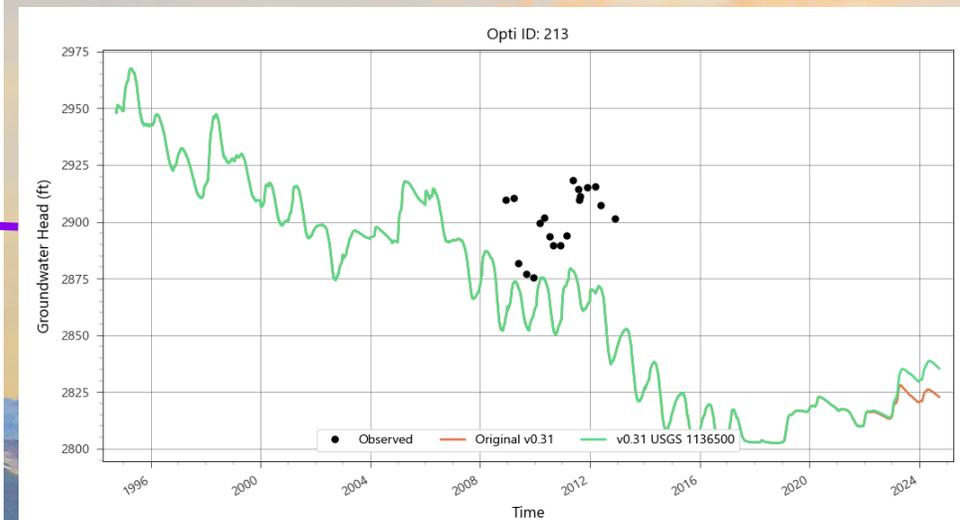
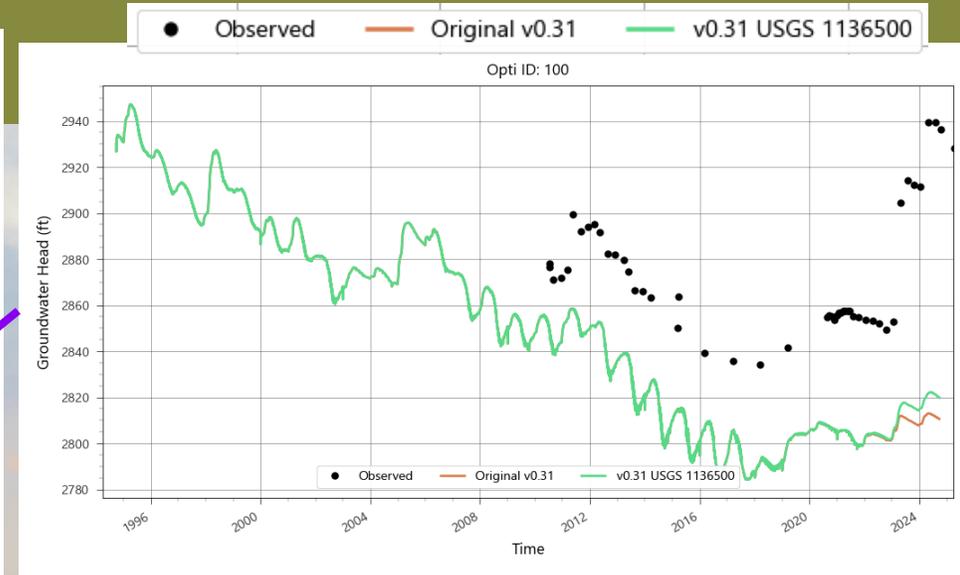
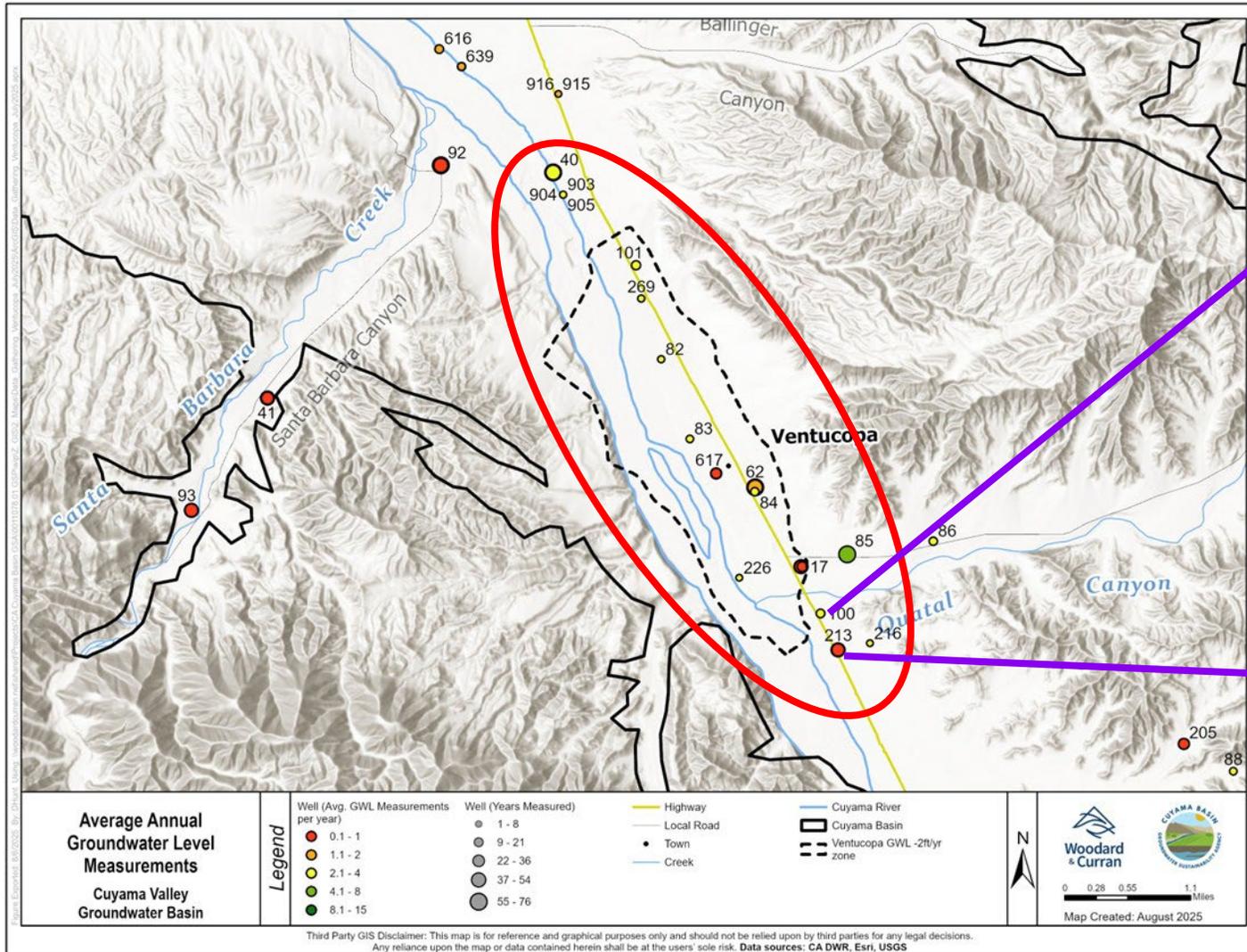
Simulated GWLs (v0.31)



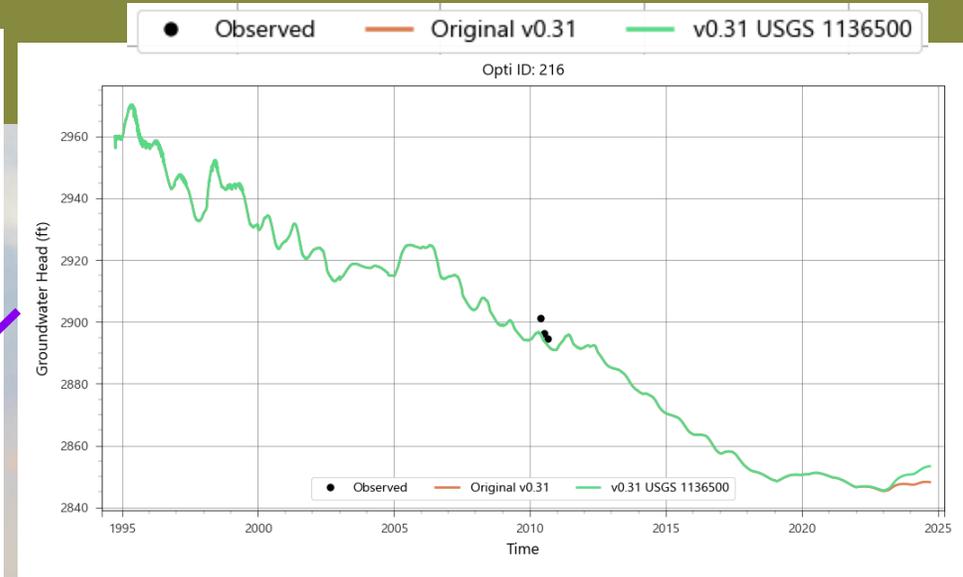
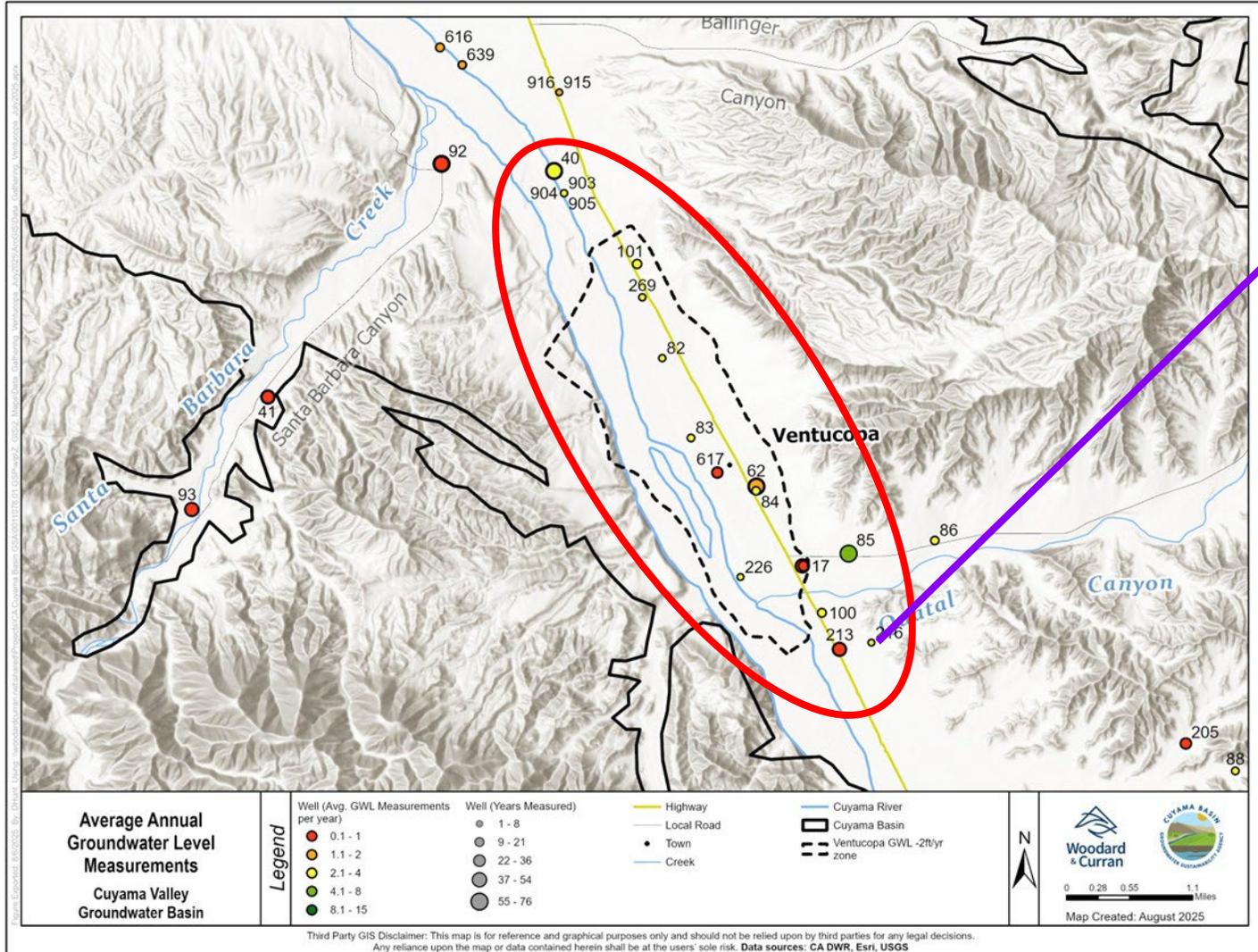
Simulated GWLs (v0.31)



Simulated GWLs (v0.31)



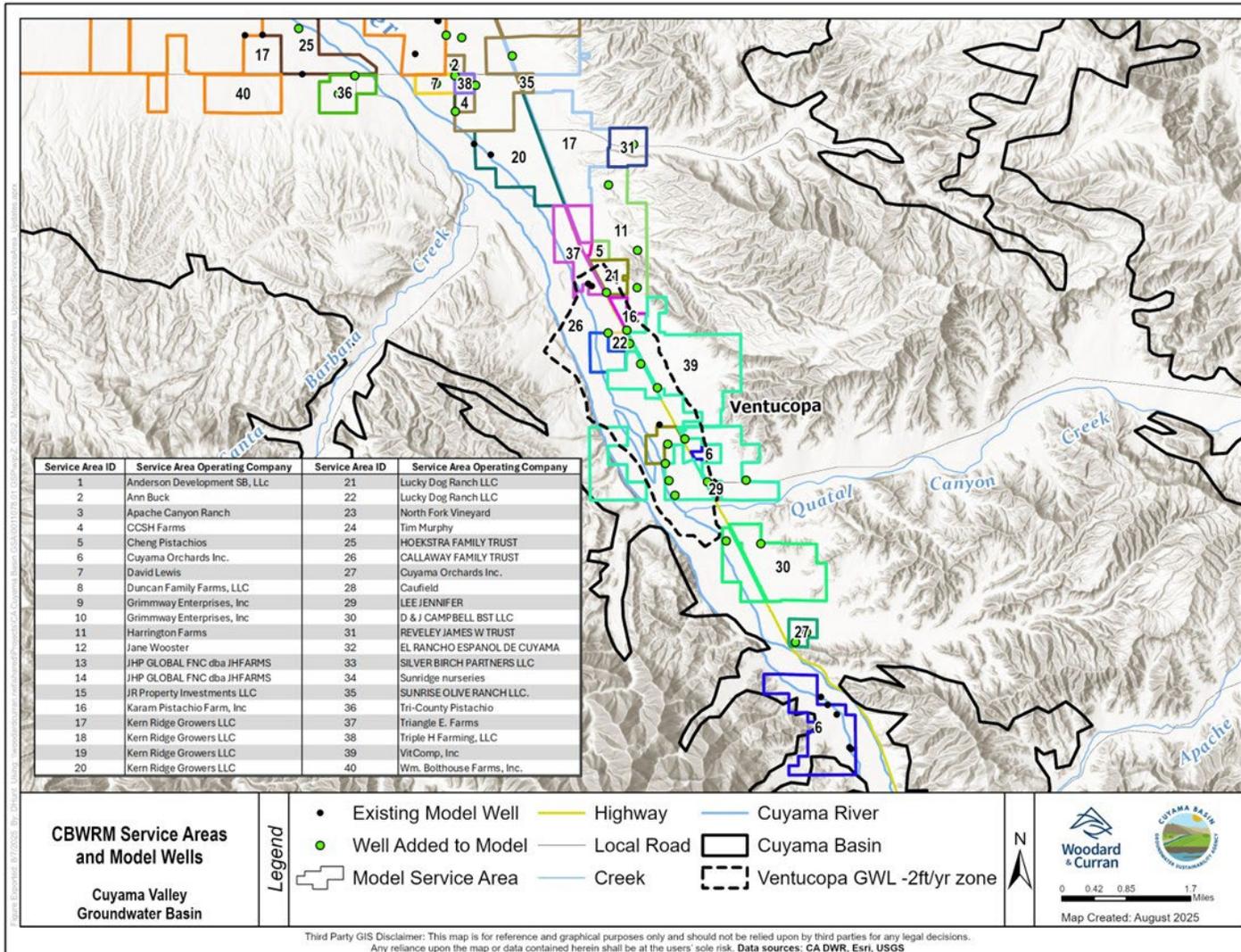
Simulated GWLs (v0.31)



MODEL RESULTS

Simulated vs Reported Pumping

Pumping



- Digitized 2024 monthly pumping data.
- Compared Reported vs. Simulated pumping for each Operating Company 2022, 2023, and 2024.

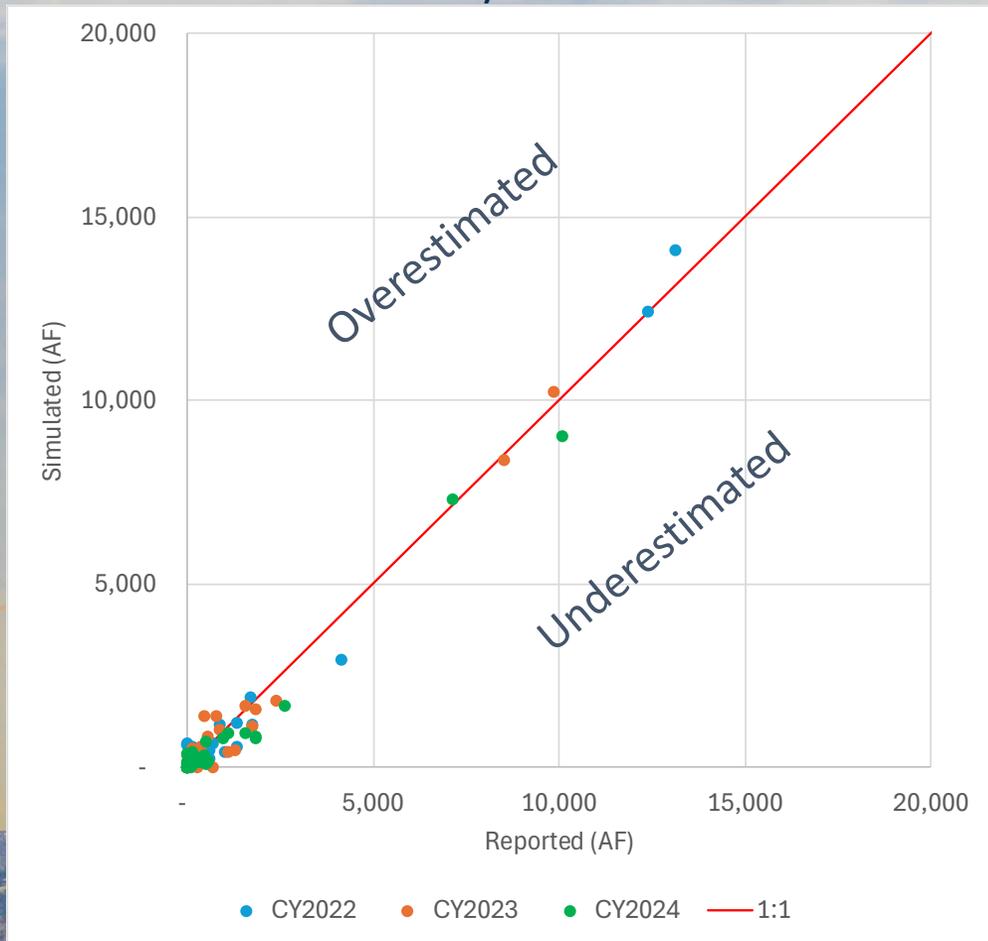
Simulated Pumping (v0.31)

*Only reported entities are included in this comparison

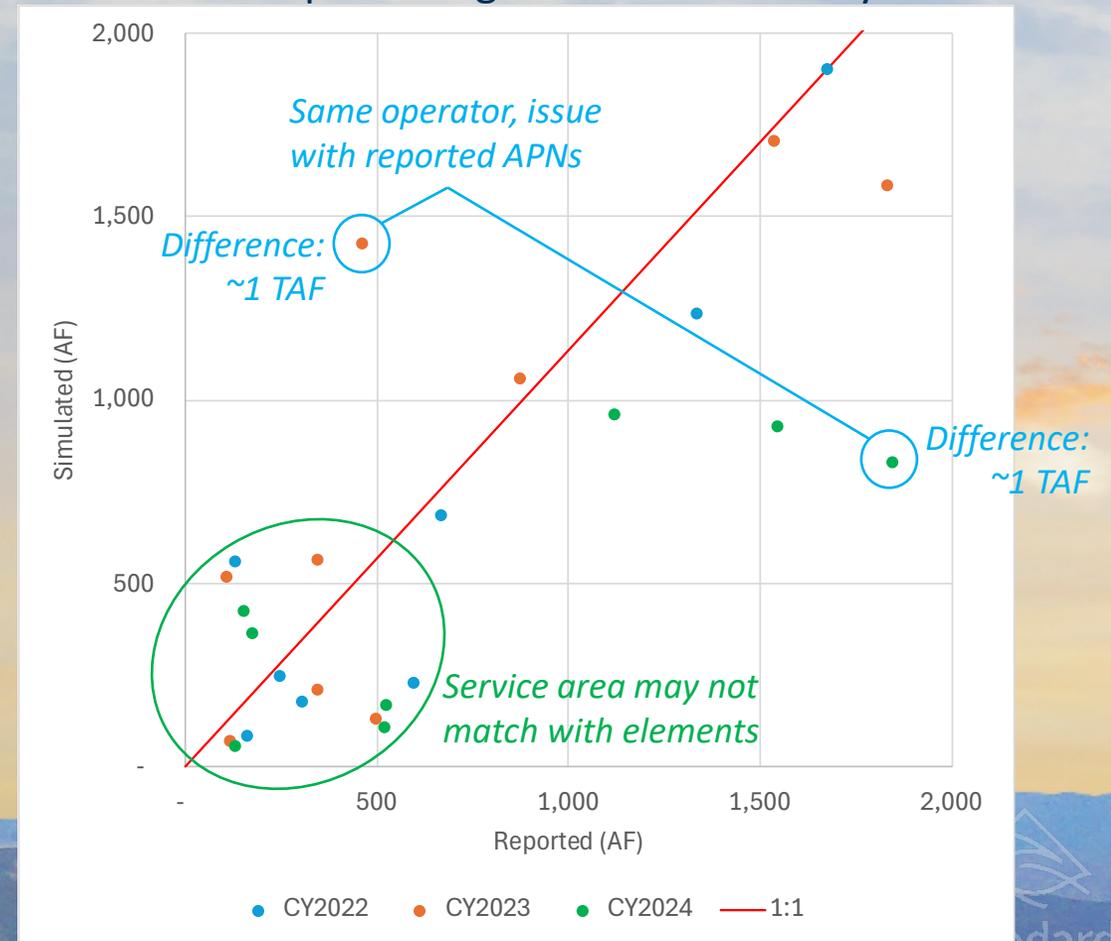
| AF | Reported | Simulated |
|------|----------|-----------|
| 2022 | 5,121 | 5,125 |
| 2023 | 6,118 | 7,272 |
| 2024 | 6,011 | 3,841 |

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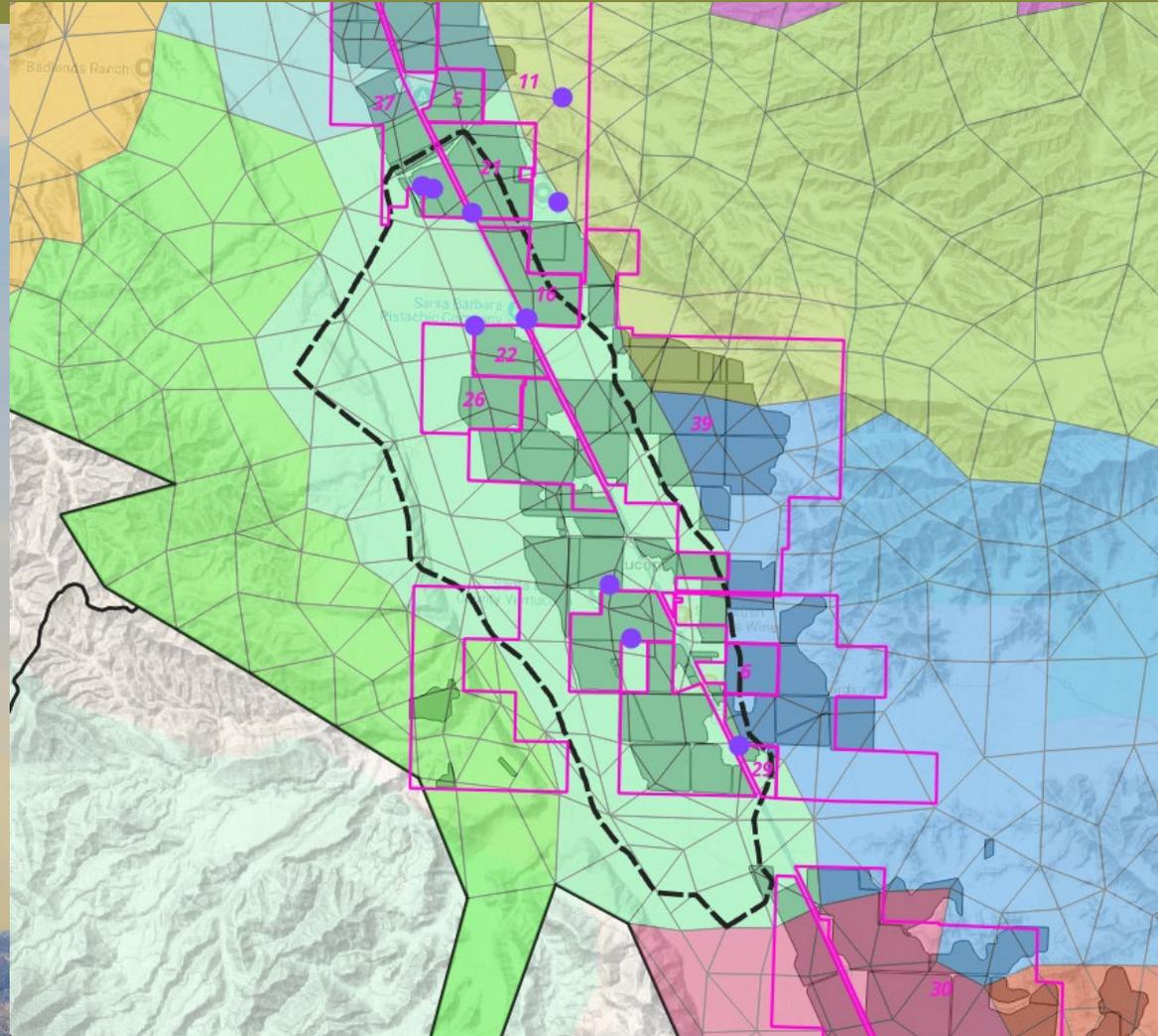
Entire Cuyama Basin



