



AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS OF CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY

**CARPINTERIA CITY HALL
5775 CARPINTERIA AVENUE
CARPINTERIA, CA 93013**

Wednesday, January 22, 2025 at 5:35 p.m.

Join Zoom Meeting

<https://us06web.zoom.us/j/89186398122?pwd=BKDaPPhIbAiK1qqEdapYLO6TeGMnDB.1>

Meeting ID: 891 8639 8122

Passcode: 054600

or

Dial by Phone: 1-669-444-9171

- 1. CALL TO ORDER**
- 2. PUBLIC FORUM (Any person may address the Board of Directors on any matter within its jurisdiction which is not on the agenda).**
- 3. APPROVAL ITEMS**
 - A. **Minutes for the Meeting of the Board held on December 11, 2024**
 - B. **Disbursement Report for November 11, 2024 – December 10, 2024**
 - C. **Semi-Annual Vendor Payment Report**
 - D. **Director's Quarterly Compensation Report - 2nd Quarter**
- 4. UNFINISHED BUSINESS – none**
- 5. NEW BUSINESS –**
 - A. Consider Board Re-Organization for 2025**
 - 1. Election of Chairperson (currently Case Van Wingerden)**
 - 2. Election of Vice Chairperson (currently vacant)**
 - 3. Consider Staff Appointments:**
 - A) Executive Director (currently Robert McDonald)**
 - B) Treasurer (currently Norma C. Rosales)**
 - C) Board Secretary (currently Lisa Silva) & Alternate Board Secretary (currently Robert McDonald)**

****Indicates attachment of document to agenda packet.**

4. Attorneys:

A) General Counsel (currently Cari Ann Potts of Myers, Widders, Gibson, Jones & Feingold, LLP, alternate: Junajoy Frianeza)

B) Special Counsel: Groundwater & SGMA (currently Jeremy Jungreis of Rutan & Tucker LLP)

5. Consider the location, time and day of regular Board meetings

(currently Carpinteria City Hall, 5775 Carpinteria Avenue, Carpinteria, 5:35 pm, on any