Ventucopa Management Area Vicinity



CBWRM Elements vs Service Areas

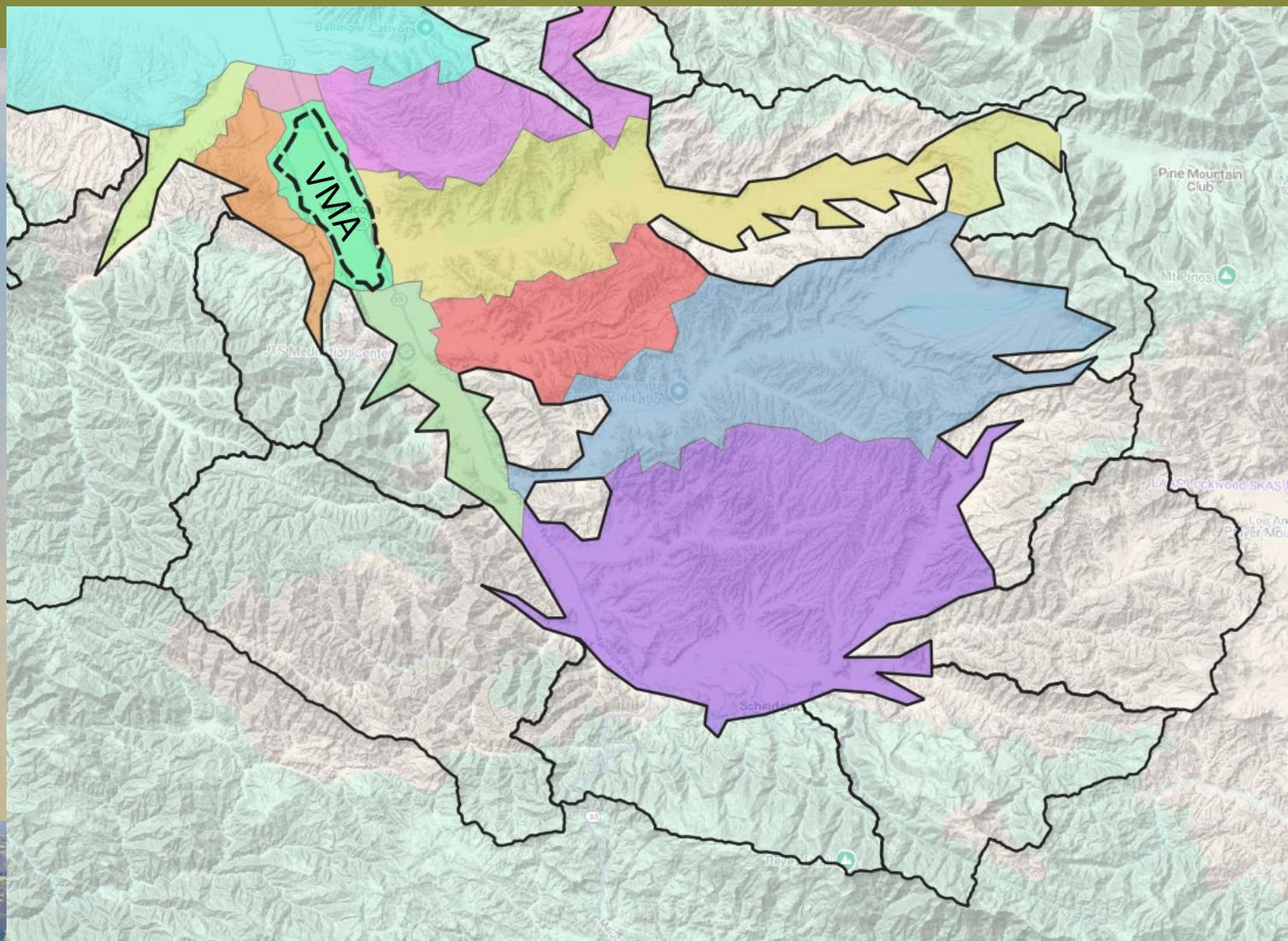




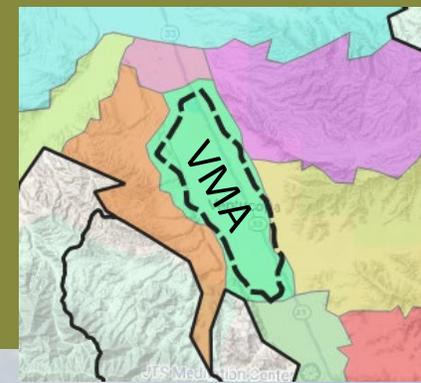
MODEL RESULTS

Water Budgets

Water Budget Zones

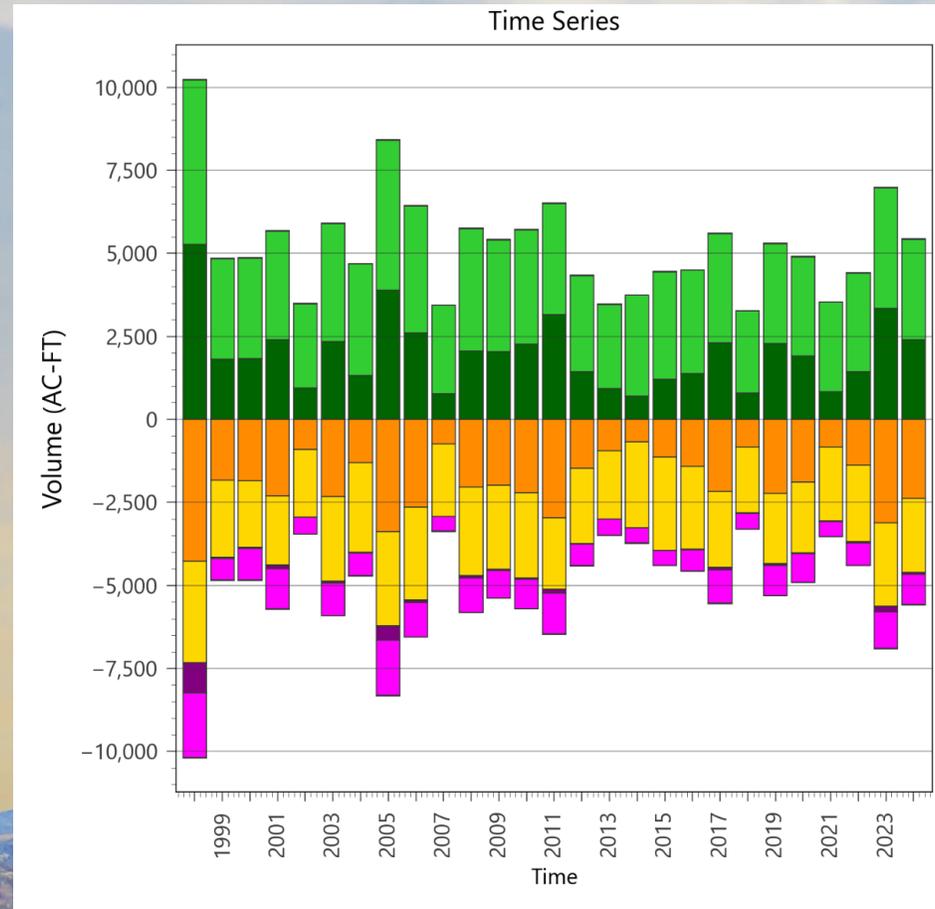
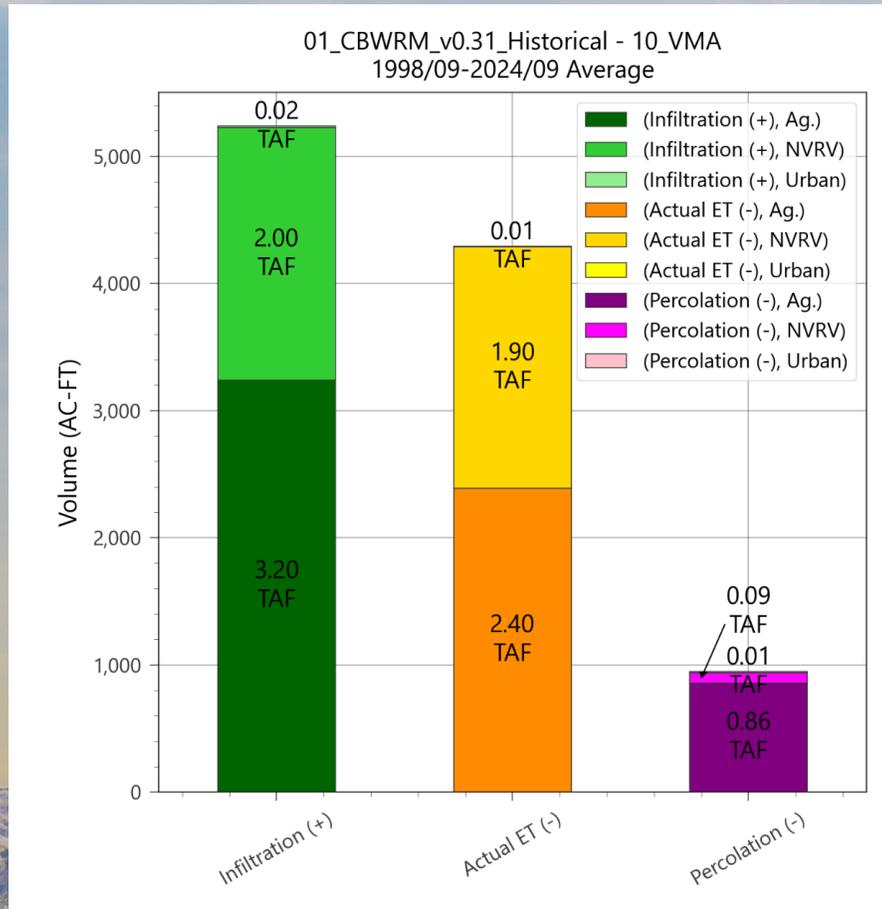


RZ Budget for VMA (v0.31)



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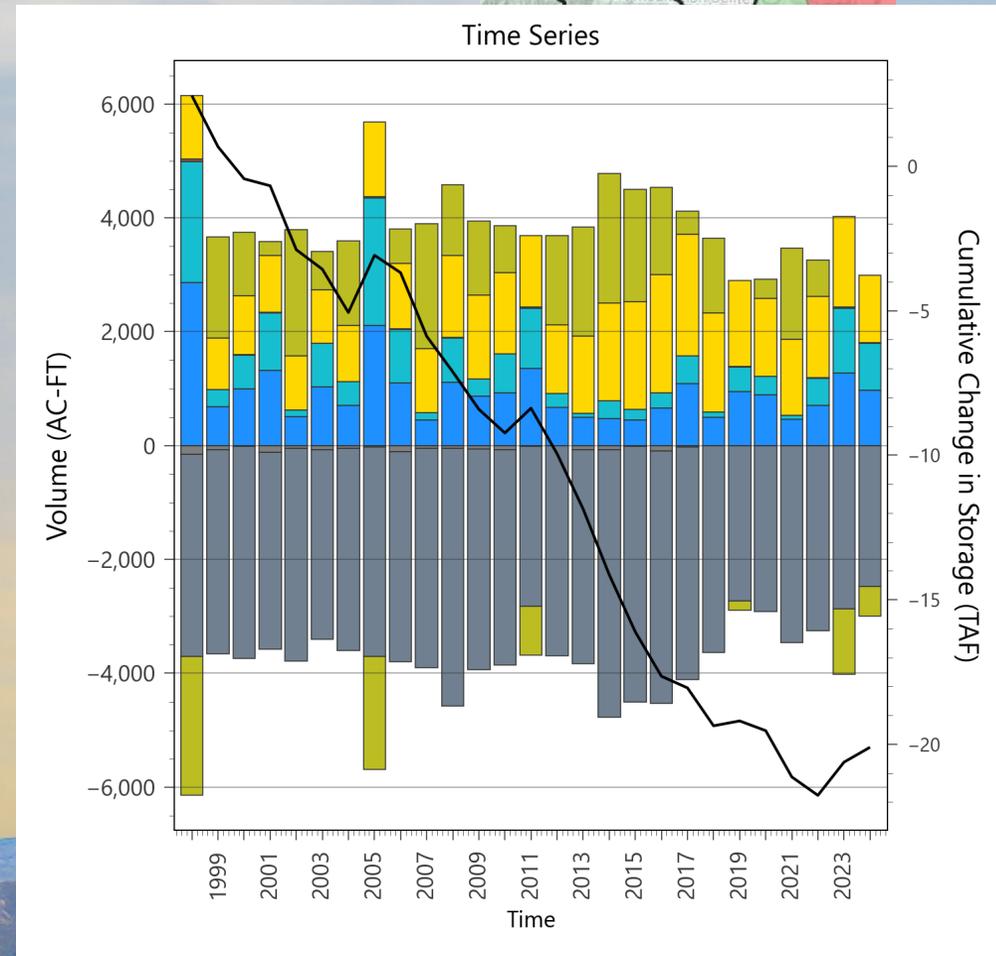
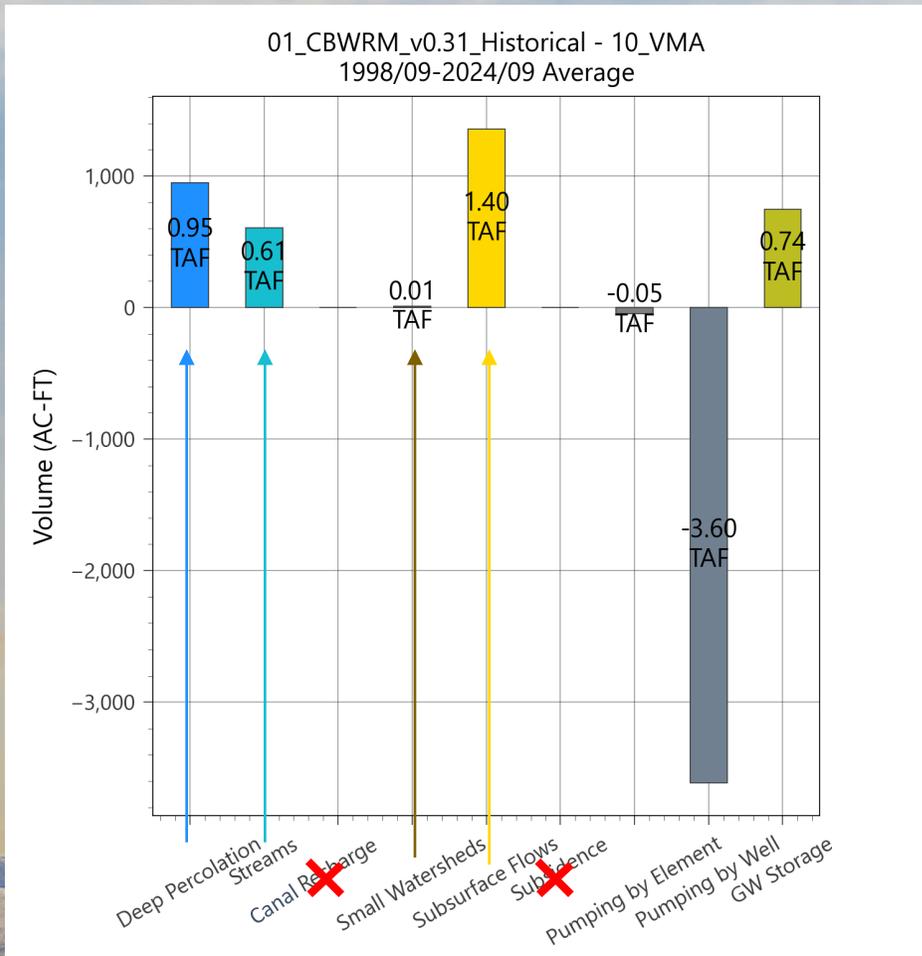
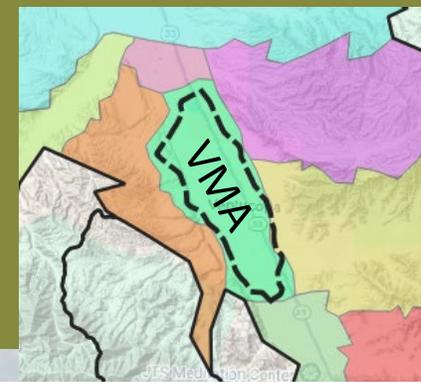
Infiltration = Precipitation + Applied Water - Runoff



- ~80% of the infiltration goes to ET.
- ~20% goes to percolation.
- ~85% of the percolation is from ag. area

GW Budget for VMA (v0.31)

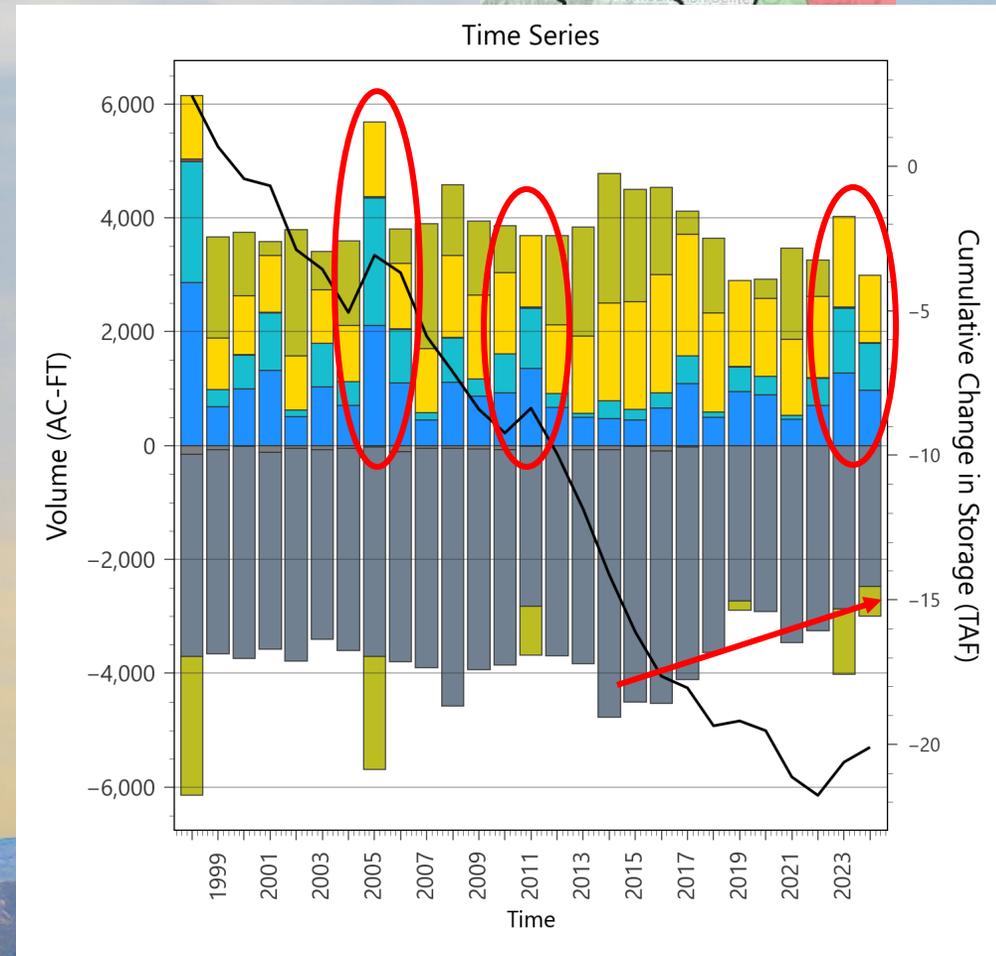
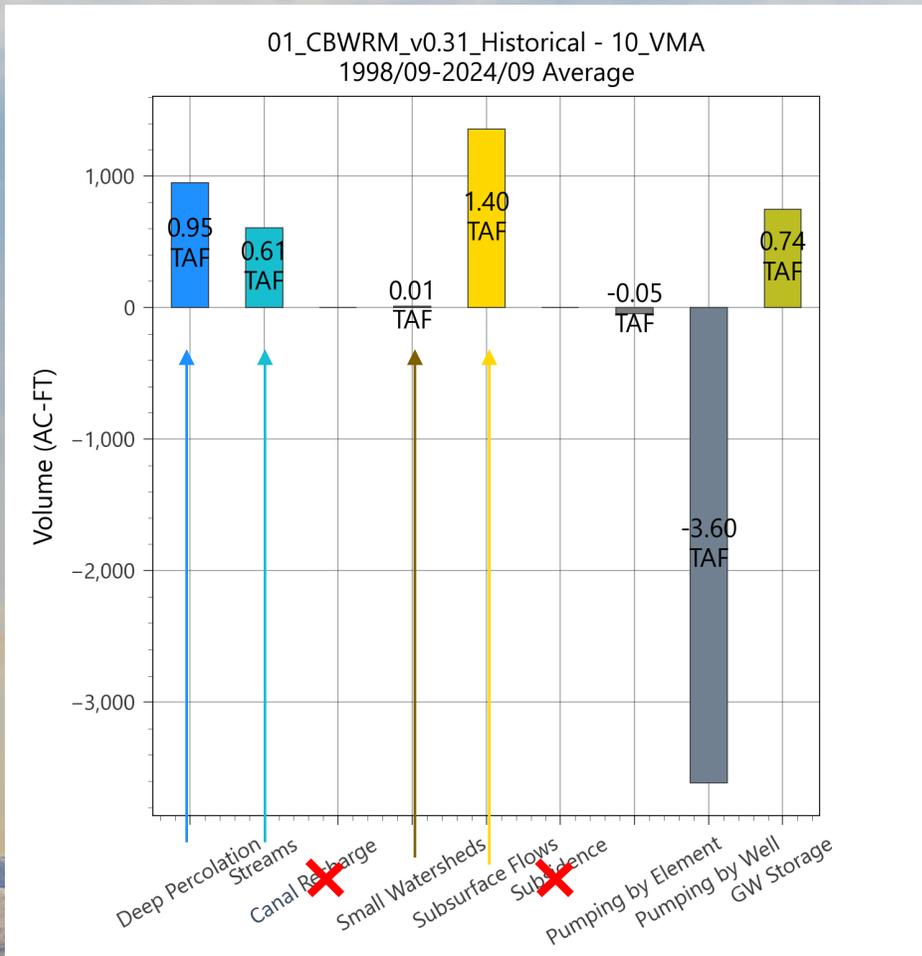
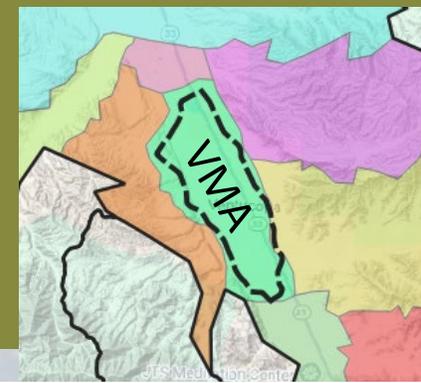
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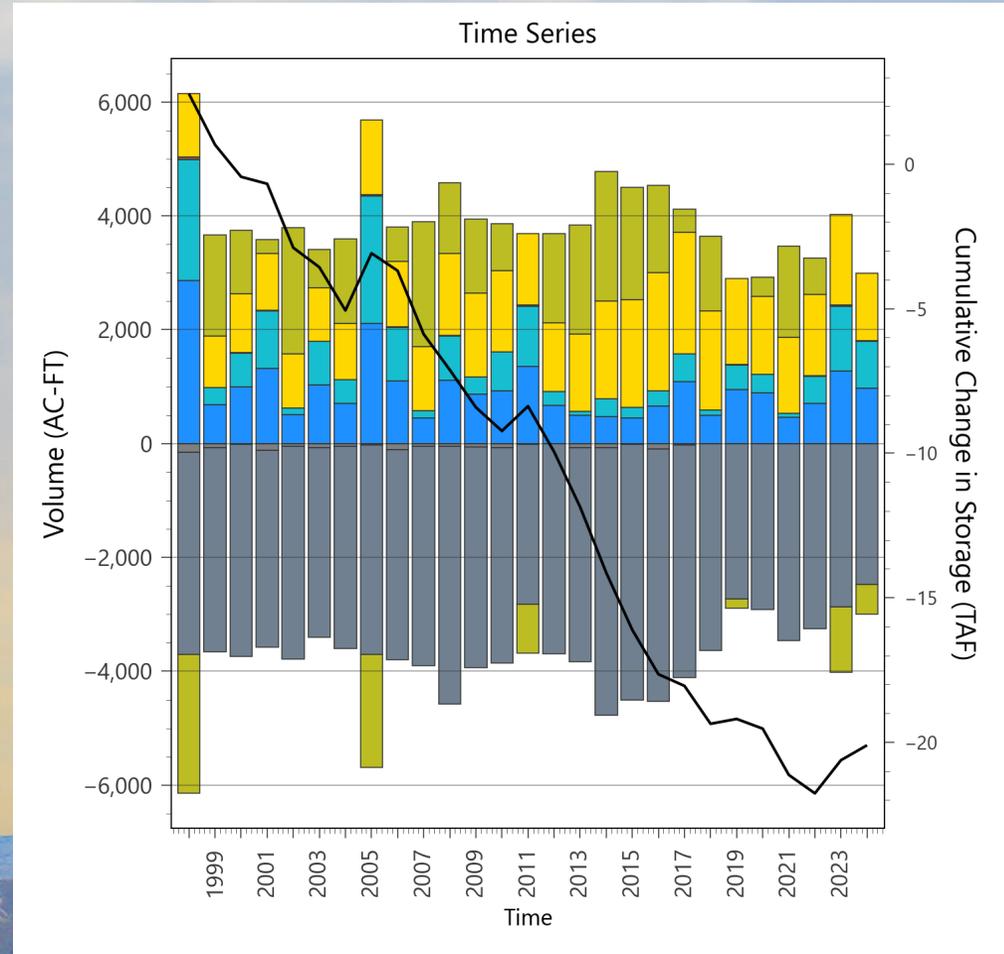
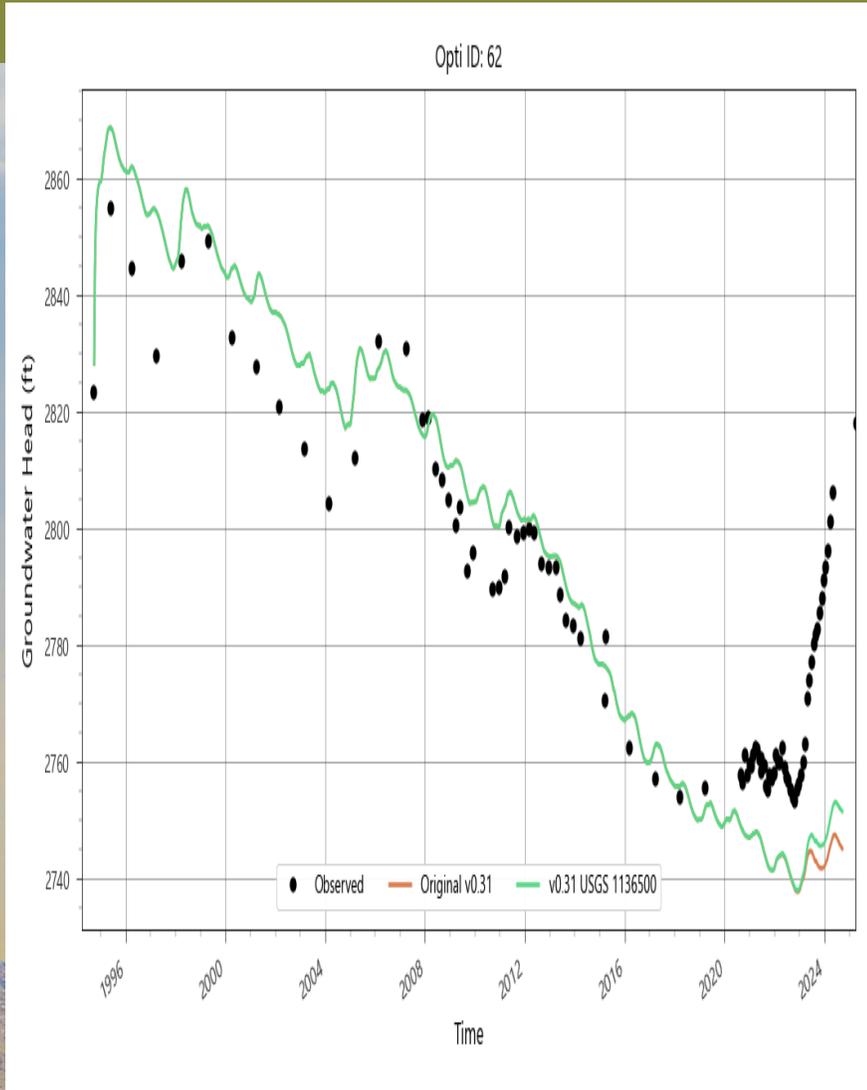
GW Budget for VMA (v0.31)

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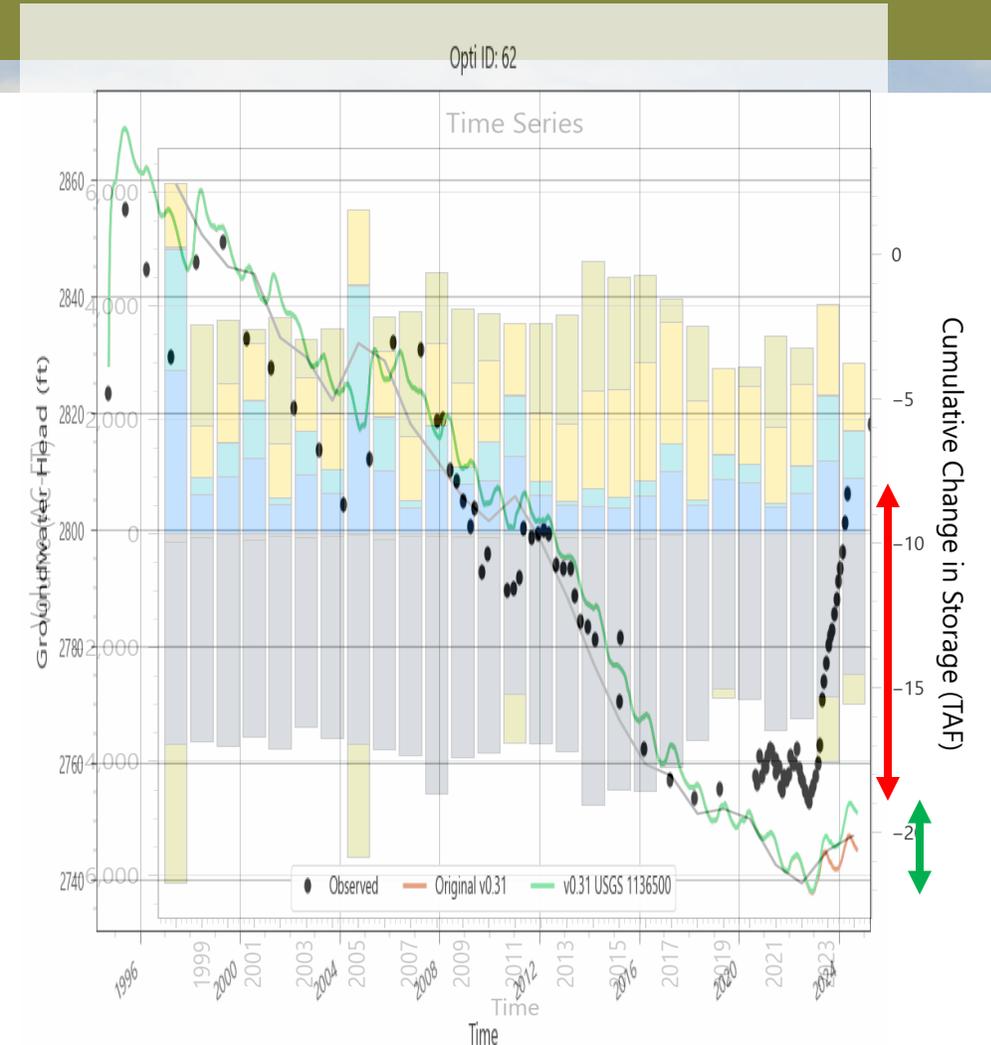


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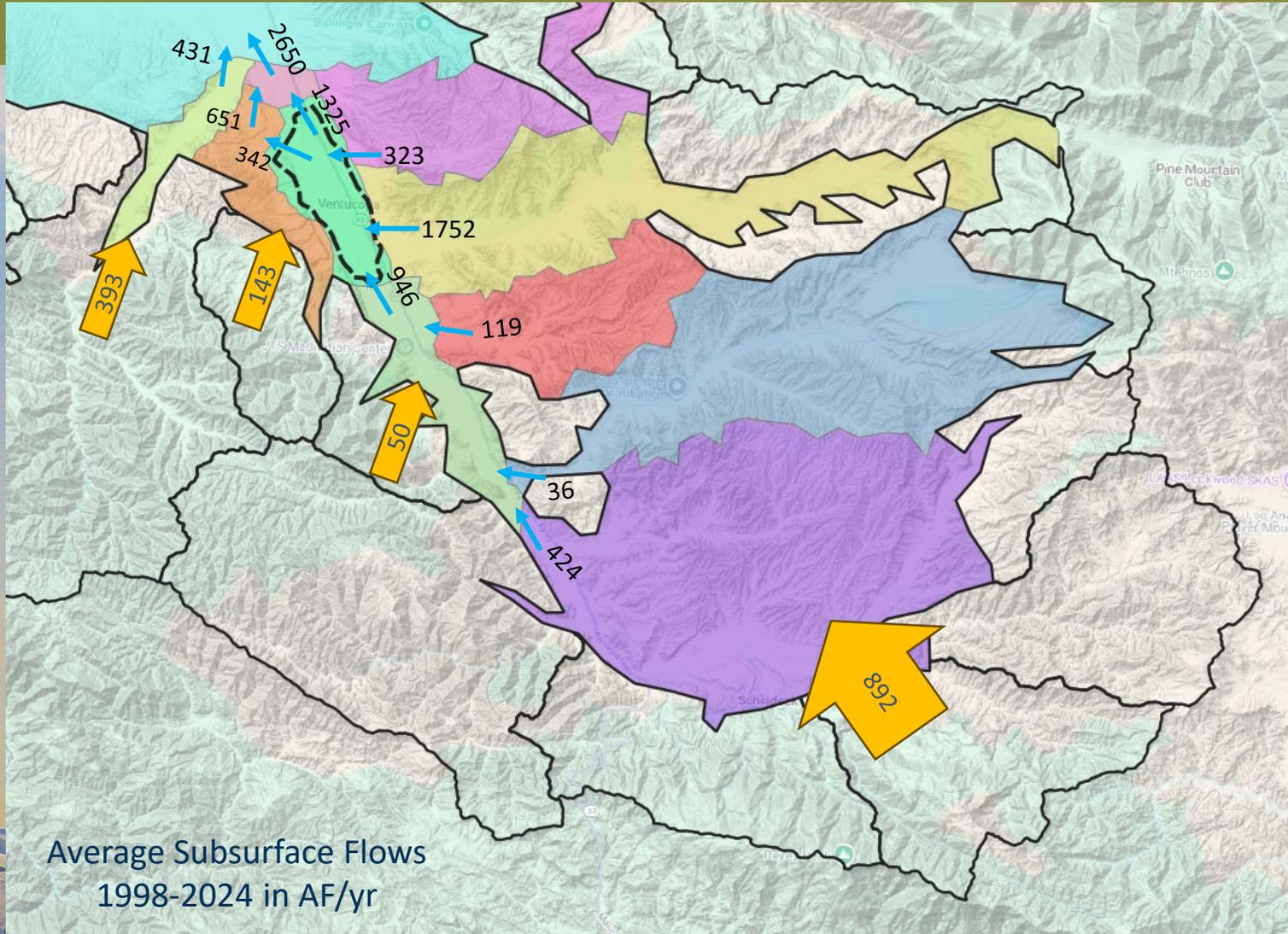
GW Budget for VMA (v0.31)



GW Budget for VMA (v0.31)

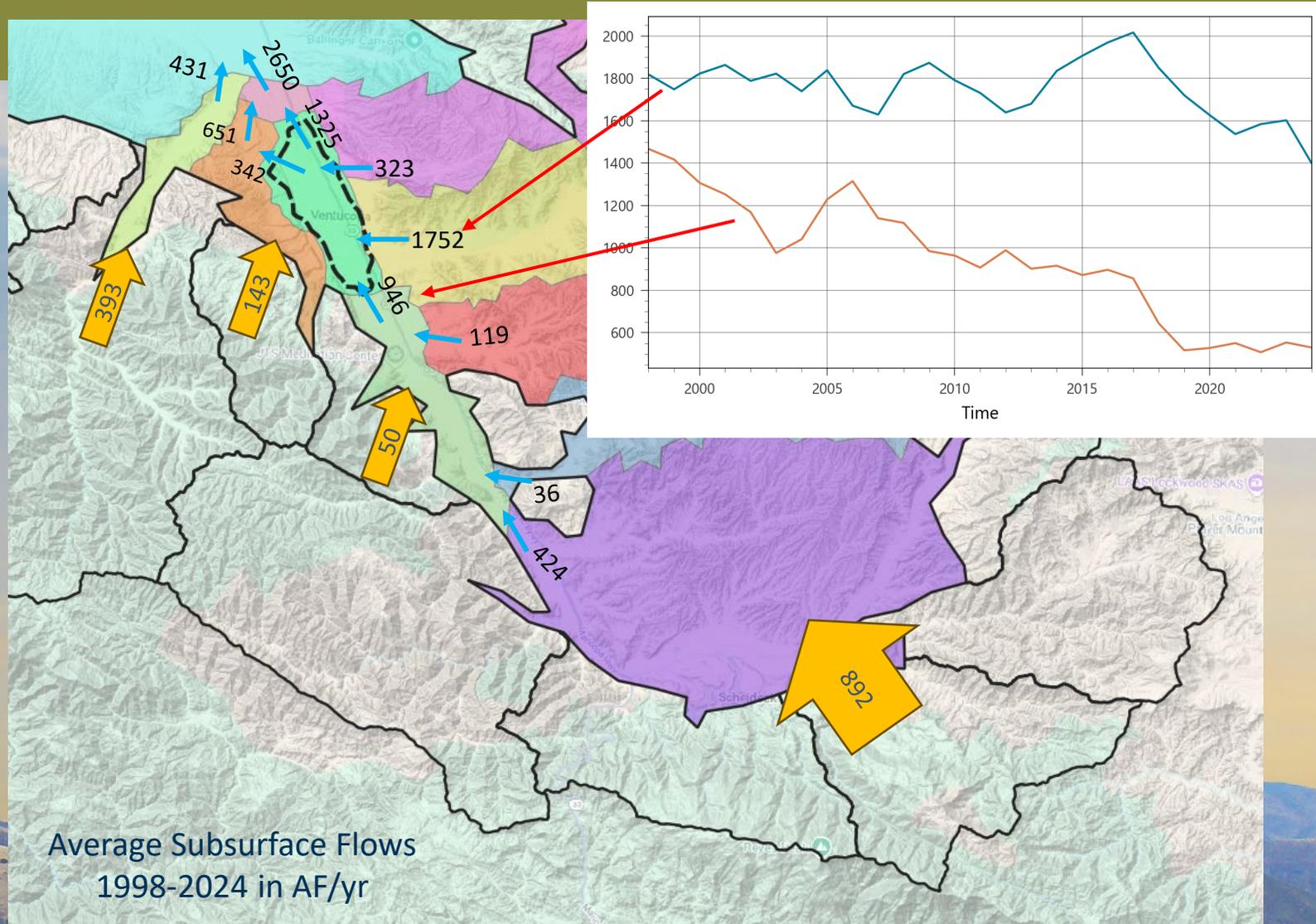


Subsurface Flows (v0.31)



-  Small Watershed Subflow
-  Subsurface Flow Inside Domain

Subsurface Flows (v0.31)



Summary & Conclusion

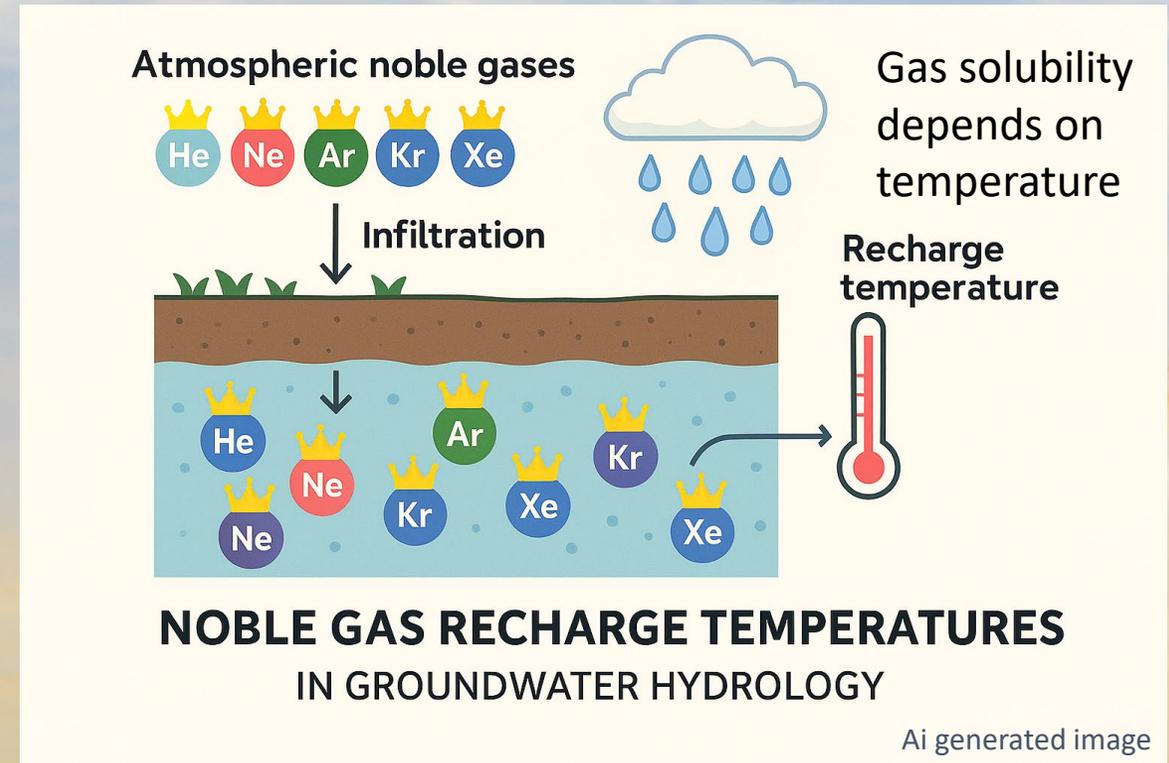
Summary

Streamflows and Foothill Watersheds

- Historical streamflow data upstream of Ventucopa is not extensive enough and/or sufficiently long for the records to be used as model input
- The Small Watersheds module of IWFM has limitations in simulating rainfall runoff and recharge conditions for the flashy watersheds of the area
- Proper simulation of streamflows conditions is necessary, as groundwater levels in wet years in the area are highly sensitive and responsive to the stream flows and associated recharge

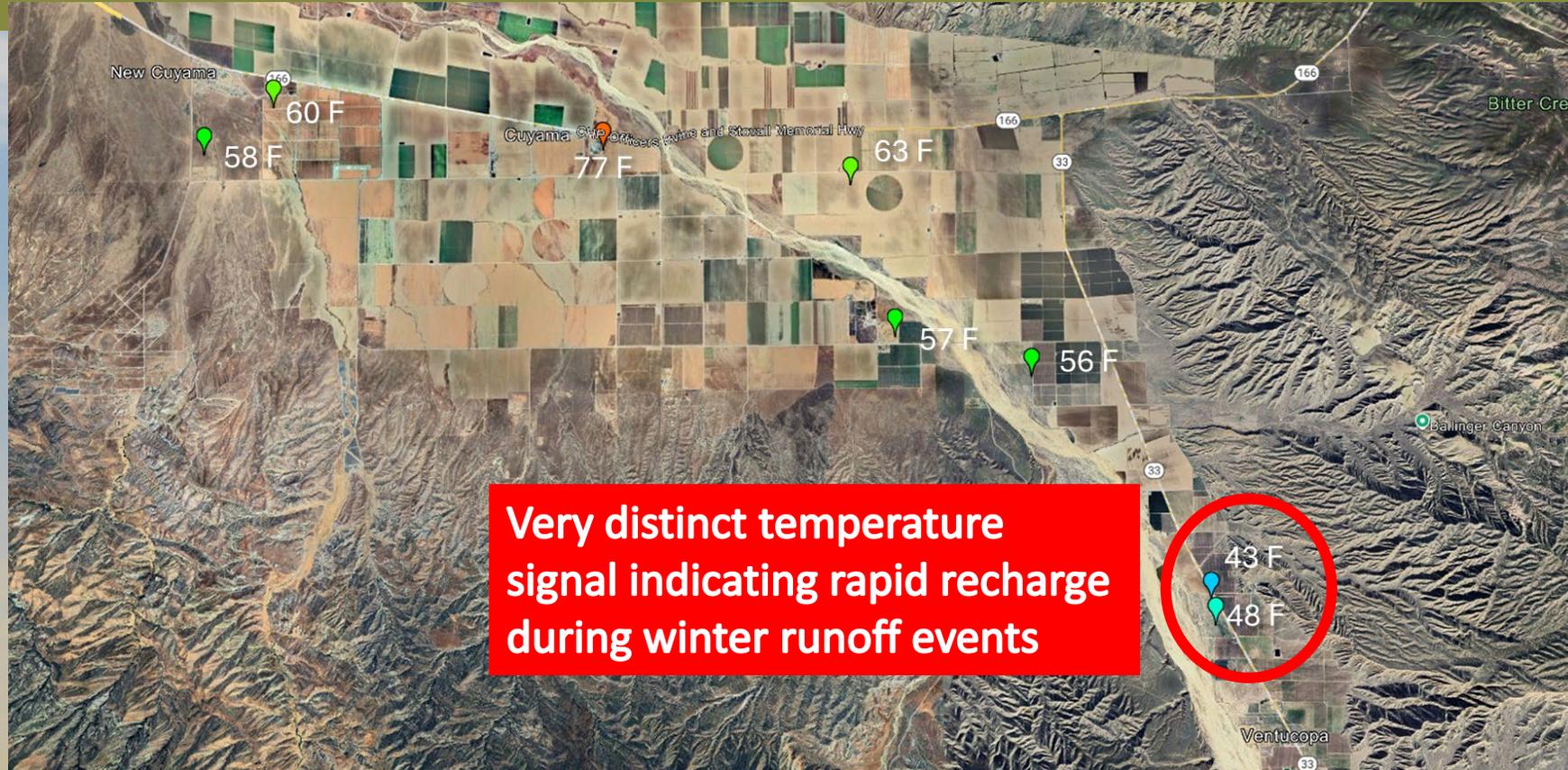
Noble Gas Recharge Temperatures - GAMA

- Noble gases are a group of chemical elements like helium, neon, argon, krypton, and xenon. They're found in the air we breathe and are chemically very stable — meaning they don't react much with other substances.
- When rainwater or surface water seeps into the ground to become groundwater, it traps some of these noble gases from the atmosphere. The amount of noble gases dissolved in the water depends on the temperature at the time the water entered the ground — this is called the recharge temperature.



Ate Visser, LLNL
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Noble Gas Recharge Temperatures - GAMA



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Summary

Simulated vs. Observed GWLs

- CBWRM can simulate general trends, seasonal fluctuations, and small recoveries in GWLs
- Over estimation in the downstream area and under estimation in the upstream area needs to be further adjusted and balanced
- The GWL recoveries in extreme wet years (e.g., 2023) need improvement

Summary

Pumping & Water Budgets

- Pumping volumes estimated by the CBWRM (v0.31) is generally close to the reported pumping rates. This gives confidence in ET and land use estimates
 - The land use, reported pumping, Well-APN Linkage in some service areas need to be verified
- Groundwater Budget from the CBWRM (v0.31) does not reflect the wet year recovery observed in the GWLs, potentially due to the inappropriate representation of stream recharge and/or small watersheds
- Subsurface inflow from Quatal Canyon and Ozena are major inflow components. Subsurface outflow to the Central Region is a major outflow component

Preliminary Recommendation

- CBWRM in its current state has limitations to adequately simulate the aquifer recovery observed in the wet years near Ventucopa
- Therefore, the 2ft/yr GWL decline contour estimated by CBWRM v0.30 Baseline may not be a good indicator of the long-term conditions and the sustainable yield near Ventucopa
- It is recommended to resolve the issues identified in this analysis before using CBWRM in the allocation calculations near Ventucopa Management Area

Preliminary Recommendation

- Areas for potential improvement:
 - Incorporate findings of the SBCF investigation into the model
 - Improved representation of the depth and extent of the fault,
 - Improved stratigraphy near the fault
 - Streamflows from the foothill areas and surrounding canyons draining to Cuyama River
 - Revise the SWS module parameters to better align the streamflow and subflow outputs OR
 - A independent Rainfall-Runoff model for the foothill areas with more comprehensive technical formulation of rainfall-recharge conditions is expected to better represent the historical streamflows and be used to improve the estimated Baseline conditions
 - Subsurface flows from Quatal Canyon and Ozena
 - An isotope study/geochemical analysis may help to quantify the subsurface inflows
 - Representation of the stream geometry
 - A hydraulic model using the LiDAR survey of the Cuyama River channel can help produce rating tables at the desired resolution
 - Recalibration of the CBWRM near and upstream of Ventucopa
 - Re-calibration of the Model for aquifer and streambed parameters upon completion of the above changes can improve model accuracy and long-term trend estimation for use in allocation process

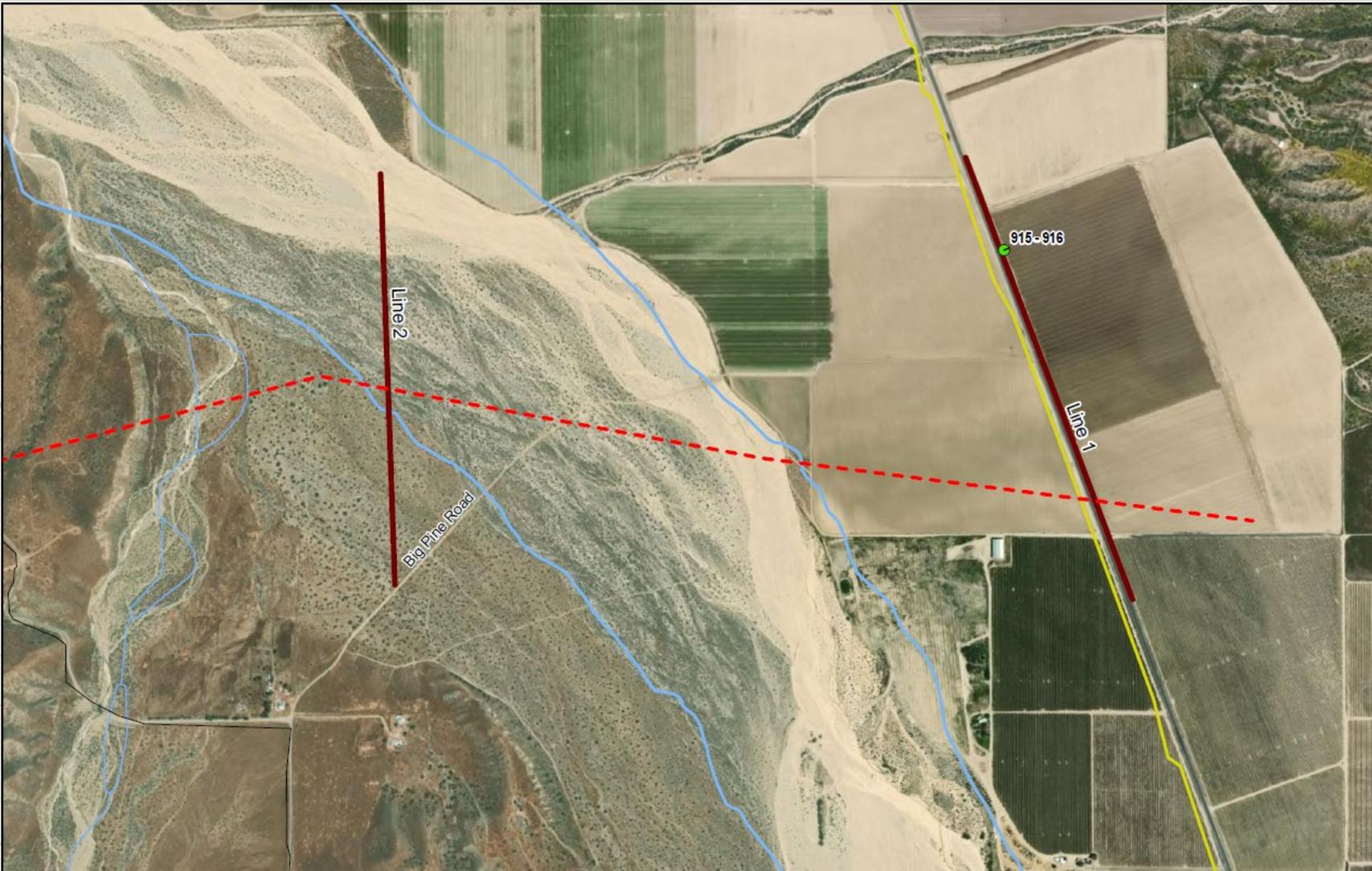
Cuyama Basin Groundwater Sustainability Agency

Update on Santa Barbara Canyon Fault Investigation

Brian Van Lienden



Summary of Geophysical Analysis in 2024 Investigation



- **Line 1:**
 - Located in the Right-of-Way on west side of Highway 33
 - Depth of investigation was 800 feet
 - SBC Fault was NOT identified
- **Line 2:**
 - Located on a parcel of land owned by the U.S. BLM.
 - Depth of investigation was 600 feet
 - SBC Fault was identified where expected
 - A second fault was also identified

Figure 3-1: Santa Barbara Canyon Fault Transects

Legend

- | | | |
|---|--------------|----------------|
| --- Fault (Dashed where Inferred by USGS) | — Highway | — Cuyama River |
| — Survey Transect | — Local Road | □ Cuyama Basin |
| ● Opti Monitoring Well | — Creek | |



Woodard & Curran



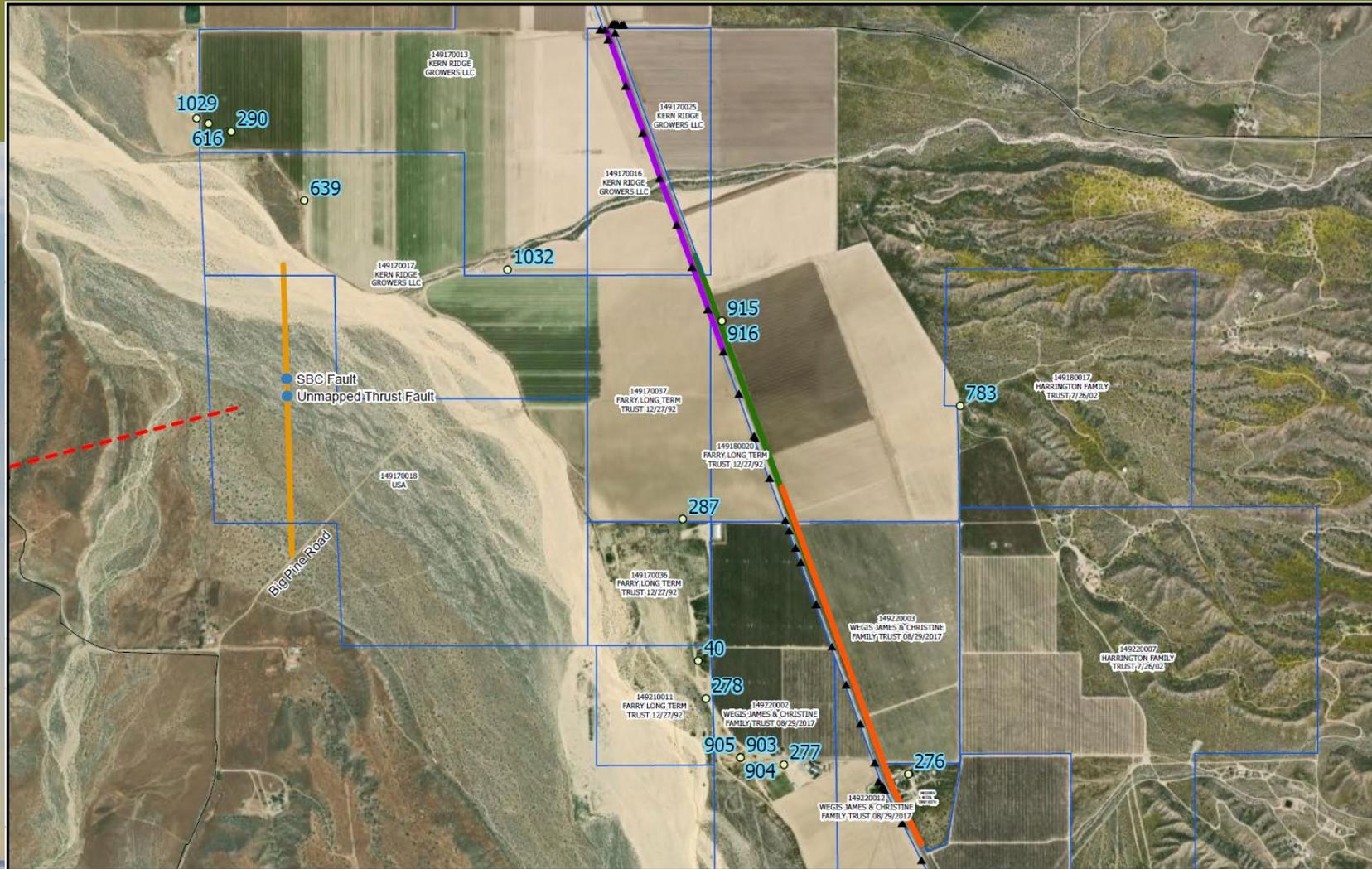
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HALLMARK GROUP Woodard & Curran

Schedule

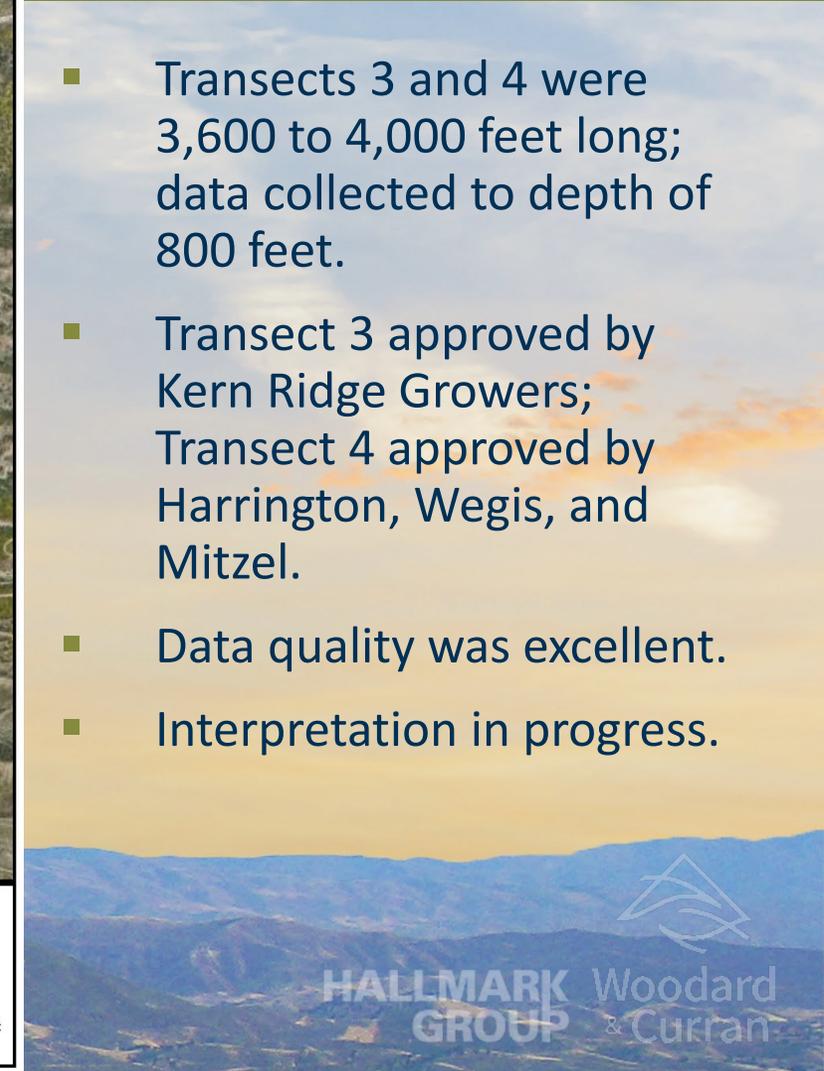
- August-September 2025 - outreach to stakeholders and field confirmation of transects.
- October 2025 – field investigation.
- October-November 2025 – data analysis by Spectrum Geophysics.
- December 2025 – Spectrum to provide draft report to W&C.
- January 2026 – revision of draft report.
- February 2026 – report to GSA.

Transects Performed for 2025 Investigation



- Transects 3 and 4 were 3,600 to 4,000 feet long; data collected to depth of 800 feet.
- Transect 3 approved by Kern Ridge Growers; Transect 4 approved by Harrington, Wegis, and Mitzel.
- Data quality was excellent.
- Interpretation in progress.

| | | | | | | |
|--|----------------------|--|--|--|----------|--|
| <p>Additional SBC Fault Transects</p> <p>Cuyama Basin Groundwater Fault Investigation</p> | <p>Legend</p> | <p>--- Fault (Dashed where Inferred by USGS)</p> <p>— Transect 1</p> | <p>— Transect 2 with Faults Identified</p> <p>— Transect 3 (3,600 ft)</p> <p>— Transect 4 (4,100 ft)</p> | <p>□ Parcel Boundaries</p> <p>▲ Telephone Pole</p> <p>○ Selected DMS Wells</p> | <p>N</p> | <p>Woodard & Curran</p> <p>CUYAMA BASIN GROUNDWATER SUSTAINABILITY CENTER</p> <p>0 500 1,000 2,000 Feet</p> <p>Map Created: October 2025</p> |
|--|----------------------|--|--|--|----------|--|





TO: Board of Directors
Agenda Item No. 12b

FROM: Taylor Blakslee / Brian Van Lienden

DATE: November 5, 2025

SUBJECT: Discuss and Take Appropriate Action on Tri-County Pistachio Variance Request

Recommended Motion

Board feedback requested.

Discussion

On July 24, 2025, the Board received a variance request letter from Tristan Zannon, which included a request to adjust the 2025-2029 base allocation from 426 AFY to 611 AFY, reflecting a 5-6% annual reduction consistent with other CMA landowners. The letter was included as a correspondence item during the September 3, 2025 Board meeting, and is provided as **Attachment 2**.

A historical land use data analysis was conducted to verify the claims of potential data discrepancies and presented findings to the Variance Ad hoc (Directors Albano, Jackson, Young) on October 23, 2025.

The findings from the historical land use data analysis, along with a recommendation from the Variance Request ad hoc are summarized in **Attachment 1**.

Cuyama Basin Groundwater Sustainability Agency

Discuss and Take Appropriate Action on Tri-County Pistachio Variance Request

Taylor Blakslee / Sercan Ceyan



Purpose / Background

- Tri-County Pistachio submitted a Variance Request on July 24, 2025.
 - The request includes an adjustment to the 2025-2029 base allocation from 426 AFY to 611 AFY, reflecting a 5-6% annual reduction consistent with other CMA landowners.
- On September 5, 2025, Tristan Zannon had provided his variance request as correspondence for the board meeting.
 - During the agenda item, the board requested that it be agendized for the November board meeting.
- Claimed Errors
 - Low pumping values in 2014-2015 for APN 149-170-042, which the landowner asserts are impossible for a 40-acre mature pistachio orchard.
 - Irrigation during planting and growth years (2002-2006) not reflected in model.

Context – Area of Variance Request



For clarity, the parcels will be abbreviated to the last three numbers of the APN (042, 044, 045, 046)

Parcel 149-170-044 has two fields, referred by Zannon as East and West (044 East, 044 West)

Historical Land Use Summary

| Parcel APN | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------|------|------|------|------|------|------|--------|--------|--------|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 149-170-046 | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist | Pist |
| 149-170-045 | Pist | Pist | Pist | Pist | idle | idle | + idle | idle | idle | idle | Pist |
| 149-170-042 | Pist | Pist | Pist | Pist | idle | idle | idle | idle | idle | + idle | Pist | idle | idle | Pist |
| 149-170-044 West | Pist | Pist | Pist | Pist | idle | idle | idle | + idle | idle | idle | Pist |
| 149-170-044 East | Pist | Pist | Pist | Pist | idle | idle | idle | idle | + idle | idle | Pist |

Should have been identified as idle, was identified as Pistachio instead

Should have been identified as Pistachio, was identified as idle instead.

Potential Impact on Allocations – Average Use

Assuming fully grown conditions from a historical year

| Original | APN | WY1998 | WY1999 | WY2000 | WY2002 | WY2003 | WY2004 | WY2005 | WY2006 | WY2014 | WY2015 |
|----------|-------------|---|--------|--------|-------------------|-------------------|-------------------|-------------------|--------|--------|--------|
| | 149-170-042 | 57.19 | 64.05 | 1.51 | 1.49 | 1.31 | 1.46 | 1.97 ⁺ | 99.66 | 4.69 | 3.21 |
| | 149-170-044 | 119.47 | 131.38 | 2.29 | 1.65 | 1.91 ⁺ | 1.53 ⁺ | 2.43 | 195.90 | 293.91 | 266.88 |
| | 149-170-045 | 60.41 | 65.87 | 4.12 | 2.93 ⁺ | 2.75 | 2.87 | 4.22 | 108.31 | 147.50 | 133.65 |
| | 149-170-046 | 50.04 | 54.52 | 57.94 | 78.29 | 64.83 | 80.89 | 82.47 | 81.17 | 117.75 | 107.37 |
| | | <i>Red = Incorrect assignment of pistachios or idle</i> | | | | | | | | | |
| Adjusted | APN | WY1998 | WY1999 | WY2000 | WY2002 | WY2003 | WY2004 | WY2005 | WY2006 | WY2014 | WY2015 |
| | 149-170-042 | 1.51 | 1.51 | 1.51 | 1.49 | 1.31 | 1.46 | 99.66 | 99.66 | 116.44 | 116.44 |
| | 149-170-044 | 2.29 | 2.29 | 2.29 | 1.65 | 97.95 | 195.90 | 195.90 | 195.90 | 293.91 | 266.88 |
| | 149-170-045 | 4.12 | 4.12 | 4.12 | 108.31 | 108.31 | 108.31 | 108.31 | 108.31 | 147.50 | 133.65 |
| | 149-170-046 | 50.04 | 54.52 | 57.94 | 78.29 | 64.83 | 80.89 | 82.47 | 81.17 | 117.75 | 107.37 |

Green=Water use estimate decreased. Blue=Water use estimate increased

Corrections Applied:

- 1998 to 2005: Updated water use estimates based upon initial planting dates provided by Tri-County Pistachio
- 2014 & 2015: Updated water use estimates assuming pistachios in Parcel 042

Potential Impact on Allocations – Average Water Use with assumed changes in the historical cropping

| Water Use Estimate | Original | Adjusted |
|--------------------|---------------|---------------|
| APN | 1998-2017 | 1998-2017 |
| 149-170-042 | 63.44 | 73.66 |
| 149-170-044 | 156.28 | 168.16 |
| 149-170-045 | 81.86 | 96.98 |
| 149-170-046 | 84.69 | 84.69 |
| Total | 386.27 | 423.49 |

9.6% increase

Potential Adjustment in Tri-County Pistachio Allocations

- The following shows the change in Tri-County Pistachio's allocations with a 9.6% increase in their historical use.
- The adjustments were made assuming that no other landowner's allocations would be changed.

| Tri-County Pistachio Allocations | 2025 | 2026 | 2027 | 2028 | 2029 |
|----------------------------------|--------|--------|--------|--------|--------|
| Original | 426.06 | 319.86 | 302.67 | 285.47 | 268.28 |
| Adjusted | 467.12 | 350.68 | 331.84 | 312.98 | 294.13 |
| Difference | 41.06 | 30.82 | 29.17 | 27.51 | 25.85 |

Ad Hoc Recommendation

- Correct land use data for Tri-County parcels for the following years:
 - 1998-1999
 - 2002-2006
 - 2014-2015
- Adjust only Tri-County allocation for years 2025-2029 (no adjustment to other CMA landowner allocations).

Ad-hoc considers this as an error correction, not a variance request.

Brownstein Hyatt Farber Schreck, LLP

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1021 Anacapa Street, 2nd Floor
Santa Barbara, California 93101

July 24, 2025

Amy Steinfeld
Attorney at Law
805.882.1409 direct
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VIA EMAIL

Taylor Blakslee
tblakslee@hgcpm.com
Assistant Executive Director
Cuyama Basin Groundwater Sustainability Agency
4900 California Avenue
Tower B, Suite 210
Bakersfield, CA 93309

Re: Variance Request- Tri-County Pistachio

Dear Mr. Blakslee:

On behalf of our client, Tri-County Pistachio (“Tri-County”), we submit this variance request for consideration by the Board of Directors of the Cuyama Basin Groundwater Sustainability Agency (“CBGSA”) in response to the CBGSA “Notice of Final Central Management Area Allocations for 2025-2029 (5 Years),” dated February 7, 2025. Tri-County was only recently included in the Central Management Area (“CMA”) when CBGSA updated the CMA boundary in 2024. In addition to the specific objections presented herein, Tri-County incorporates general objections to CBGSA’s allocation policy that our office previously submitted on behalf of clients within the CMA. (Letter from Stephanie Hastings to CBGSA dated March 6, 2023 is attached as **Exhibit A.**)

It recently came to Tri-County’s attention that the CBGSA relied on incorrect technical data to calculate Tri-County’s 2025-2029 base allocation of 426 acre feet per year (“afy”) for APNs 149-170-042, 44, 45 and 46. Tri-County is an established pistachio grower in the Cuyama Valley that has invested millions of dollars into this region, and will suffer great economic loss if it is unable to obtain an adjusted base groundwater allocation of 611 acre feet (“af”) for 2025 with subsequent annual reductions consistent with CBGSA’s glide path ramp down of 5-6 percent per year in the Central Management Area (“CMA”). If the erroneous base allocation remains in place, unlike the other farmers in the CMA, Tri-County will suffer an immediate 32 percent reduction in available groundwater this year—its first year being included within the CMA allocation program. A sudden, drastic reduction of 32 percent is unfair and must be corrected.

Thus, we are writing to request that Tri-County’s base allocation be adjusted from 426 af to 611 af, which is a 5 percent reduction from Tri-County’s 2024 water use of 644 af and comports with the CBGSA’s reasonable glide path ramp down of 5-6 percent per year for all other CMA farmers. This letter provides additional background information to support the requested variance.

Tri-County’s parcels were determined to be within the CMA for the first time in 2024 when the GSA adopted an updated CMA boundary. Consequently, Tri-County did not have the same opportunity to identify issues with the technical information it submitted and to correct its allocation compared to other landowners within the original CMA boundary. Tri-County should be given an opportunity now to report its corrected and true historical pumping to CBGSA and obtain a variance in its base allocation as a matter of equity.

Upon reviewing its final allocation, Tri-County realized that the CBGSA incorrectly calculated Tri-County’s historical water use in certain years. These accounting errors contributed to Tri-County’s incorrect base allocation calculation. In 2005, Tri-County planted 40 acres of pistachios on APN 149-170-42. Unlike row crops which can be fallowed, pistachios are perennial crops and need water every year. According to the CBGSA, Tri-County’s historical water use associated with 149-170-42 is as follows between 2004-2017:

| Year | CBGSA Water Use Estimate (in afy) |
|-------------|--|
| 2004 | 1.46 |
| 2005 | 1.97 |
| 2006 | 99.66 |
| 2007 | 101.63 |
| 2008 | 111.17 |
| 2009 | 116.34 |
| 2010 | 119.38 |
| 2011 | 108.49 |
| 2012 | 131.58 |
| 2013 | 121.63 |
| 2014 | 4.69 |
| 2015 | 3.21 |
| 2016 | 111.24 |
| 2017 | 109.30 |

The historical water use estimate to irrigate 40 acres of pistachio trees in 2014 and 2015 (highlighted above) is obviously an error. Tri-County did not remove any trees from production during 2014 and 2015 and there was no drop off in the number or quality of nuts harvested from that parcel. A significant drop in nut quality and quantity would have occurred if the trees had received little to no water during the 2014-2015 growing season. Such a drastic reduction in water use would have been catastrophic or even fatal to the trees. No such event occurred during these years.

In 2024, Tri-County reported total metered water use of 626 af collectively used on APNs 149-170-042, -045, -044, and -046. Although Tri-County’ wells were not metered in 2014 and 2015, the 2024 total metered water use of 626 af can be used to estimate the corrected water use in 2014 and 2015 on APN 149-170-042.

For example, in 2014 we can subtract from 626 af the 2014 CBGSA estimated water use for the other Tri-County parcels (147.50 af + 293.91 af +117.75 af = 559.16 af) to find the approximate corrected water use for APN 149-170-042. Using this methodology, the corrected water use for APN 149-170-042 should be approximately 66.84 af in 2014 (626-559.16= 66.84) and 118.1 af in 2015 (626-507.9= 118.1).

In other instances, the CBGSA model does not account for the history of Tri-County water use during the multi-year growth phase as the trees reached full maturity. Instead, CBGSA’s model estimates that water was only used once trees reached full productive maturity. This is incorrect and does not reflect the realities of the water requirements for pistachio orchards.

| Year | APN 149-170-45 (CBGSA Water Use Estimate in afy) | APN 149-170-44 (CBGSA Water Use Estimate in afy) | APN 149-170-42 (CBGSA Water Use Estimate in afy) |
|------|--|--|--|
| 2002 | 2.93 (40 acres of pistachios planted in 2002.) | 1.65 | 1.49 |
| 2003 | 2.75 | 1.91 (40 acres of pistachios planted in 2003.) | 1.31 |
| 2004 | 2.87 | 1.53 (Another 40 acres of pistachios planted in 2004 for a total of 80 acres of pistachios on the parcel.) | 1.46 |
| 2005 | 4.22 | 2.43 | 1.97 (40 acres of pistachios planted in 2005.) |
| 2006 | 108.31 | 195.90 | 99.66 |

| | | | |
|------|--------|--------|--------|
| 2007 | 108.28 | 205.56 | 101.63 |
| 2008 | 118.75 | 228.24 | 111.17 |

CBGSA’s model used to calculate allocations completely omits Tri-County’s history of water use during the multi-year growth phase as the trees reached full maturity. Instead, the CBGSA only accounts for fully mature trees on Tri-County’s parcels starting in 2006, without concessions for the water applied when the trees were initially planted and thereafter to irrigate the trees between 2002-2006 to bring them to maturity.

Tri-County planted 40 acres of pistachios on APN 149-170-45 in 2002, 40 acres on APN 149-170-44 in 2003, another 40 acres on APN 149-170-44 in 2004, and 40 acres on APN 149-170-42 in 2005. A copy of Google Earth images from 2002-2005 (with 1994 included as a control to show the fields prior to planting) evidence the Tri-County pistachio planting dates and is attached as **Exhibit B**.

The CBGSA provided growers with a water use estimate worksheet that provided instructions for how growers could estimate net water use based on acreage and crop factors as calculated by the California Polytechnic State University’s Irrigation Training and Research Center (“ITRC”) California Crop and Soil Evapotranspiration Report, ITRC Report No. 03-001. (See blank CBGSA Form I Irrigator Water Use Estimate Worksheet, **Exhibit C**.) According to the CBGSA’s own provided formula, 40 acres of pistachios would result in total net water use of approximately 119.6 afy. (40 acres x 2.99-Pistachio crop factor using ET Reference Average for Zone 10 = 119.6 afy.) Even accounting for a lower than average water use as the trees were still maturing during the initial planting phase, we would expect to see a gradual increase in water use as the trees reach maturity. Instead, CBGSA’s model represented above seems to erroneously suggest that Tri-County planted fully mature pistachio trees in 2006. This is not physically or economically feasible and does not reflect the realities of Tri-County’s operation. (See **Exhibit B**.)

The highlighted figures in the chart above represent the erroneous water use estimates that must be adjusted for purposes of calculating Tri-County’s base allocation. CBGSA’s model and the erroneous base allocation based on this model should be adjusted to account for Tri-County’s water applied to irrigate trees between 2002-2006 to bring them to maturity.

Further, Tri-County was only included in the CMA boundary in 2024 and was not given a sufficient opportunity to scrutinize the technical data, or to purchase water before having severe cutbacks imposed on them. On May 3, 2023, the CBGSA approved the final 2023 and 2024 CMA groundwater allocations for those properties within the original CMA boundary. Those initial allocations were only effective for one year, then were adjusted and reconsidered for the five year period between 2005 to 2029. During this time, those landowners within the original CMA boundary had a full year to adjust to

Taylor Blakslee
Assistant Executive Director
Cuyama Basin Groundwater Sustainability Agency
July 24, 2025
Page 5

the new groundwater allocations and to determine whether there were any issues with the technical information relied upon by the CBGSA in calculating allocations.

On September 4, 2024, the CBGSA Board considered and adopted a new CMA boundary based on an updated basin model. Overnight, Tri-County was included in the newly adopted CMA boundary line and became subject to the CMA groundwater allocations for the first time.

On November 8, 2024, CBGSA distributed a “Notice of Updated Central Management Area 2025-2029 Groundwater Allocations and Variance Request Form” which informed affected parties, including Tri-County, that allocations were calculated based, in part, on cropping data, including landowner provided data and Land IQ/DWR estimated data. The notice set a short deadline of December 6, 2024 to submit a completed Variance Request Form.

Tri-County had less than one month to evaluate the effects of a groundwater allocation that would be imposed for the next five years and to scrutinize the data used by CBGSA to calculate the allocations, in contrast to the original landowners who had the opportunity to attend numerous CBGSA hearings on the subject, were granted multiple opportunities to correct mistakes and who had ample time to adjust to the CMA groundwater allocations during the 2023-24 water year. On February 7, 2025, CBGSA distributed a “Notice of Final Central Management Area Allocations for 2025-2029 (5 Years).” The short time frame was insufficient for Tri-County to gather, submit, and review its pumping data.

Unless this error is fixed, Tri-County faces the prospect that it may have to immediately remove its some of its productive trees. Without a water market in place in the Cuyama Valley, perennial crops, like pistachios, face a major disadvantage. Tri-County has invested millions of dollars in its orchards and has waited for years for its pistachio trees to reach full economic maturity. This investment is now at risk because of accounting errors by the CBGSA. Unlike farmers who cultivate annual crops and can fallow ground, Tri-County’s pistachio trees require a base quantity of irrigation water to survive.

For the foregoing reasons, Tri-County respectfully requests that the CBGSA correct the technical data for Tri-County’s affected property and grant a variance (correction) to its current 2025-29 CMA allocation from 426 af to **611 af**. This represents a 5 percent reduction from 2024 water use, consistent with CBGSA’s glide path ramp down of 5-6 percent per year.

Please contact me with any questions. We appreciate your time and attention to this matter.

Sincerely,


Amy Steinfeld

EXHIBIT A

March 6, 2023

Stephanie Osler Hastings
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VIA EMAIL TO: TBLAKSLEE@HGCPM.COM

Taylor Blakslee
Project Manager
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RE: Objection to Cuyama Basin Central Management Area Revised Allocation (Revised)

Dear Mr. Blakslee:

On behalf of our clients with lands within the Central Management Area (CMA),¹ we submit the following objection to the Cuyama Basin Groundwater Sustainability Agency's (CBGSA) proposed Notice of Central Management Area Policies and Landowner Requirements, dated February 3, 2023 (Notice), and the "revised estimated allocations" and "pumping reduction program" for 2023 and 2024 set forth in the Notice (CMA Allocation Policy). Our firm represents a number of landowners within the Cuyama Basin including landowners inside and outside of the CMA.

As described herein, our clients continue have significant concerns with the GSA's Notice and the CMA Allocation Policy—most importantly, that the GSA's CMA Allocation Policy has the potential to impair common law water rights without due process of law—and therefore submit these comments for the Board's consideration. These comments further supplement our prior objections and comments provided to the CBGSA on January 6, 2023 related to the Overarching Policy for Wells Inside and Outside the Central Management Area (Farm Unit Policy) and on September 1, 2022 related to the prior CMA Allocation Policy. This constitutes a general objection to the CMA Allocation Policy and the CBGSA's iterative variance request process and does not propose a specific variance request for any individual client.

¹ Our clients in the CMA include Blue Sky Sustainable Living Center, Perkins Ranch (aka Belden Family Trust), Ann M. Buck Trust, Eight Ls Trust, Jason and Mary Jo Harrington Revocable Living Trust, David Lewis, Slumskie Family Trust and Trujillo Family Trust.

I. Reservation of Rights

Our clients reserves all rights, claims and defenses with respect to the CMA Allocation Policy, the Farm Unity Policy, and any other action of the CBGSA. Our clients reserve the right to object to and challenge the CMA Allocation Policy, the Farm Unit Policy, and any other action by the GSA, administratively before the CBGSA, or through any other legal means, including through the pending comprehensive adjudication of the Cuyama Basin (*Bolthouse Land Company, LLC, et al. v. All Persons Claiming a Right to Extract Groundwater in the Cuyama Valley Groundwater Basin (No. 3-013)*) (the “Adjudication”). Our clients’ participation in this process in no way constitutes a waiver of their objections or an admission, opinion or support for the CBGSA’s actions related to the CMA Allocation Policy, the Farm Unit Policy, or and any other action of the CBGSA.

II. The CMA Allocation Policy Conflicts with California Water Law

The GSA does not have the power to determine or alter groundwater rights. SGMA does not supplant the common law; rather it only supplements it. Yet, the Notice purports to limit the pumping of a subset of the Cuyama Basin’s users without regard to any user’s common law water rights.

For example, the CMA Allocation Policy is geographically discriminatory in that it constrains the pumping of a subset of overlying landowners within the CMA, even though all groundwater users share in a common groundwater resource. Regardless of whether a landowner is inside or outside the CMA, their pumping withdraws from the same supply. The CMA Allocation Policy ignores this fact and California groundwater law by regulating groundwater use by some, but not all. This approach is inconsistent with the physically interconnected nature of the Basin and with common law water rights.

The Farm Unit Policy further creates new inequities based solely upon the nature of a requester or landowner’s operations that are completely unrelated to sustainable management of the groundwater resource. For example, a landowner that owns 50 acres of land inside the CMA and 50 acres of land outside the CMA and pumps 100 acre-feet per year (“AFY”) from a well outside the CMA for use on the entire property is subject to the Farm Unit Policy and must comply with the CMA Allocation Policy’s pumping reductions. Meanwhile, a neighbor that owns 50 acres of land outside the CMA that pumps 150 AFY from a well outside the CMA is not subject to CMA Allocation Policy under the Farm Unit Policy and need not engage in any pumping reductions. In fact, the neighbor could increase its water use above and beyond any pumping reductions by those subject to the Farm Unit Policy. As such, the Farm Unit Policy arbitrarily impairs exercise of overlying rights in a manner that is disconnected from sustainable management of the resource.

Moreover, in implementing SGMA, even area-specific responsive management actions must be specifically associated with avoiding undesirable results identified in the Cuyama Basin Groundwater Sustainability Plan (GSP). Notably, the Department of Water Resources issued a statement on March 2, 2023 stating that it plans to recommend further corrective actions that the CBGSA must include in its January 2025 GSP Update. Such corrective actions may implicate the CMA Allocation Policy and

Farm Unit Policy and should be considered during the adoption of the CMA Allocation Policy given that they may impact implementation of Basin-wide sustainable management.

While an allocation policy is one means of ensuring sustainable groundwater management, such a policy must comport to fundamental principles of California Water Law—i.e., that the burdens of sustainable management are shared amongst similarly situated water right holders—while simultaneously avoiding the undesirable results on the Cuyama Basin.

III. The CMA Allocation Policy Should be Reconciled with the Ongoing Cuyama Basin Comprehensive Groundwater Adjudication

The Adjudication seeks to quantify all groundwater rights within the Cuyama Basin consistent with California water law. The Court—not the GSA—has exclusive jurisdiction to determine water rights through the Adjudication and to allocate the Cuyama Basin’s sustainable yield accordingly. The CMA Allocation Policy and Farm Unit Policy, which effectively quantify a subset of groundwater users’ water rights, conflict with the Adjudication because they seek to quantify and impair the rights of only a portion of the Cuyama Basin’s users. Ultimately, the Court’s decision with respect to water rights and a physical solution in the Adjudication will supersede the CMA Allocation Policy and the Farm Unit Policy.

Through the Adjudication, the Court will craft a physical solution to sustainably manage the Cuyama Basin. This physical solution should resolve the fundamental concerns with the CMA Allocation Policy and the Farm Unit Policy identified in this letter. Accordingly, the GSA should consider other approaches to improve sustainable groundwater management in the interim while the Adjudication unfolds and, at a minimum, revise the CMA Allocation Policy and the Farm Unit Policy to conform with the pending Adjudication.

IV. The CMA Allocation Policy Unclear and Fails to Acknowledge Uncertainties

Numerous components of the CMA Allocation lack evidentiary support and therefore are arbitrary and unclear. For example:

The GSA has acknowledged the modeled and operational CMA boundary is arbitrary given that users within the CMA pump groundwater from the same aquifer as users outside of the CMA who are exempt from the program. At the CBGSA Public Workshop on August 25, 2022, staff acknowledged that the CMA boundary was selected for political reasons and had no scientific basis. The CMA boundary also may no longer reflect current Basin groundwater levels following the significant storm events that may raise groundwater levels. Given that the CMA boundary is based, in part, by groundwater level information, the CBGSA must update the model to reflect current Basin conditions to define the boundary prior to imposing a punitive allocation program on a subset of landowners.

Further, the CMA boundary was selected using Cuyama Basin Water Resources Model (CBWRM) results that have a margin of error based on model limitations and geographic projections that

significant impact CMA Allocation Policy implementation but remain unexplained and unquantified. The model uncertainty undoubtedly impact the allocations assigned to water users yet it is unclear how, if at all, this uncertainty is accounted for in the individual allocations.

During the prior variance request process, we identified a flaw in the CBGSA's allocation methodology. Although the CBGSA addressed the identified error, it continues to rely on land use data from 1998-2021, including both landowner provided data and aerial survey data, imported into the CBWRM to estimate groundwater use in a manner that cannot be reproduced and verified by landowners. The Notice contains a description of the revised methodology but again it is not clear about the basis of the selected water use period and whether it accurately reflects historical and/or planned for pumping. Moreover, the CBGSA's characterization of the variance request process provides limited opportunities to correct the CBWRM data.

The CBWRM data further does not consider land use and irrigation efficiency practices in setting the pumping within the CMA and estimate individual allocations. The CMA Allocation Policy relies on a 20-year period (1998-2017) to calculate the individual allocations. In effect, this 20-year period takes into account historical, less-efficient irrigation practices. It also penalizes landowners who voluntarily employed significant conservation measures to limit their water use or fallowed lands. Landowners that may have temporarily modified their groundwater production to convert to more water efficient uses may also be penalized. None of this information is evident from the CMA Allocation Policy and should be considered through the policy and variance request process.

V. The Variance Request Process Is Flawed

First, the Notice does not set forth clear criteria or findings that the Board will use to determine whether to grant a variance, which may lead to arbitrary and capricious decision-making. This continues the same flawed process that the CBGSA took with the first iteration of variance requests. Further, since the variance request process will impact other landowners' allocations, even those that do not submit a variance request, the process must have clear criteria to provide adequate notice and clear procedures for all landowners.

Second, the Notice does not provide the data upon which the proposed allocations are based in a transparent manner that would allow for landowners to ascertain data errors as needed to submit a variance request form. The data tables attached to the Notice fail to provide landowners with any information as to the modeled calculation of an individual allocation such that a landowner can understand the potential source of data errors. Further, the CBWRM data is generally not available to digestible for individual landowners.

Third, the Notice does not make it clear to landowners that do not intend to submit a variance request form that their individual allocations may change in response to the Board's action to grant a variance

requested by another landowner. All landowners should be fully informed of the need and right to participate in the variance process in order to preserve their rights and avoid penalties.

Fourth, the California Constitution and SGMA contain specific substantive and procedural requirements on the adoption of fees and charges. The Cuyama GSA has not complied with any of these requirements in its adoption of a \$250 fee to submit a Variance Request Form.

VI. The CMA Allocation Policy Should Have Been Adopted Through A Formal Action And Was Not

The CBGSA has developed the current form of the CMA Allocation Policy through a series of minute orders over many months of CBGSA Board meetings. The CBGSA Board, however, has never taken formal action to adopt the CMA Allocation Policy, the Farm Unit Policy or any components thereof through a formal ordinance to establish this regulatory program.

Because the CMA Allocation Policy is clearly intended as a regulation, a formal document is needed to explain and elucidate the program and its requirements. Although titled “Central Management Area Policies and Landowner Requirements,” the Notice and estimated allocation assigned to certain Basin landowners has the effect of a regulation that limits groundwater pumping by a subset of the Basin’s landowners without due process and in conflict each landowner’s exercise of its overlying property right in the Basin. The Notice also proposes to impose monetary and other penalties on those listed landowners who use groundwater in excess of the assigned estimated allocation. As such, the CMA Allocation Policy must be adopted through a formal ordinance that imposes specific regulations (allocations) and penalties for failure to comply with such regulations on landowners within the CMA to ensure that affected landowners receive due process.

An ordinance also is necessary to clearly document and allow for public comment on the mechanics of the program’s requirements to allow for meaningful public participation and informed decision-making. Notably, the CBGSA Board still plans at least two actions which may further impact landowners rights and obligations under the CMA Allocation Policy: (1) action on the second iteration of variance requests at a March 29, 2023 special meeting; and (2) the “final adoption” at the May 3, 2023 meeting. These actions may further modify landowners allocations or the regulatory requirements of the CMA Allocation Policy. Absent a clear ordinance establishing the regulatory program described in the CMA Allocation Policy, landowners have no way to knowing whether to object to their current allocations or the program itself—a clear violation of due process.

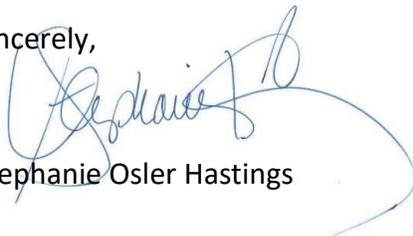
VII. The CBGSA Has Not Yet Complied with the California Environmental Quality Act

The CBGSA's actions are subject to the California Environmental Quality Act (CEQA). As discussed above, the CBGSA has asserted that the Notice and CMA Allocation Policy is a result of a series of directions proved over many months and CBGSA Board meetings by minute order. CEQA must be completed at the "earliest commitment" to a project or to a definite course of action. As such, the CBGSA's compliance with CEQA is long overdue.

Assuming that the Board has not taken a formal action to adopt the CMA Allocation Policy, the Board must consider whether the CMA Allocation Policy will have a direct or reasonably foreseeable indirect impact on the environment due to the potential for landowners to need to fallow land to comply with the program. The fallowing of land in response to the proposed allocation has reasonable foreseeable direct and indirect impacts on the environment including but not limited to impacts on air quality, land use, agricultural resources, and biological resources.

Thank you for your considerations of these comments. We also request that these comments be included in the CBGSA Board materials for its March 29, 2023 and May 3, 2023 meetings. Should you have questions, please contact me at (805) 882-1415 or Shastings@bhfs.com or Mack Carlson at (805) 882-1485 or Mcarlson@bhfs.com.

Sincerely,



Stephanie Osler Hastings

SOH

cc: Joseph Hughes, Klein DeNatale Goldner
Alex Dominguez, Klein DeNatale Goldner

EXHIBIT B

May 1994



May 2002



July 2003



July 2004



August 2005



EXHIBIT C

Exhibit I-1 – Crop Factors

Source Information

Crop Factors are evapotranspiration (ET) values from California Polytechnic State University’s Irrigation Training and Research Center (ITRC) California Crop and Soil Evapotranspiration Report (Crop Report), ITRC Report No. R 03-001 accessible at www.itrc.org/reports/pdf/californiacrop.pdf.

The below values were calculated using ET reference averages for zone 10 from the Crop Report (see below figure).



Avg Annual Reference ET by Zone (inches/yr)

| Zone | Total |
|-----------|--------------|
| 1 | 33.0" |
| 2 | 39.0" |
| 3 | 46.3" |
| 4 | 45.5" |
| 5 | 43.9" |
| 6 | 49.7" |
| 7 | 43.4" |
| 8 | 49.4" |
| 9 | 55.1" |
| 10 | 49.1" |
| 11 | 53.0" |
| 12 | 53.3" |
| 13 | 54.3" |
| 14 | 57.0" |
| 15 | 57.0" |
| 16 | 62.5" |
| 17 | 66.5" |
| 18 | 71.3" |

Crop Factors

| Crop | ET | Crop | ET |
|---------------------------------------|------|------------------------------------|------|
| Alfalfa Hay | 4.02 | Melon, Radish, Squash, & Cucumbers | 1.62 |
| Alfalfa Seed, Sudan | 3.60 | Olives, Mature | 3.27 |
| Almonds | 3.32 | Olives, Deficit | 2.58 |
| Apples ¹ (Drip) | 2.50 | Onions and Garlic | 1.99 |
| Apples, Pear, Cherry, Plum, and Prune | 3.33 | Permanent Pasture | 3.93 |
| Barley Wheat, Oats | 1.97 | Pistachios | 2.99 |
| Blackeyed Peas | 1.97 | Potatoes | 3.00 |
| Carrots | 2.20 | Rootstock | 2.23 |
| Corn | 2.43 | Sorghum Grain | 2.43 |
| Cotton | 2.70 | Sugar Beets | 2.70 |
| Citrus | 3.45 | Tomatoes | 2.20 |
| Grapes with 40% cover crop | 1.56 | Walnuts | 3.53 |
| Grapes with 60% cover crop | 2.02 | Cannabis ² | TBD |
| Grapes with 100% cover crop | 2.24 | Hemp ³ | TBD |
| Lettuce | 2.20 | | |

¹Value determined by local expertise in the Cuyama Valley.

²Value based on ____.

³Value based on ____.



TO: Board of Directors
Agenda Item No. 12c

FROM: Jim Beck / Taylor Blakslee, Hallmark Group

DATE: November 5, 2025

SUBJECT: Discuss and Take Appropriate Action on the CMA Allocation Exchanges Policy (i.e. Water Market)

Recommended Motion

Board feedback requested.

Discussion

On January 15, 2025, the Board granted a one-year variance of up to 120 acre-feet to landowner David Lewis to continue his farming operations while the Board considered longer-term policy options. Several Directors noted that an allocation exchange program could serve as a long-term tool for similar circumstances. Because the variance expires after 2025, a Central Management Area (CMA) exchange program would need to be in place during 2025 if it is intended to address this issue.

An ad hoc committee (Directors Higbee, Jackson, Williams, and Wooster) met on June 18, 2025, to develop draft policy considerations for an allocation exchange program. These considerations were presented to the board on July 9, 2025, where the board directed legal counsel to prepare a draft policy.

On August 18, 2025, the ad hoc reconvened to review the draft policy and recommended bringing it to the full Board for approval. The policy was presented to the board on September 3, 2025, and is provided as **Attachment 1** for reference.

During the September 3, 2025, Board meeting, the questions were raised regarding inclusion of farming units. Director Anselm was appointed to the ad hoc following the meeting. The ad hoc reconvened on October 3 and October 18, 2025, to address these questions and develop updated recommendations, included as **Attachment 2**.

Additionally, the Small Farmer and Rancher Network submitted a letter to the ad hoc for consideration, which is provided as **Attachment 3**.

Staff request Board/SAC direction to incorporate the updated recommendations into the final policy.

Attachment 1

**RULES AND REGULATIONS FOR
THE TRANSFER OF GROUNDWATER ALLOCATIONS**

Adopted: _____

**ARTICLE I
GENERAL PROVISIONS**

1.01 Authority. The Cuyama Basin Groundwater Sustainability Agency (**GSA**) may adopt rules, regulations, ordinances, and resolutions for the purpose of implementing the Sustainable Groundwater Management Act (**SGMA**), in compliance with any procedural requirements applicable to the adoption of such rule, regulation, ordinance, or resolution by the GSA. (Wat. Code, § 10725.2, subd. (b).)

1.02 Purpose. The purpose of these Rules and Regulations is to provide for the sustainable management of groundwater within the boundaries of the GSA.

1.03 Groundwater Sustainability Plan. The intent of these Rules and Regulations is to implement the provisions of the GSA's Groundwater Sustainability Plan (**GSP**). These Rules and Regulations may be amended at any time, as deemed necessary by the GSA's Board of Directors (**Board**), to achieve consistency with that GSP and groundwater sustainability within the GSA's boundaries.

1.04 Effective Date and Amendments Hereto. These Rules and Regulations shall become effective upon adoption by the Board, and may be added to, amended and/or repealed at any time by later resolution of the Board with any such additions, amendments, and/or repeals becoming effective upon adoption of the resolution, or as otherwise specified by the Board. However, adoption of these Rules and Regulations will not affect the effective date of any of the GSA's policies existing as of the date the Board adopts these Rules and Regulations.

1.05 Actions Against the GSA. Nothing contained in these Rules and Regulations may be deemed a waiver by the GSA or estop the GSA from asserting any defenses or immunities from liability as provided by law, including those provided in Division 3.6 of Title 1 of the Government Code.

1.06 Severability. If any provision of these Rules and Regulations, or the application thereof to any person or circumstance, is held invalid, the remainder of these Rules and Regulations, and the application of its provisions to other persons or circumstances, shall not be affected thereby.

**ARTICLE II
TRANSFER OF GROUNDWATER ALLOCATION**

2.01 Transfer of Groundwater Allocation. A landowner may transfer its groundwater allocation to another landowner, subject to the following terms and conditions:

- a. The transferring-landowner and the receiving-landowner shall each hold title to real property located within the 2025 – 2029 Central Management Area, as that area is depicted in the map attached hereto and incorporated herein as **Exhibit A**.

- b. The transferring-landowner and the receiving-landowner shall each be in good standing with the GSA. “Good standing” means the landowner does not owe any outstanding fee or penalty to the GSA and is up to date with any and all applicable reporting requirements (e.g., groundwater extraction facility registration; groundwater extraction reporting; etc.).
- c. The transferred groundwater allocation shall be used solely within the Central Management Area.
- d. The transfer shall terminate on or before December 31, 2029.
- e. The transfer shall not cause an exceedance of any Minimum Threshold, as that term is defined within the GSP (as may be amended from time to time) as determined by GSA staff.
- f. The transfer shall be memorialized in writing using the Groundwater Allocation Transfer Form attached hereto and incorporated herein as **Exhibit B** and submitted to the GSA.

2.02 Process. Upon submission of the Groundwater Allocation Transfer Form, the GSA staff shall review the transfer to ensure compliance with these Rules and Regulations. Within 30 days of submission, the GSA staff shall inform the participating landowners of its findings approving the transfer, denying the transfer, or requesting additional information regarding the transfer. If the GSA staff denies the transfer, the participating landowners may appeal the decision to the Board. The Board’s decision shall be final.

2.03 Carryover of Groundwater Allocation Prohibited. If a landowner uses less than its allocation, including any additional amounts received via transfer, during any particular year (i.e., January 1 through December 31), that landowner may not carryover any such unused portion to the next year.

ARTICLE III

ACKNOWLEDGMENT OF THE PARTICIPATING PARTIES

3.01 Acknowledgment of the GSA’s Ongoing Authority. The Board has the authority to implement adaptive management actions at any time based on changing conditions within the Basin. The GSA will continue to monitor representative wells and Basin conditions. If data indicates that a previously approved transfer is contributing to one or more Undesirable Results including, but not limited to, the exceedance of Minimum Thresholds, the GSA may take corrective action. Such corrective actions include but not limited to restricting pumping, modifying allocations, or suspending future transfers as necessary to protect the sustainability of the Basin.

ARTICLE IV
PENALTIES AND FEES

4.01 Failure to Comply. The GSA shall not recognize or otherwise account for any transfer not memorialized using the GSA's Groundwater Allocation Transfer Form and approved by the GSA, as set forth herein.

4.02 SGMA Penalties. Upon violation of any provision of these Rules and Regulations by a landowner, the GSA shall impose a penalty of \$1,000, plus \$100 for each additional day upon which the violation continues if the landowner fails to comply within 30 days after being made aware of the violation by the GSA. Notwithstanding the foregoing, the GSA may petition the Superior Court for a temporary restraining order, preliminary or permanent injunction, or such other equitable relief as may be appropriate. The right to petition for injunctive relief is an additional right to those, which may be provided elsewhere in these Rules and Regulations or otherwise allowed by law.

EXHIBIT A

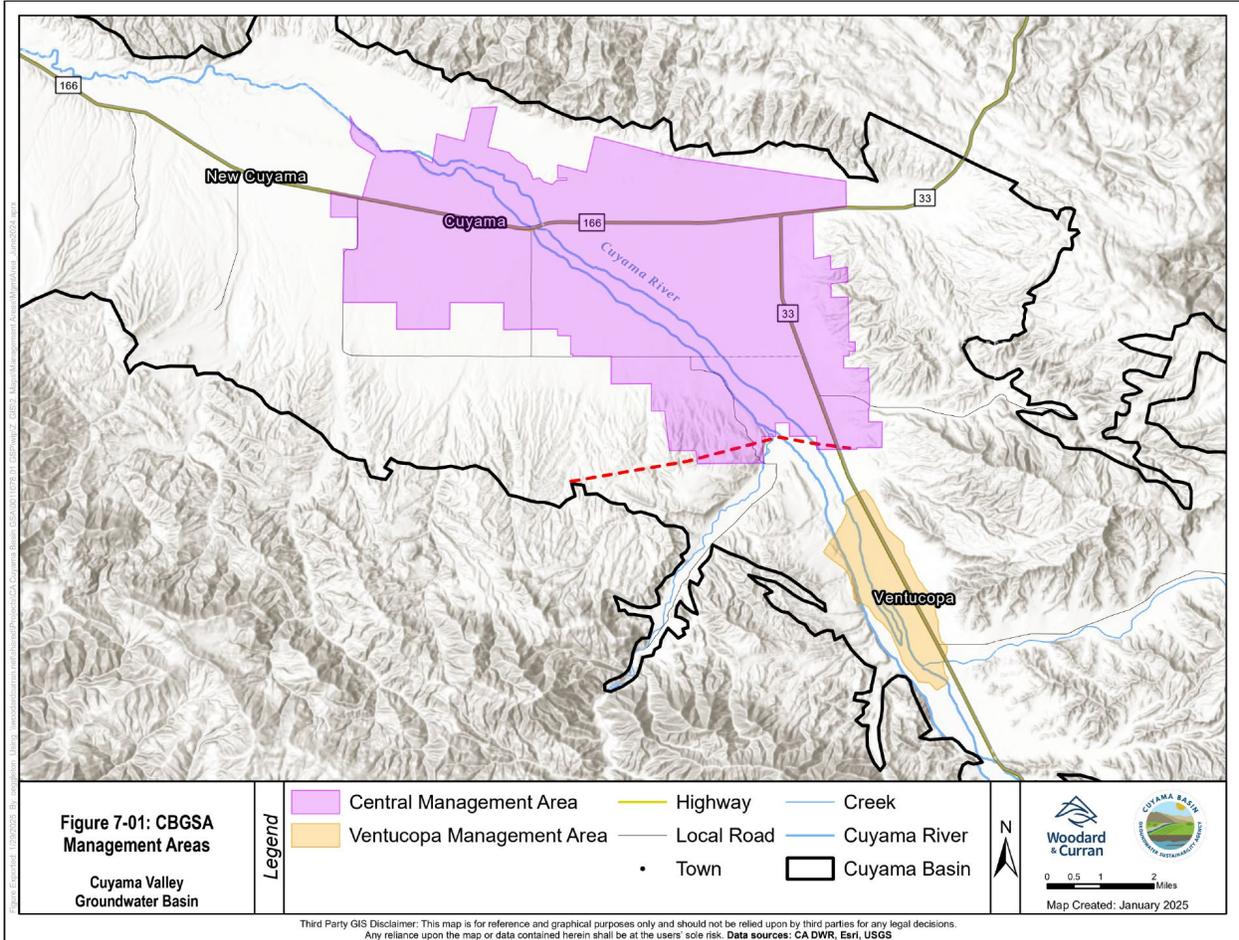


EXHIBIT B
GROUNDWATER ALLOCATION TRANSFER FORM
(For Landowner Use)

Name of Transferring-Landowner: _____

Parcels from which the Allocation is Leaving: _____

Name of Receiving-Landowner: _____

Parcels to which the Allocation is Going: _____

Please refer to the map in Attachment 1 to indicate parcel locations.

Amount of Water Being Transferred: _____

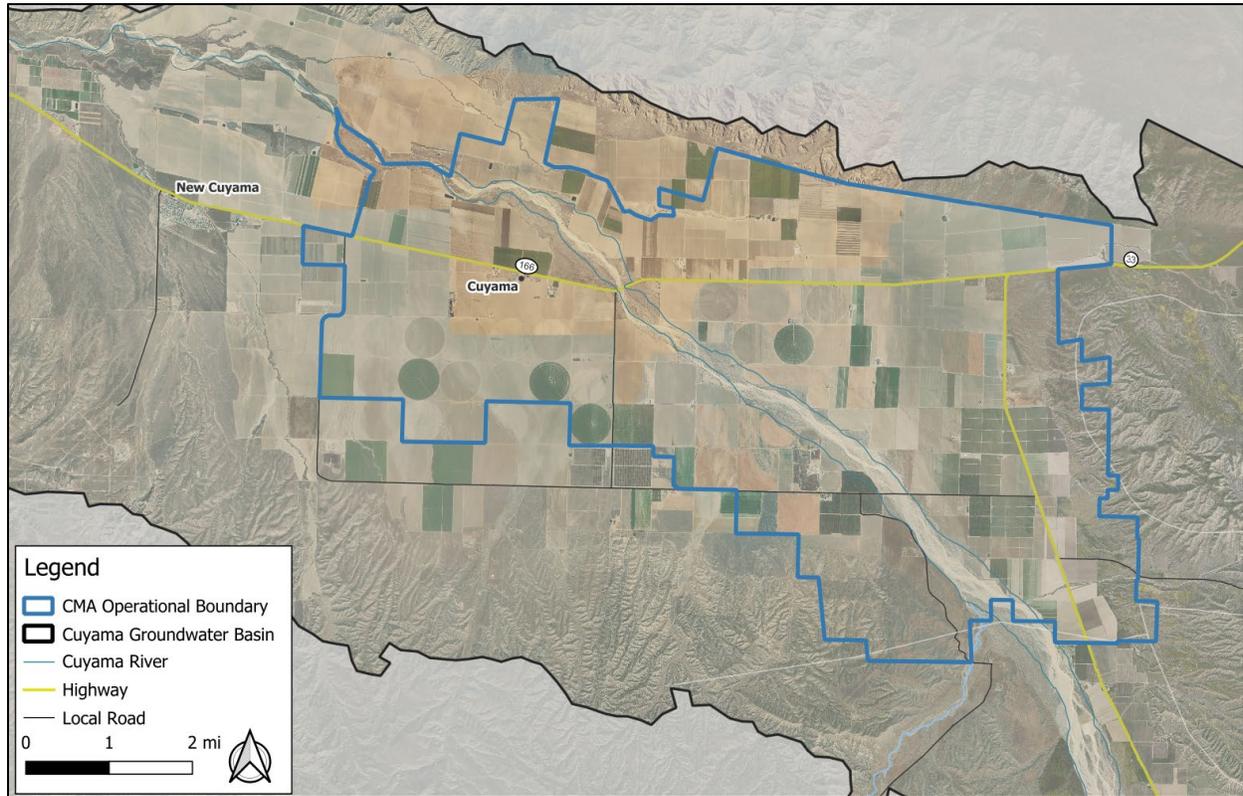
Term of Transfer: _____

Signature of Transferring-Landowner: _____

Signature of Receiving-Landowner: _____

ATTACHMENT 1

Map Instructions: Please indicate with an “X” where the transferred water is leaving and going.



GROUNDWATER ALLOCATION TRANSFER FORM, CONTINUED

(For Cuyama Basin GSA Staff Use)

Name of Transferring-Landowner: _____

Name of Receiving-Landowner: _____

Date Form Received: _____

1. Does the transferring-landowner hold title to real property within the CMA?

YES NO

2. Does the receiving-landowner hold title to real property within the CMA?

YES NO

3. Is the transferring-landowner in good standing with the GSA?

YES NO

If "NO," what corrective action is needed on part of the transferring-landowner?

4. Is the receiving-landowner in good standing with the GSA?

YES NO

If "NO," what corrective action is needed on part of the receiving-landowner?

5. Is the transferred groundwater allocation proposed for use solely within the CMA?

YES NO

6. Does the transfer terminate on or before December 31, 2029?

YES NO

7. Will the transfer cause any Undesirable Results?

YES NO

If "YES," please explain: _____

THIS TRANSFER IS HEREBY:

APPROVED

DENIED

ADDITIONAL INFORMATION/CORRECTIVE ACTION NEEDED: _____

Cuyama Basin Groundwater Sustainability Agency

Discuss and Take Appropriate Action on the CMA Allocation Exchanges Policy (i.e. Water Market)



Background

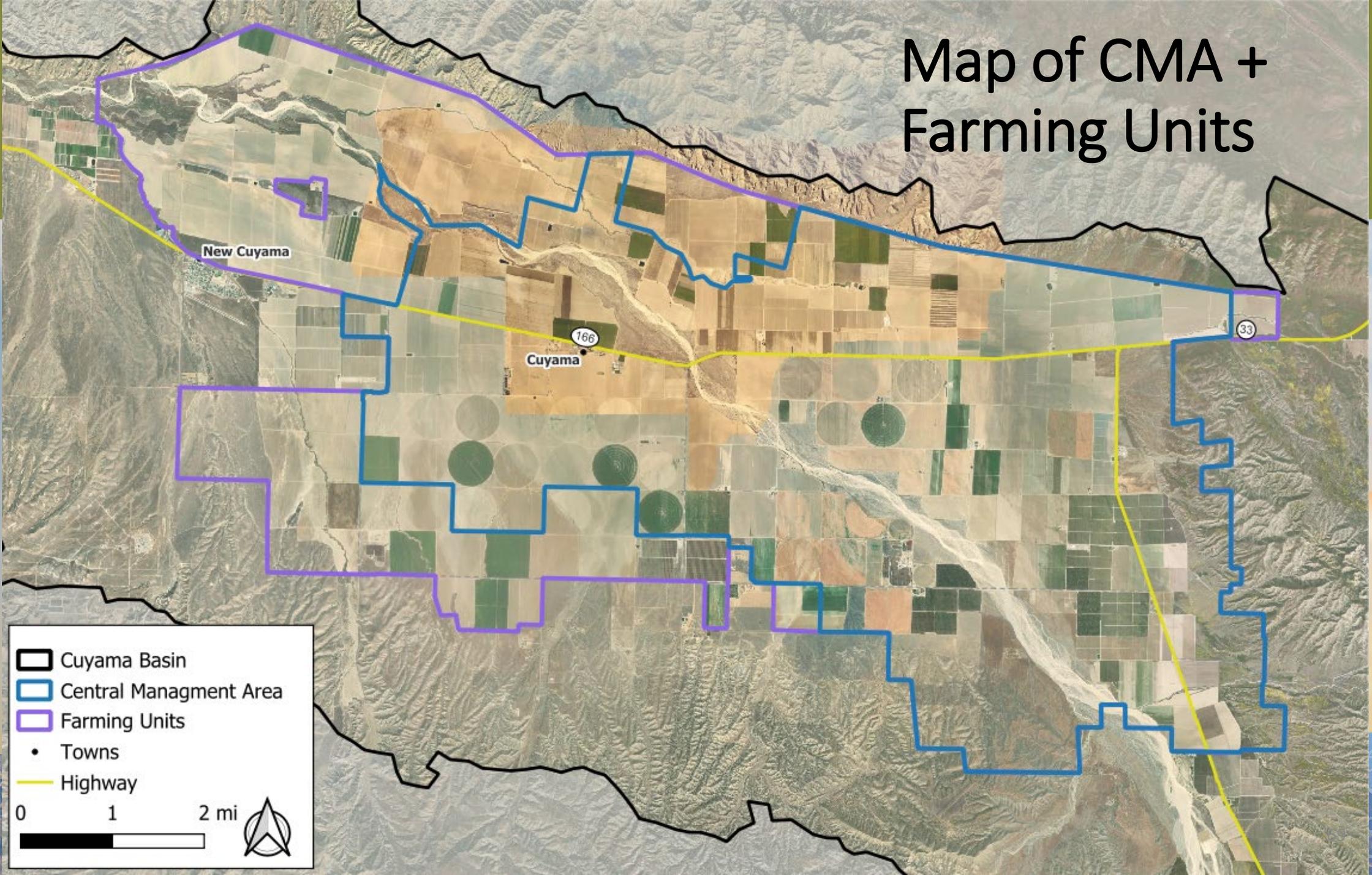
- On May 7, 2025, the CBGSA Board adopted the fiscal year 2025-2026 budget, which included potentially developing and implementing an allocation exchange (i.e. water market) in the CMA.
 - A Board ad hoc was formed and met on June 18, 2025, to review the draft policy considerations for potentially developing an allocation exchange program.
- On July 9, 2025, the board reviewed and provided feedback on the key policy considerations.
 - The ad hoc met again on August 5, 2025, to review the draft policy before bringing to the board on September 3, 2025.
- On September 3, 2025, the board reviewed the policy and noted that the map did not include the farming units.
 - This prompted board discussion and led to the decision to hold an additional ad hoc meeting to address the issues raised.

Allocation Exchange Policy

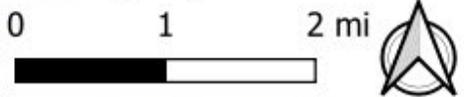
Issues Raised during September 3, 2025, Board and discussed with the ad hoc on October 16, 2025:

- How to address Farming Units.
 1. Should they automatically be included?
- Who gets to make a deal?
 1. Farming unit operator
 2. All parcel owners within a Farm Unit
- GSA to facilitate a transfer registry?
 1. Compile public information (landowner list) and post online.
 2. Create a voluntary registry where landowners opt in to share contact details.
 3. Do nothing.
- Need to perform a material injury analysis for exchanges? Consider what entities have done (e.g. Antelope Valley)

Map of CMA + Farming Units



- ▭ Cuyama Basin
- ▭ Central Managment Area
- ▭ Farming Units
- Towns
- Highway



Allocation Exchange Policy

1. Inclusion of Farming Units

- The ad hoc recognized the need to provide landowners flexibility.
- **Ad hoc recommendation:** Include farming units in allocation exchanges, with language clarifying that eligibility applies to portions outside the CMA with allocations.

2. Who makes the deal?

- **Ad hoc recommendation:** All entities within the farming unit must sign off on any transfer.

3. Transfer Participant Registry

- **No ad hoc consensus**
- Ad hoc feedback
 - Noted value in a bulletin board with participant contact info.
 - Agreed the market was currently too small to justify creating a registry (majority opinion).

4. Material Injury Analysis

- Ad hoc agreed analysis is premature given the limited size of the CMA.
- **Ad hoc recommendation:** No material injury analysis required for current CMA exchanges.

Small Farmer and Rancher Letter

- SFAR provided letter to the ad hoc on October 1, 2025, outlining components to consider in developing a water market to support small and mid-size farmers within the CMA.
 - The ad hoc considered and discussed the meeting on October 3, 2025, and October 16, 2025.
- The ad hoc appreciated the concepts provided in the letter and expressed interest in considering these if the allocation exchanges expands to a broader water market.
- At this time, the ad hoc is not recommending incorporating water market concepts from the SFAR letter in the proposed groundwater allocation exchange policy.

To: Chair Bantilan and Members of the Water Market Ad Hoc Committee
From: Members of the Small Farmer and Rancher Network Steering Committee
Margaret Brown, Lynn Carlisle, Roberta Jaffe, Brenton Kelly, William Price
Date: October 1, 2025

The Cuyama Valley Small Farmer and Rancher Network (SFAR) would like to advance the following considerations as the GSA begins to develop a water market for pumpers in the Cuyama Valley :

Goal: Establish a transparent Cuyama Basin Water Market for the Central Management Area to protect small and medium size farmers who are at risk of losing their crops.

General Management:

We propose the Cuyama Basin Water Allocations Market (the “Market”) be administered by the GSA. The GSA would receive a portion of all water transactions to cover administrative costs. The Market would be piloted for the first year and reviewed and revised by the GSA Board of Directors.

Suggested Components:

- The Market would include a Marketplace website where all water that is available for sale as well as buyers who need water would be listed. Completed transactions and reported AFY used would also be posted.
- To participate in the Market, buyers and sellers would be required to register. To ensure transparency, annual reporting of all transactions should be publicly available.
- The GSA may set the price of water (see Options 2 & 3 below), with consideration for the needs of small-scale pumpers as part of the GSA’s small farmer policies.
- To cover the GSA’s costs to administer the Market, the GSA would receive funds from each transaction. (See Options below.)

Options for the Market:

Option 1 could function in conjunction with either Option 2 or 3. Option 2 and 3 are suggested as possible ways to establish an affordable amount of water available to start the Market. To ensure availability it is recommended that Option 2 or 3 be included in the Market.

Thus the Market would constitute a combination of:

Option 1 + Option 2

or

Option 1 + Option 3

Option 1: A seller offers an amount directly from their allocation within the same calendar year. This is done in accordance with the suggested components above. The seller would request a sale price which could be negotiated with the buyer and would receive the negotiated value minus a transaction fee to be paid to the GSA to cover administrative costs. This Option requires a willing seller to offer a sale.

Option 2: All unused allocations (carryover) revert to the GSA at the end of the calendar year. The GSA could decide to place a portion of these unused allocations on the Market in the following year, at a price determined by the GSA. This Option provides a minimal amount of water for buyers in need of keeping perennial crops irrigated without taking it away from the current year's allocations.

Option 3: The Cuyama Basin Hydrological Model is assumed to have a margin of error of +/- 10% in the calculations for sustainable yield. This is potentially equivalent to several thousand AFY. Some portion of this statistical volume of model uncertainty could be considered sellable water, which the GSA may elect to place on the water market at a GSA-determined price. This Option would not decrease as allocations are reduced and would be available into 2040 or until the Model is measurably improved.

Questions to Establishing a Market:

- How are farming units (which have the most water available) incentivized to participate in a water market of any kind?
- How can the Market ensure accessibility to small-scale farmers?

Alternatives and Notes to Consider:

- Adopt a temporary water market policy (1 year) to address immediate needs of farmers while considering a more comprehensive policy;
- Continue the variance policy while giving more time to the design of a water market policy.
- Consider the actual scale of small farmer water needs: An analysis of water use by five small farmers in the CMA projects that, given their current allocations and land use, by 2029 *collectively* they will need only an additional 309AF *for the year* in order to keep their perennial crops alive and their family businesses viable. The SFAR Network is recommending that a Cuyama Basin Water Market recognize and plan for the small—but absolutely essential—water needs of small pumpers when designing an effective market.

The SFAR Network appreciates the opportunity to submit suggestions for your consideration. As the Water Market ad hoc committee explores these ideas, we look forward to collaborating further with additional information. Under an agreement with the DWR, we have access to technical assistance partners, who can help provide specific analysis that the committee may need in developing a Water Market and its impact on small-scale pumpers.



TO: Board of Directors
Agenda Item No. 12d

FROM: Taylor Blakslee, Hallmark Group

DATE: November 5, 2025

SUBJECT: Discuss and Take Appropriate Action on Options to Address Adaptive Management Processes

Recommended Motion

None – information only.

Discussion

During the July 9, 2025, Board of Directors meeting, it was brought to the Board's attention that Opti Well #610 exceeds the minimum threshold (MT). During the September 3, 2025 Board meeting, it was brought to the Board's attention that Opti Well #833, and nested Opti Well #77, 420, 421 exceed their MTs. Also during the September 3, 2025 Board meeting, the Adaptive Management Standard Operating Procedure was adopted. Per the SOP, when a well exceeds the MT, an ad hoc committee should be formed to investigate the exceedance and develop appropriate adaptive management strategies to address it.

On October 2, 2025, an adaptive management ad hoc committee (Directors Albano, Reely, Young) convened to review the MT exceedances. The status of the adaptive management strategies for the wells with exceedances is included in **Attachment 1**.

Update on Status of Adaptive Management Implementation

| No. | Opti Well # | Status |
|-----|--------------|---|
| 1 | 833 | <ul style="list-style-type: none">Continue to monitor for anticipated recovery. Drawdown due to recent firefighting efforts. |
| 2 | 77, 420, 421 | <ul style="list-style-type: none">Staff reaching out to owners of nearby active wells (within a 1-mile radius of the RMW). Requesting GWL data from landowners of nearby active wells to determine potential correlated impacts to beneficial users.Will develop options for Board consideration once impact and cause investigation complete. |
| 3 | 610 | <ul style="list-style-type: none">Outreach to well owner and nearby active wells.Will develop options for Board consideration once impact and cause investigation complete. |



TO: Board of Directors
Agenda Item No. 12e

FROM: Taylor Blakslee, Hallmark Group

DATE: November 5, 2025

SUBJECT: Discuss and Take Appropriate Action on Options to Address New Pumping Outside Management Areas

Recommended Motion

Board feedback requested.

Discussion

On July 9, 2025, the Cuyama Basin Groundwater Sustainability Agency Board directed staff to prepare a list of options to address new pumping outside the existing management areas.

On September 3, 2025, staff and legal counsel presented a range of management approaches, including basin-wide allocations, additional management areas, and limits on increased pumping outside the Central Management Area.

The Board directed staff to continue developing a combined approach of Options 3 and 4, which advances basin-wide management while preventing new or expanded pumping outside existing management areas. The refined draft options are included as **Attachment 1**.

Cuyama Basin Groundwater Sustainability Agency

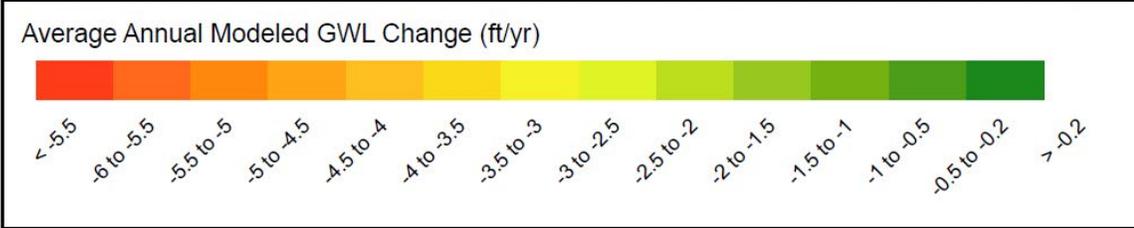
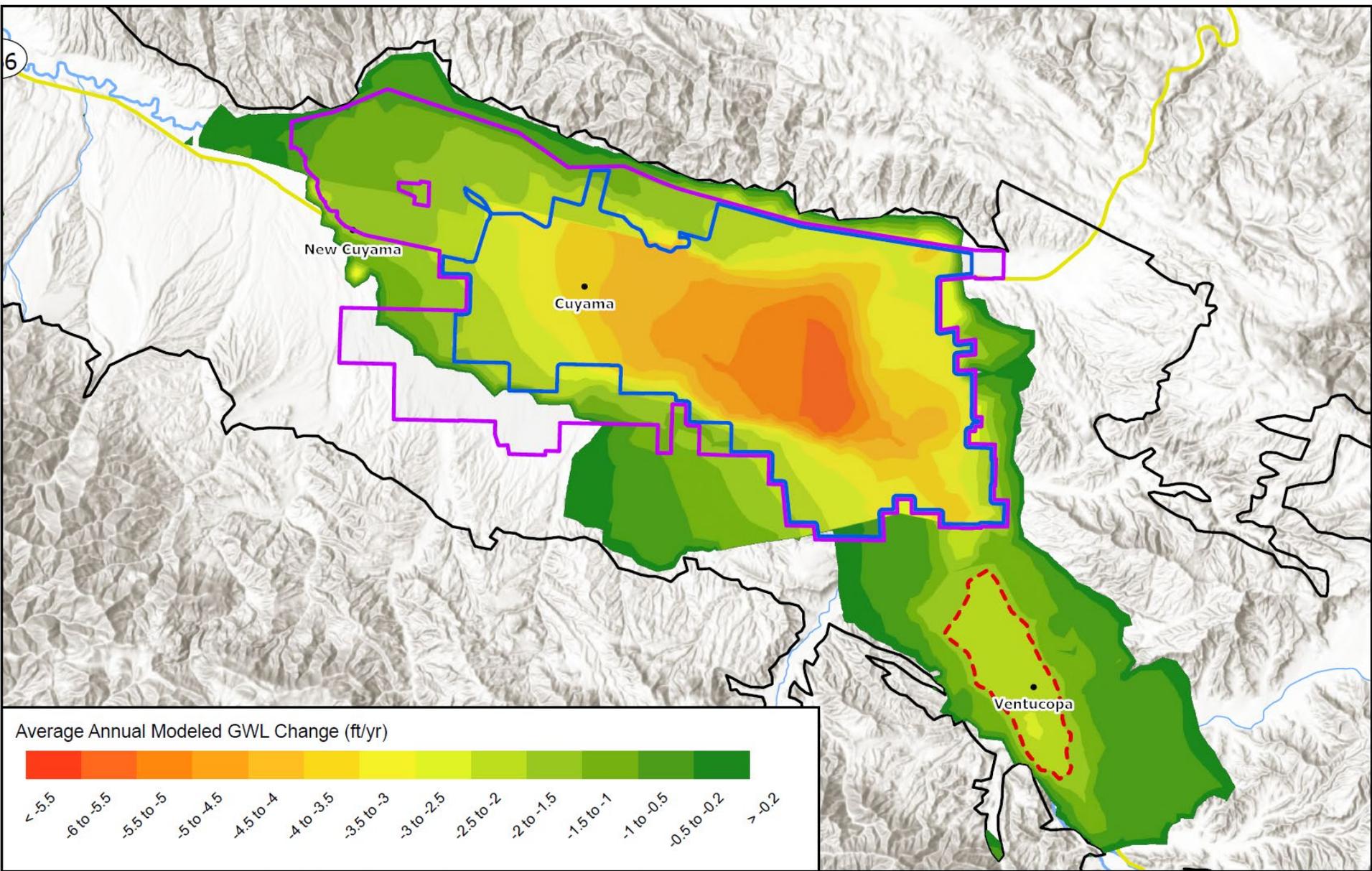
Discuss and Take Appropriate Action on Options to Address New Pumping Outside the Management Area

Taylor Blakslee / Alex Dominguez



Background

- On July 9, 2025, the Board directed staff to develop options to address potential increased water use outside the Central Management Area (CMA).
- On September 3, 2025, staff presented several options and the Board expressed an interest in options 3 and 4 (listed below).
 - **Option 3. Expand Groundwater Allocations Basin-Wide**
 - **Option 4. Manage Basin Outside Existing Management Areas**
 - Establish new management area outside of existing MAs.
 - Allow historic pumping to occur.
 - For pumping over a historic use, or new groundwater use, require a technical study demonstrating the expanded, or new use would not impact the GSA's ability to achieve sustainability.
- A summary of the current water management approaches and existing Board direction is provided on the following slides.
- **Staff is seeking Board direction on the approach to manage the potential increase of water use outside the CMA.**



**CBWRM v030d
Management Areas**

Cuyama Valley
Groundwater Basin

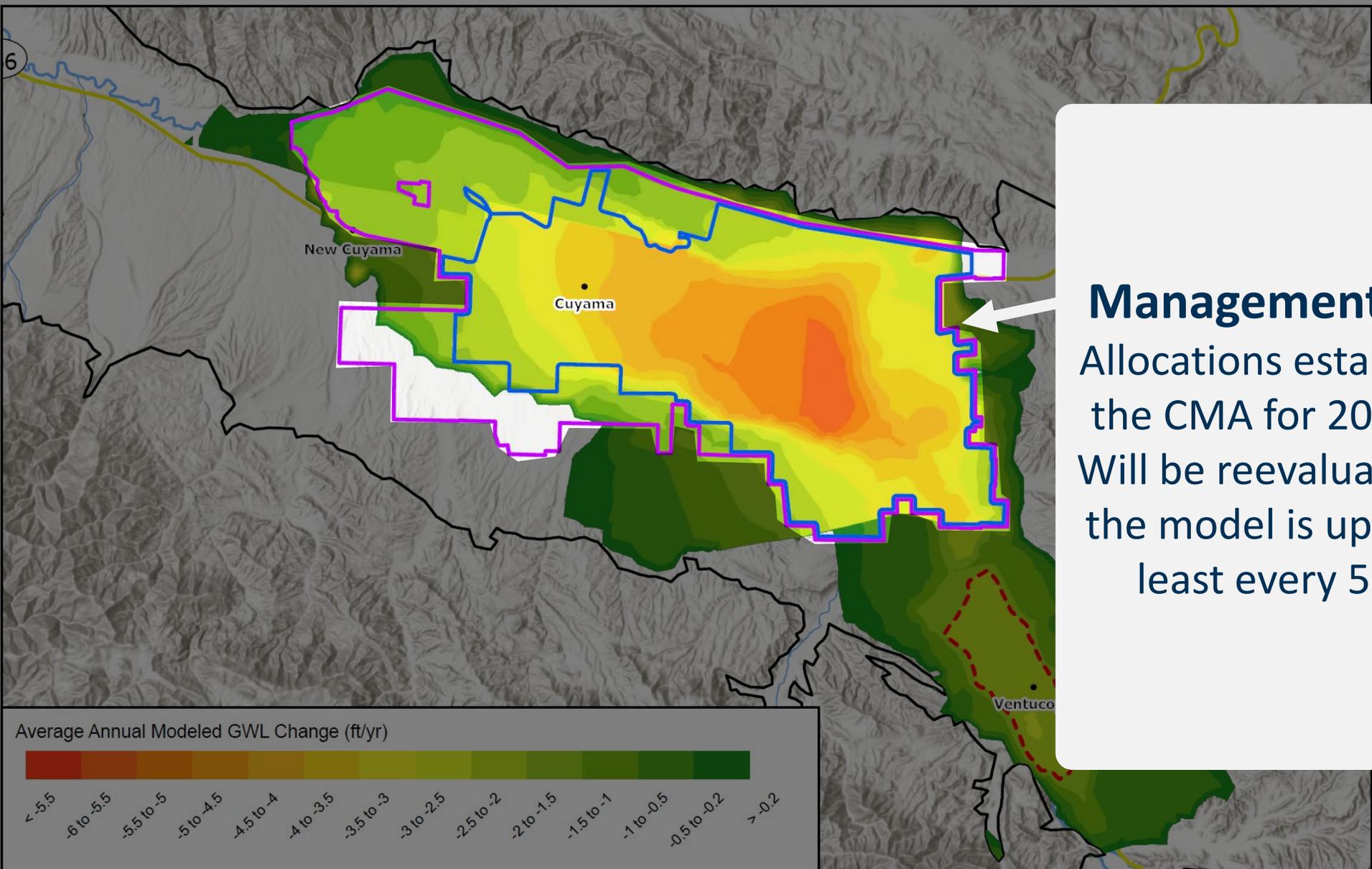
Legend

| | | | |
|--|---------------------|--|----------------|
| | CMA + Farming Units | | Highways |
| | CMA | | Cuyama River |
| | Ventucopa MA | | Streams/Creeks |
| | Cuyama Basin | | |

0 0.5 1 2 Miles

Map Created: October 2025





Management Action
 Allocations established in the CMA for 2025-2029. Will be reevaluated when the model is updated. At least every 5 years.

**CBWRM v030d
 Management Areas**
 Cuyama Valley
 Groundwater Basin

| | | |
|---------------|---------------------|----------------|
| <i>Legend</i> | CMA + Farming Units | Highways |
| | CMA | Cuyama River |
| | Ventucopa MA | Streams/Creeks |
| | Cuyama Basin | |

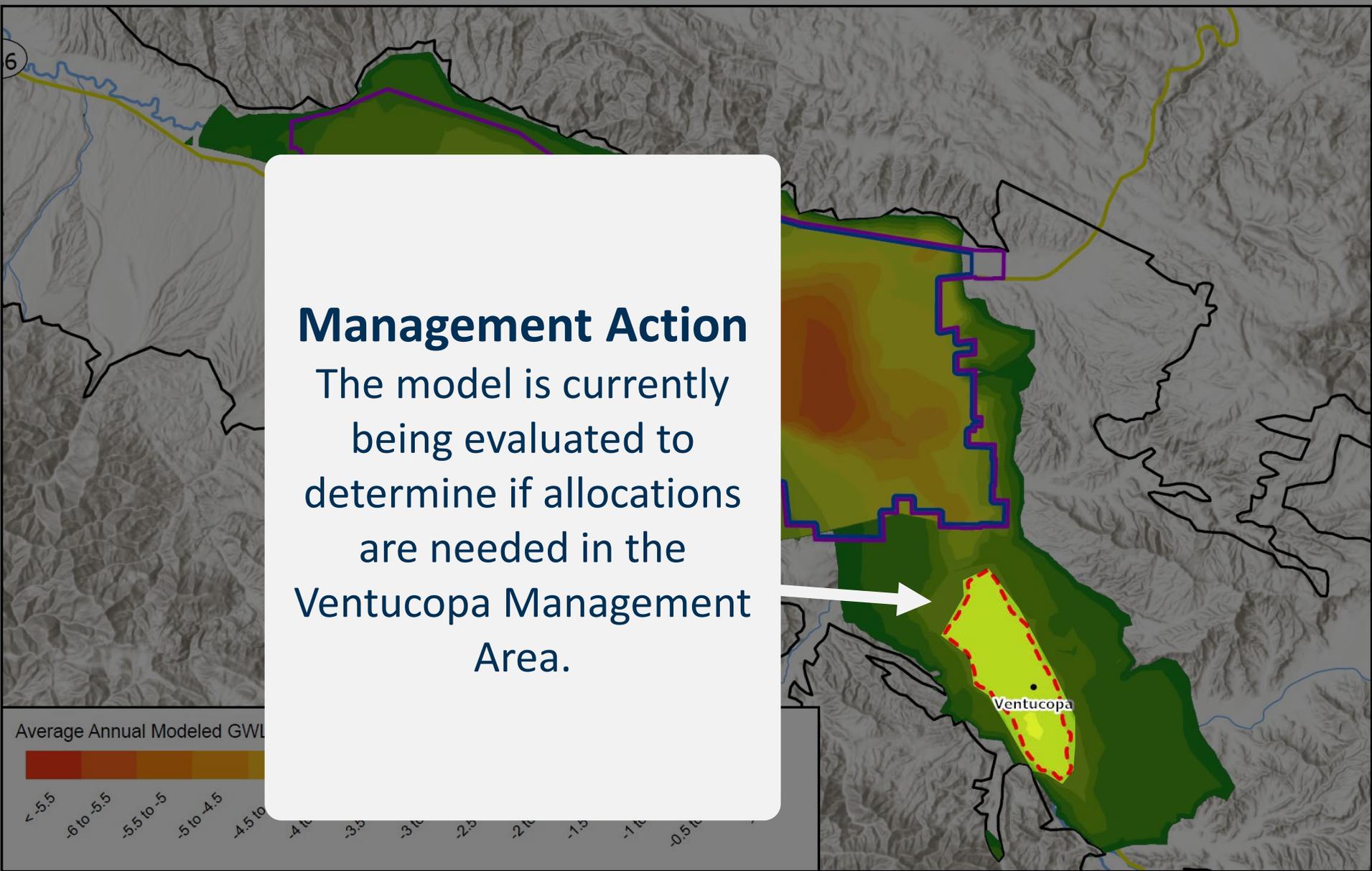
0 0.5 1 2 Miles

Map Created: October 2025



Management Action

The model is currently being evaluated to determine if allocations are needed in the Ventucopa Management Area.



**CBWRM v030d
Management Areas**

Cuyama Valley
Groundwater Basin

| | | |
|--------|---------------------|----------------|
| Legend | CMA + Farming Units | Highways |
| | CMA | Cuyama River |
| | Ventucopa MA | Streams/Creeks |
| | Cuyama Basin | |

Woodard & Curran

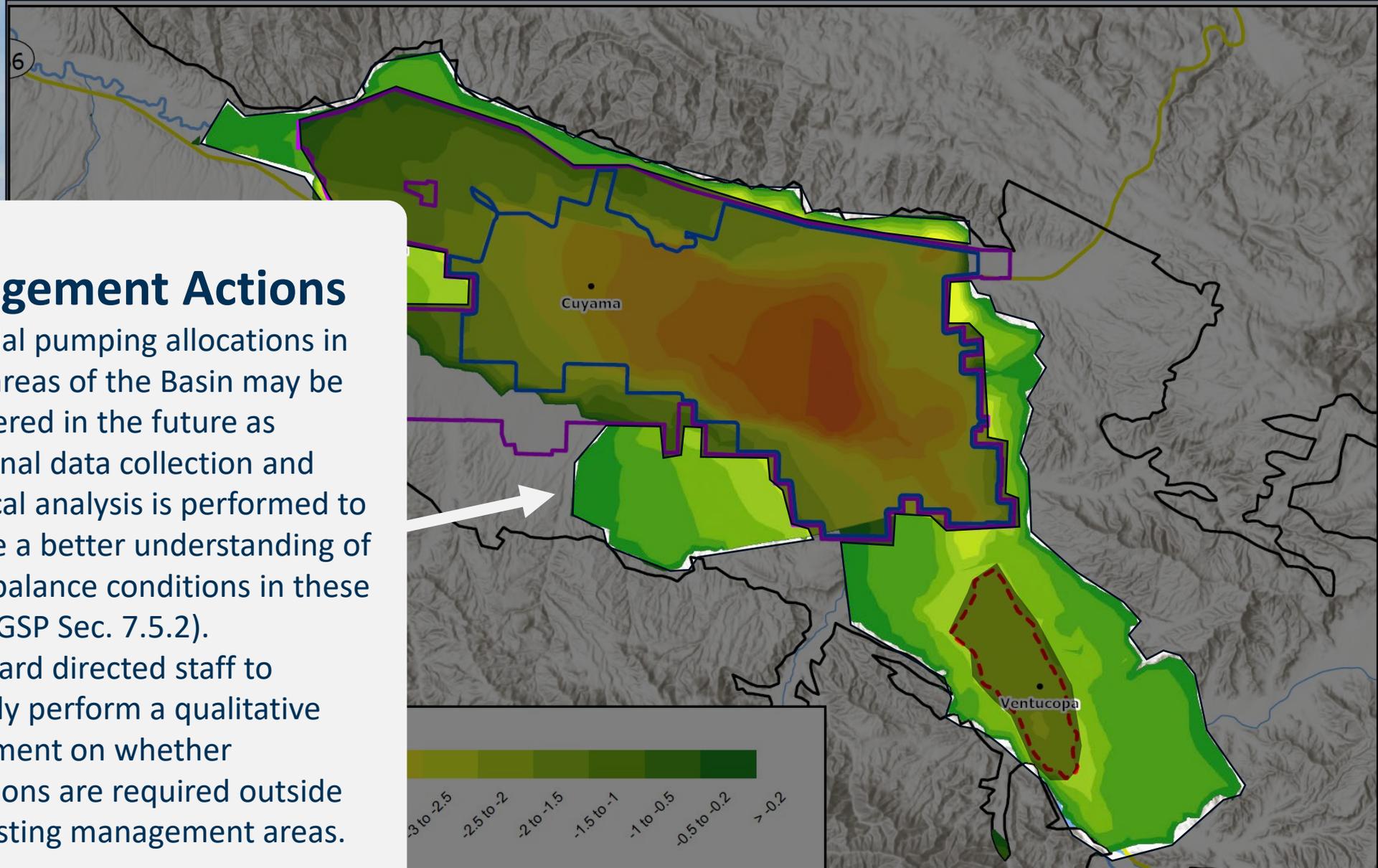
0 0.5 1 2 Miles

Map Created: October 2025



Management Actions

1. Potential pumping allocations in other areas of the Basin may be considered in the future as additional data collection and technical analysis is performed to provide a better understanding of water balance conditions in these areas (GSP Sec. 7.5.2).
2. The Board directed staff to annually perform a qualitative assessment on whether allocations are required outside the existing management areas.



MA + Farming Units
MA
Ventucopa MA
Cuyama Basin

Highways
Cuyama River
Streams/Creeks

Cuyama Valley
Groundwater Basin

Leg



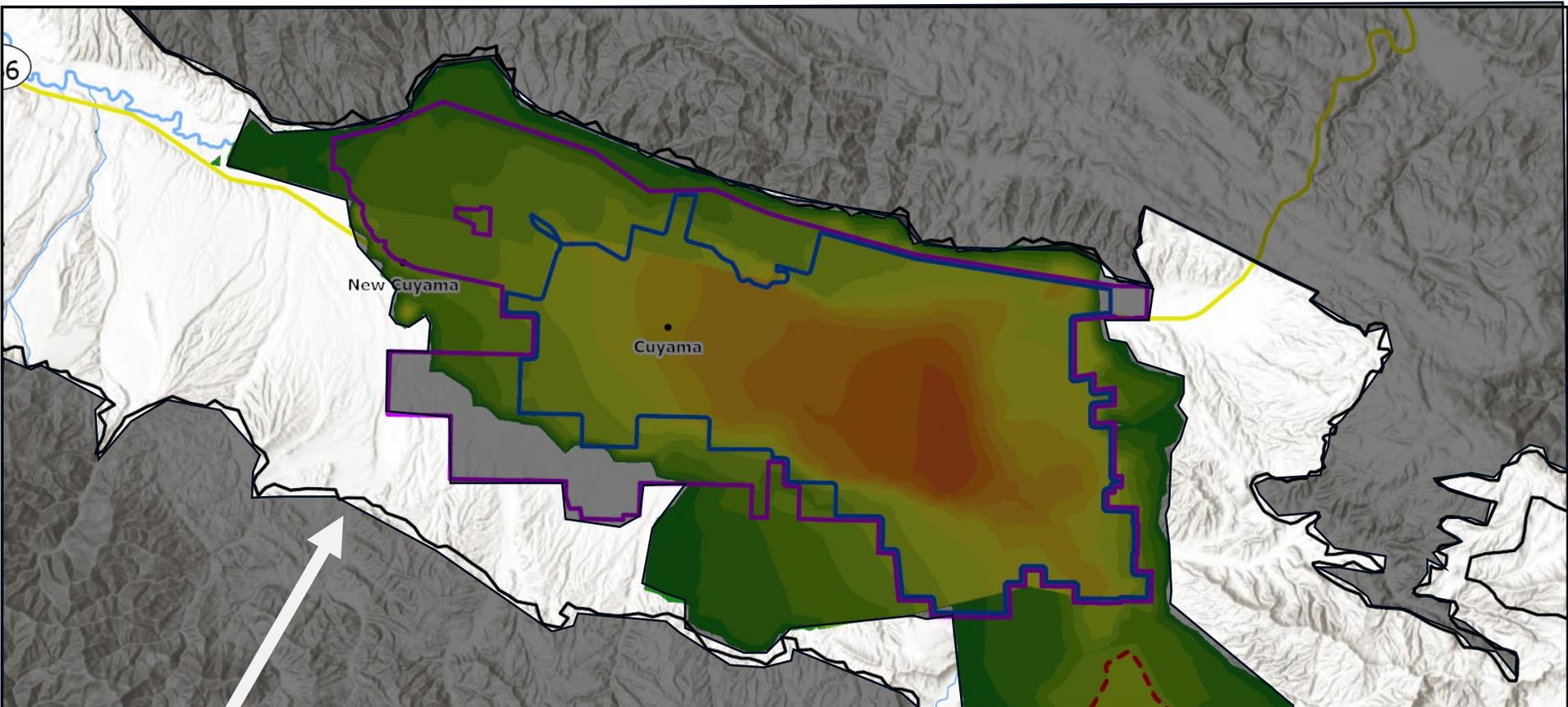
Ventucopa MA
Cuyama Basin



0 0.5 1 2 Miles

Map Created: October 2025

RK
UP
WOODARD
& CURRAN



GSP Section 7.5.2 Pumping Allocations in Central Management Area

“Consistent with the magnitude of projected overdraft estimated by the CBWRM, pumping allocations would not apply to users outside of the Central Management Area and farming units. Potential pumping allocations in other areas of the Basin may be considered in the future as additional data collection and technical analysis is performed to provide a better understanding of water balance conditions in these areas.”

Cuyama Valley Groundwater Basin Cuyama Basin



0 0.5 1 2 Miles

Map Created: October 2025



Water Management Outside of Management Areas

- Historically, the Board philosophy on water management outside of management areas has been to provide flexibility to landowners and only manage water use outside a management area if:
 1. A new management area is identified by a model update due to increased water use, or
 2. Sustainable management criteria exceedances occur which could require temporary, localized pumping reductions.
- Does the Board want to:
 1. Continue to maintain the previous approach for areas that are not expected to be in overdraft? Or,
 2. Pursue a more active approach to ensure new overdraft areas do not develop?



TO: Board of Directors
Agenda Item No. 13a

FROM: Taylor Blakslee

DATE: November 5, 2025

SUBJECT: Report of the Executive Director

Recommended Motion

None – information only.

Discussion

An overview of consultant budget-to-actuals through September 2025 is provided as **Attachment 1**.

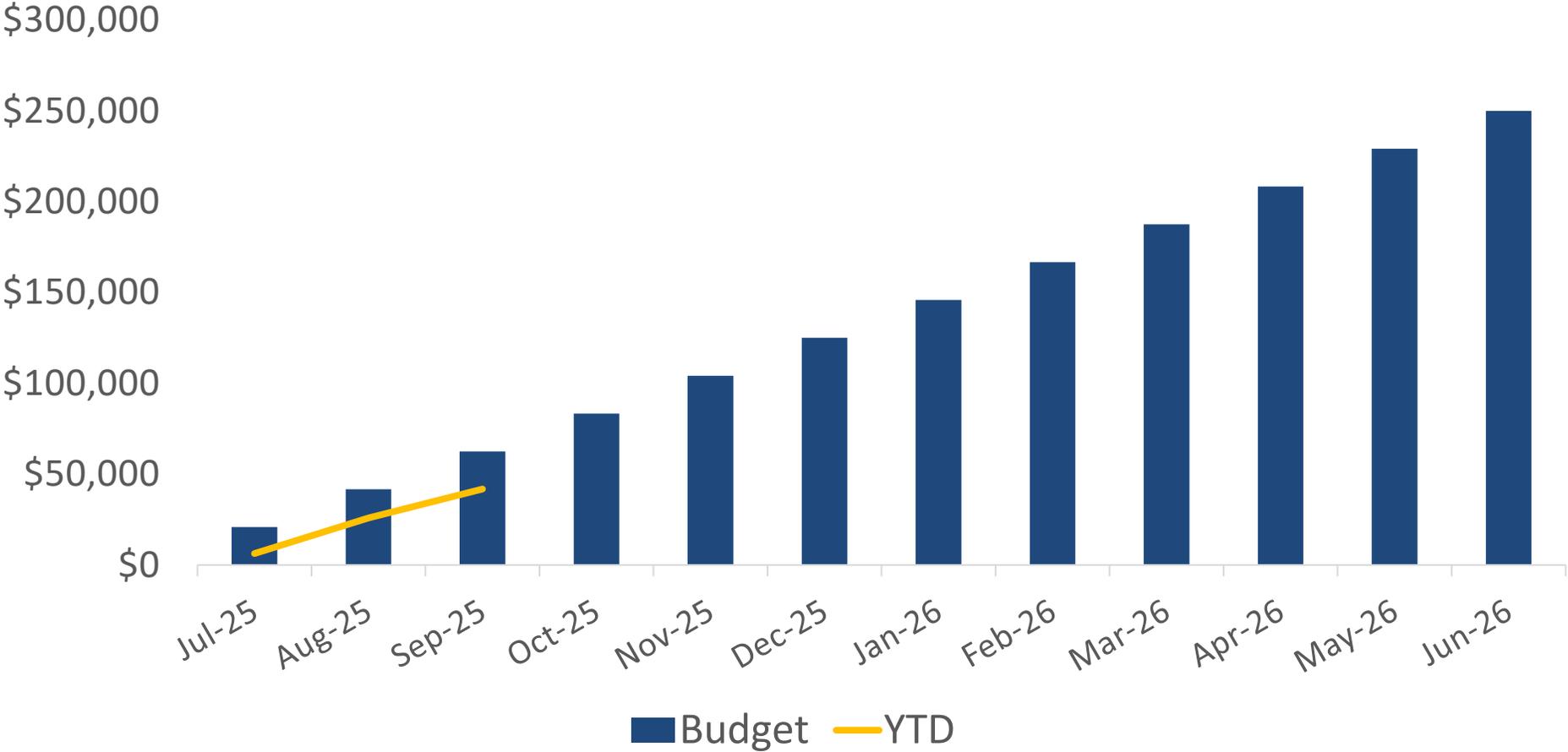
Cuyama Basin Groundwater Sustainability Agency

Financial Report

November 5, 2025

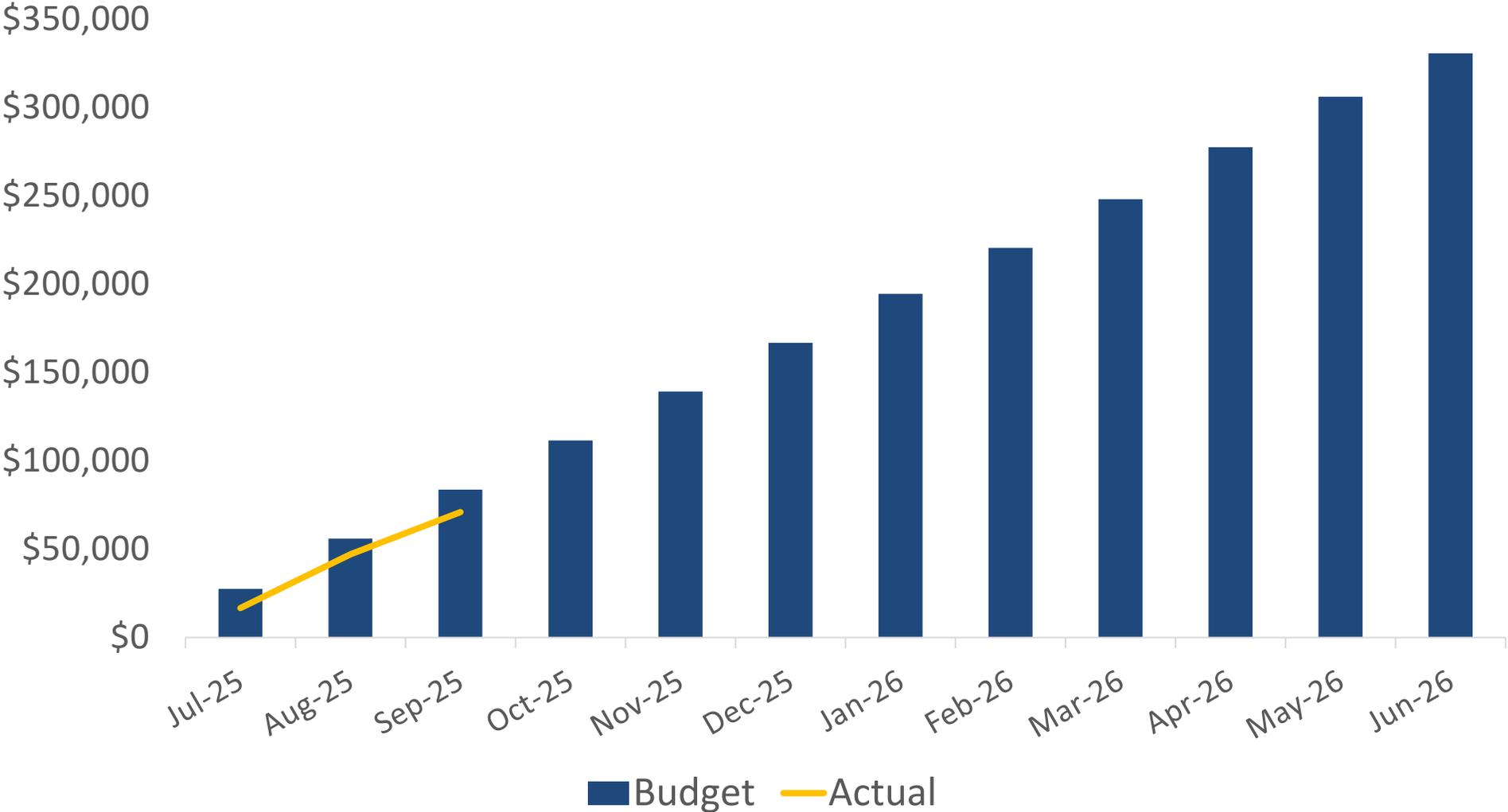
Legal Counsel – Budget-to-Actuals

FY 25/26



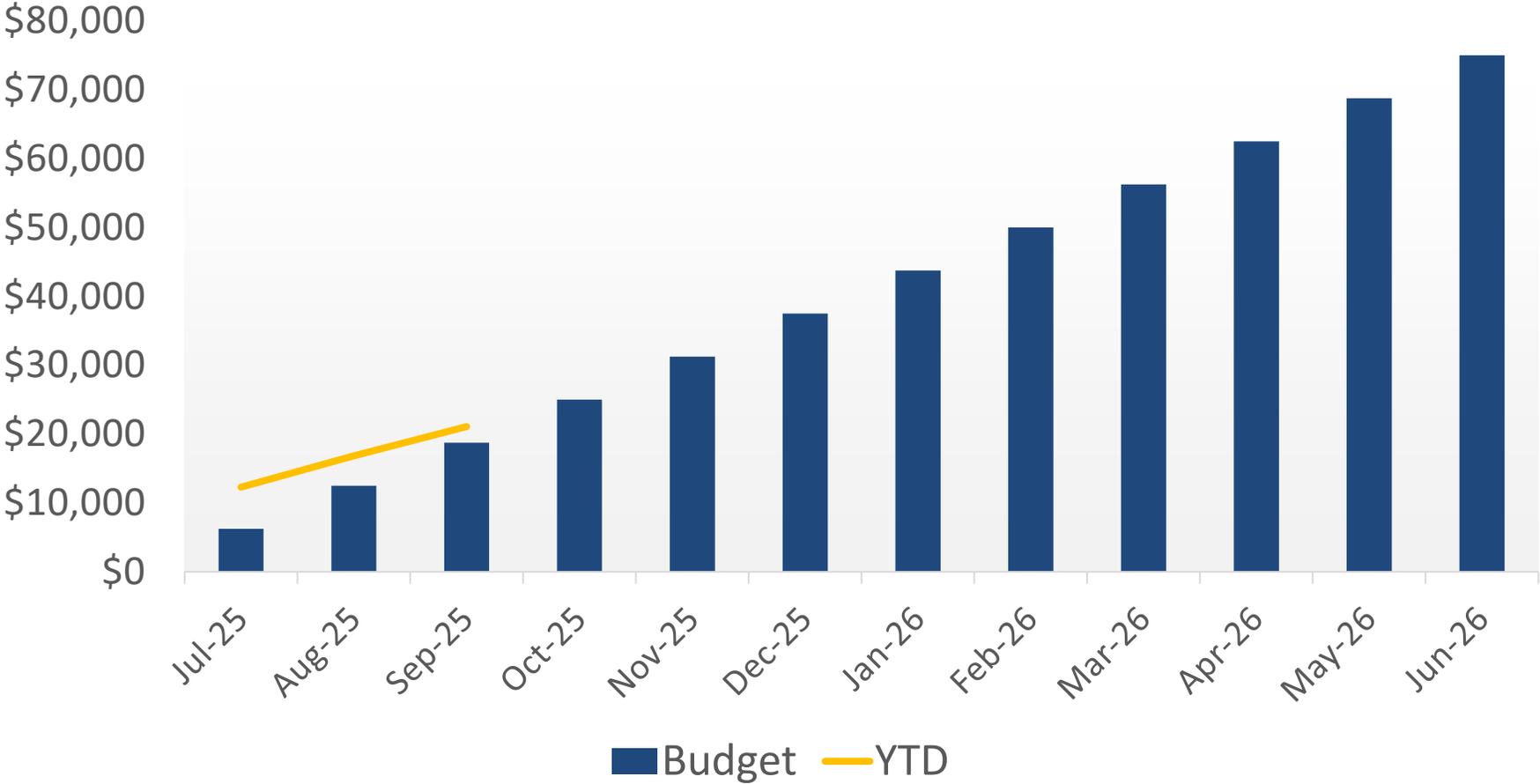
Hallmark Group – Budget-to-Actuals

FY 25/26



Provost & Pritchard – Budget-to-Actuals

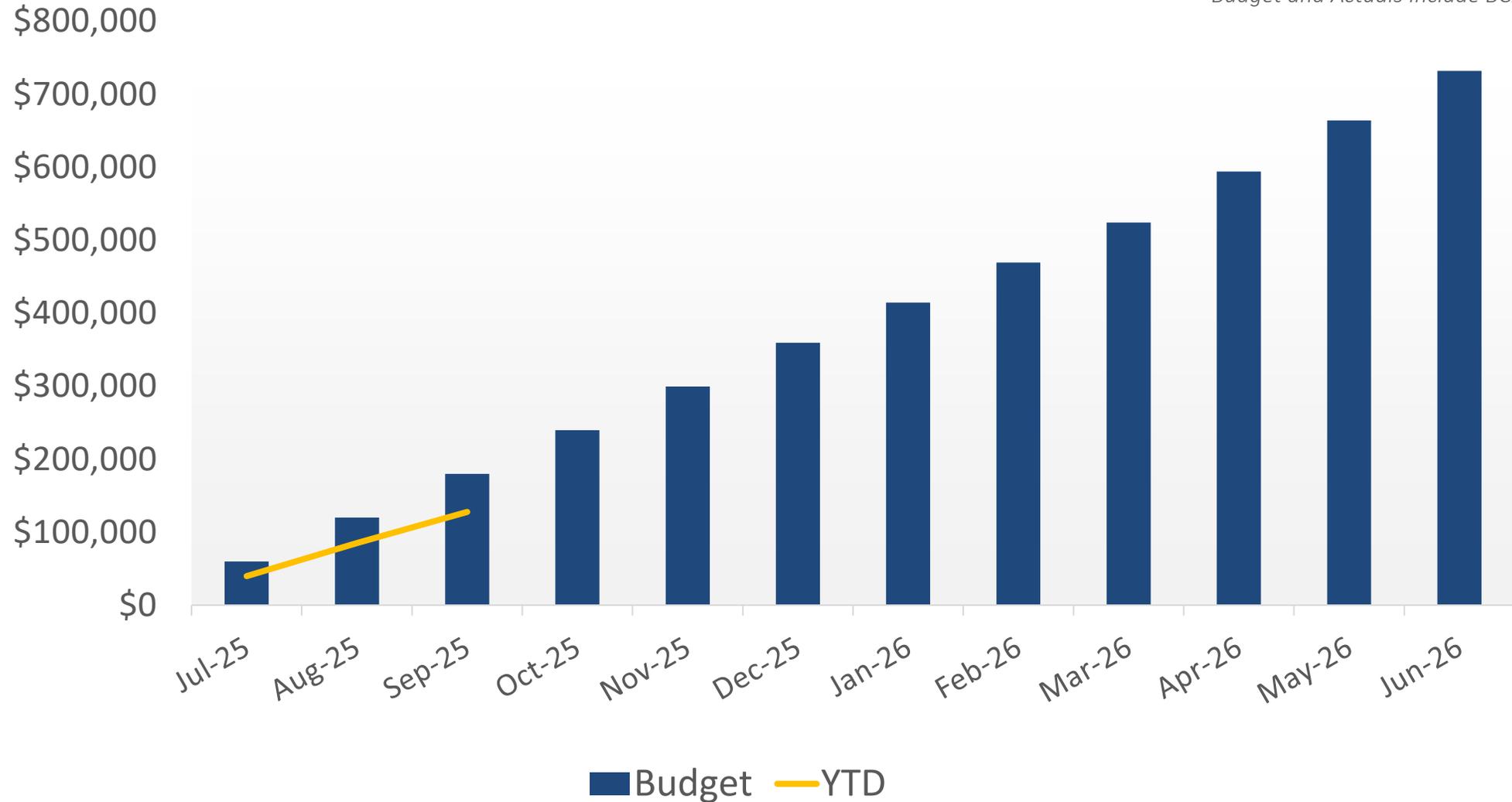
FY 25/26



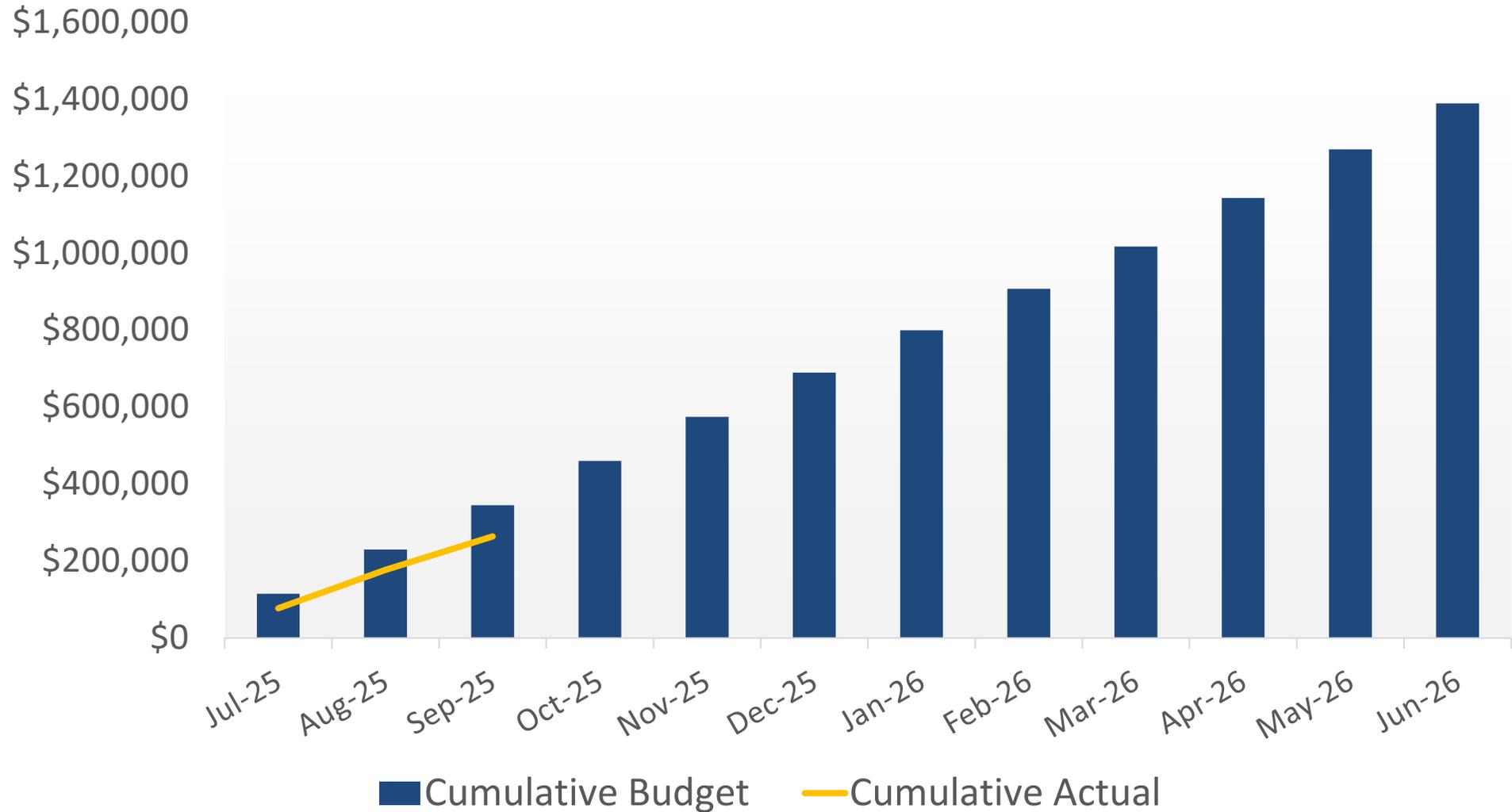
Woodard & Curran – Budget-to-Actuals

FY 25/26

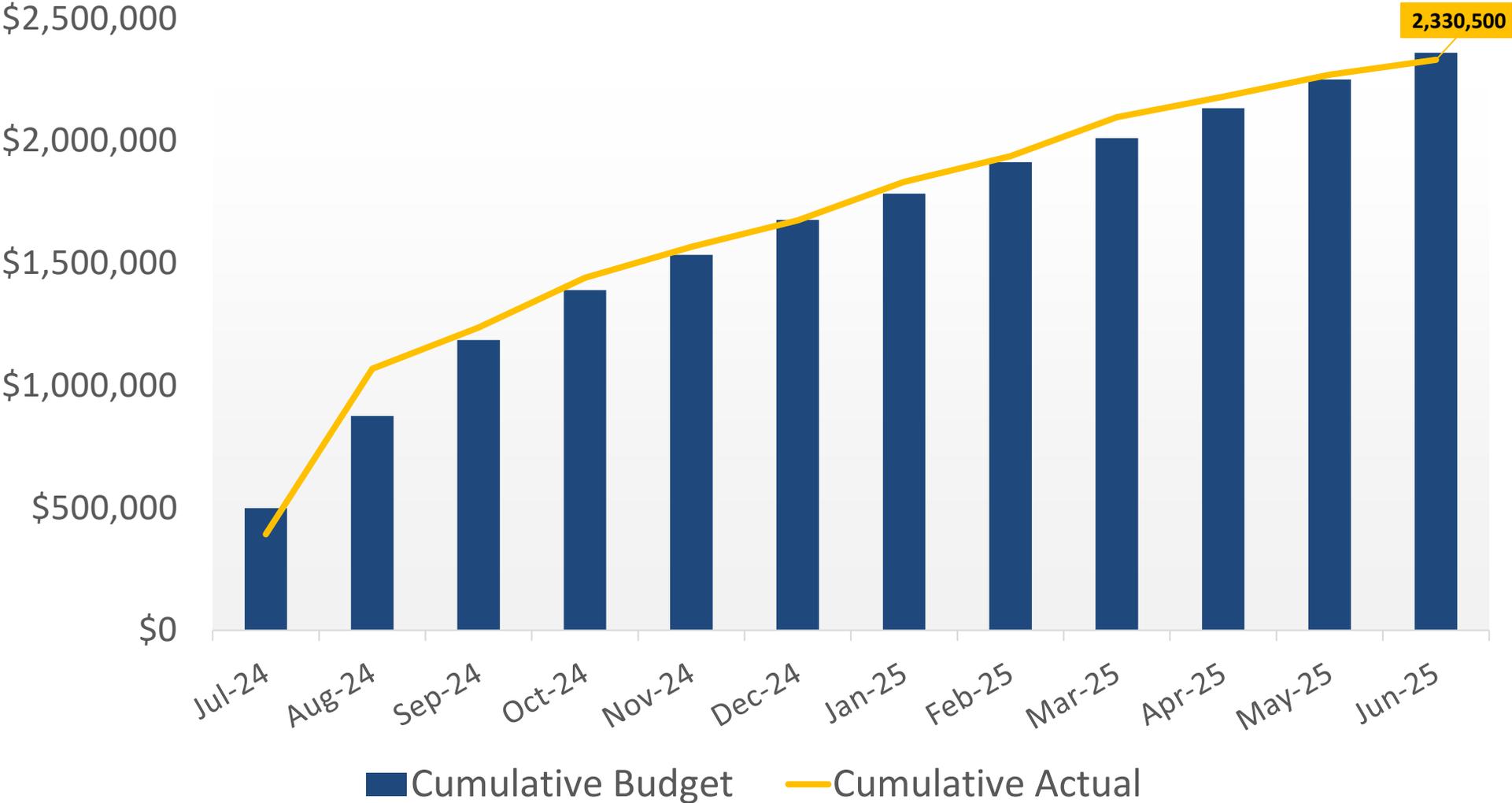
Budget and Actuals Include BC2 Environmental



CBGSA FY 25/26 – Budget-to-Actuals



CBGSA FY 24/25 – Budget-to-Actuals





TO: Board of Directors
Agenda Item No. 14a

FROM: Brian Van Lienden, Woodard & Curran

DATE: November 5, 2025

SUBJECT: Update on Groundwater Sustainability Plan Activities

Recommended Motion

None – information only.

Discussion

Cuyama Basin Groundwater Sustainability Agency (CBGSA) Groundwater Sustainability Plan (GSP) activities and consultant Woodard & Curran's (W&C) accomplishments are provided as **Attachment 1**.

Cuyama Basin Groundwater Sustainability Agency

Update on Groundwater Sustainability Plan Activities

Brian Van Lienden



Sep-Oct Accomplishments

- ✓ Performed an assessment of model data and performance in the Ventucopa Management Area
- ✓ Performed geophysical field analysis for the updated Santa Barbara Canyon Fault Investigation
- ✓ Performed analysis of potential land use updates in response to variance request
- ✓ Performed DMS data updates
- ✓ Prepared grant invoice submittal and deliverables for technical grant tasks



TO: Board of Directors
Agenda Item No. 14b

FROM: Brian Van Lienden, Woodard & Curran

DATE: November 5, 2025

SUBJECT: Update on Grant-Funded Projects

Recommended Motion

None – information only.

Discussion

An update on Cuyama Basin Groundwater Sustainability Agency (CBGSA) grant-funded projects is provided as **Attachment 1**.

Cuyama Basin Groundwater Sustainability Agency

Update on Grant-Funded Projects

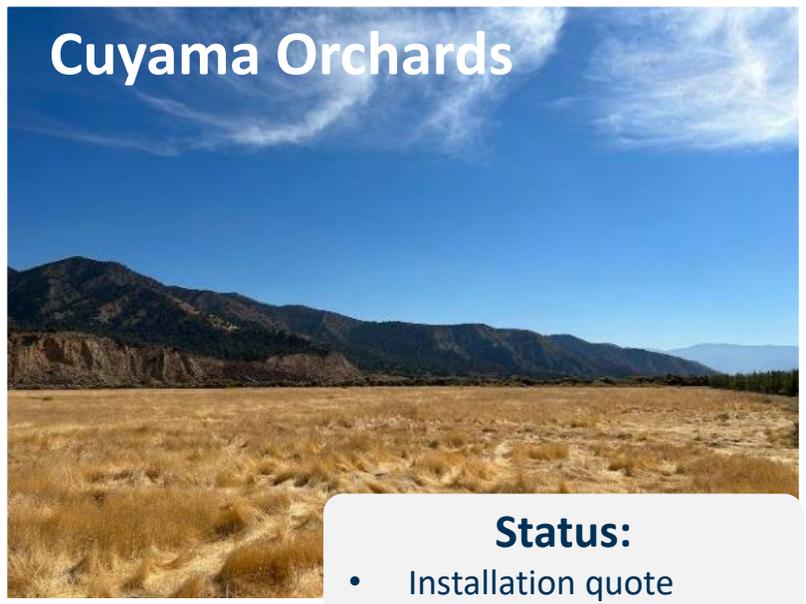
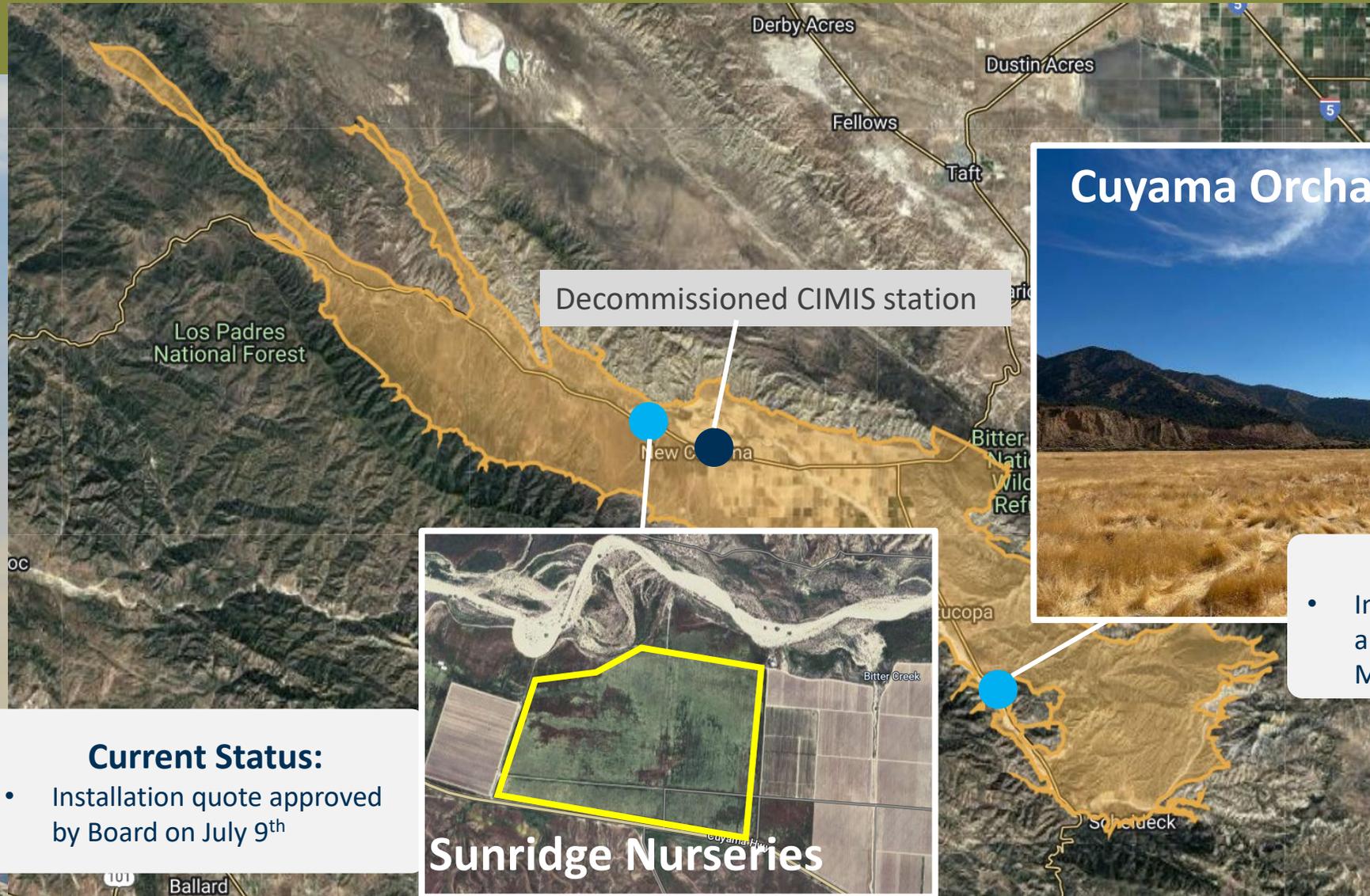
Brian Van Lienden



Update on Grant Funded Projects

- CIMIS station installation:
 - Amended grant agreement allows for reimbursement of work completed through December 2025
 - Landowners are currently working to perform installation of new land use and irrigation required for CIMIS stations
- Work on all other technical grant components is complete as of the end of June 2025

Sites for New CIMIS Stations



Cuyama Orchards

Status:

- Installation quote approved by Board on Mar 5th

- Current Status:**
- Installation quote approved by Board on July 9th



Sunridge Nurseries



Small Farmer and Rancher Network

Cory Bantilan, GSA Chair
GSA Board Members
Brenton Kelly, SAC Chair
SAC Members

Dear Chairpersons and Board members,

In response to the most recent memo (“Discuss and Take Appropriate Action on the CMA Allocation Exchanges Policy (i.e. Water Market)”) distributed as part of the Standing Advisory Committee meeting packet (October 30, 2025), the Cuyama Valley Small Farmer and Rancher Network (SFAR) would like to reiterate its concerns regarding supporting the viability of small-scale pumpers in the Central Management Area.

On October 1, 2025, at the request of the GSA ad hoc committee, the SFAR Network provided a memo outlining the needs and concerns of the SFAR Network and offered broad suggestions on developing the proposed Allocation Exchanges Policy. On October 6, the GSA requested a clarification to our memo (namely, how the SFAR Network defines small- and mid-size farmers) which was provided on October 10, 2025. This exercise prompted an important effort to clarify the needs of small-scale pumpers in any “allocation exchanges policy” and surfaced significant data-driven observations.

Despite this good-faith effort, given the content of the October 30, 2025 packet, it appears that the ad hoc committee is not recommending any of the SFAR Network’s suggestions in outlining its proposed Allocation Exchanges Policy. The proposed policy does not protect the extremely modest needs of small-scale pumpers in the CMA and will not help those pumpers meet their water needs in the coming years.

After reviewing the proposed Allocation Exchanges Policy, the SFAR Network would like to offer additional observations and suggestions on how to protect the viability of small-scale pumpers in the Central Management Area, all of whom are beneficial users of groundwater in the Cuyama Valley and, under SGMA, their interests must be considered. Further, per the Cuyama Basin’s own Groundwater Sustainability Plan (Section 3.2.1, p 3-3), ***not protecting the viability of small-scale pumpers in the Cuyama Basin would incur a significant, yet completely avoidable, Undesirable Result:***

3.2.1 Description of Undesirable Results: The Undesirable Result... is a result that causes significant and unreasonable reduction in the long-term viability of domestic, agricultural, municipal, or environmental uses over the planning and implementation horizon of this GSP.

Items to consider:

» ***Allocation Exchanges Policy is not likely to help small- or mid-sized pumpers.*** Very recently, in an effort to sustain their perennial crop, a mid-size pumper in the CMA offered \$100,000 to purchase water from any pumper in the CMA who would sell a portion of their allocation. No one responded to the request and no potential “allocation exchange” has come of it. The request and lack of response may be indicative of a previously unacknowledged factor in developing a water market: at this time, no one in the CMA may be willing to sell water until the court releases allocations, potentially next year, in the ongoing adjudication case. It seems clear that despite the good intentions to create an allocation exchange policy as a “long term tool” to assist small-scale pumpers as stated in the October 30 memo, this tool is unlikely to achieve the remedy that small farmers need to remain viable.

» ***Retain a limited variance process for small- or mid-sized pumpers in the CMA.*** At this time, we believe that any “allocation exchanges policy” is unlikely to help small-scale pumpers stay in business and keep their crops alive. The SFAR Network urges the GSA to continue offering a variance process through which distressed farmers can apply for a variance to their allocations. We would support setting important limits on variance requests—chiefly that a variance could not be used for expanded planting—and a thorough review would be required of how that variance will be used and its impact on sustainable yield.

» ***Create a limited “variance pool” of water allocations of 1,200AF over four years from unused allocations.*** In the 2024 water year, using the allocations developed with the old water model, pumpers in the CMA collectively used just 57% of their water allocations, effectively leaving 43% of the total allocations—or 19,463AF—unused allocated water in the aquifer.

To illustrate the point further, using the new model with smaller allocations, as a hypothetical example, if we were to assume that pumpers in the CMA were to collectively use 75% of their 2025 water allocations, potentially leaving 25% of the total allocations unused in the aquifer at the end of this year, a large amount of allocated water—11,100AF—would likely go unused. Analysis of the pumping needs based on historical pumping data of small-scale pumpers in the CMA through 2029 reveals that collectively five identified pumpers may ***need a total of just under 1,200AF over four years (2026-29) to remain viable***—far less than just one year of the anticipated unused allocations. We propose that as part of continuing a limited variance process for small- and mid-sized pumpers in the CMA, the GSA reserve a highly restricted “variance pool” from unused allocations that can be held for use only by those small-scale pumpers who meet specific criteria: e.g., for those who

without such a variance, the long-term viability of the applicant's farm and business will be at risk.

In conclusion, given the above considerations, we urge the GSA to adopt an effective variance process described above to assist those small-scale pumpers—all of whom are small business owners, employers and long-time contributors to the Cuyama Valley community and economy—whose current pumping allocations may result in losing their land and/or family businesses.

In modifying the current variance process to include a new “restricted variance pool” for at-risk small-scale pumpers, we believe that the GSA has an opportunity to allocate an unused resource to support these pumpers' viability for the next four years, or until a functioning water market can be developed. To leave unused, allocated water underground while small farmers go out of business will comply neither with SGMA nor with the GSA's own DWR-approved GSP.

We hope that the SAC and the GSA will give careful consideration to this recommendation. The SFAR Network stands ready to collaborate on effective policies that will support the viability of small-scale pumpers and the sustainability of the Cuyama Basin.

Respectfully,

SFAR Steering Committee
Robbie Jaffe (Chair)
Brenton Kelly
Will Price
Meg Brown
Lynn Carlisle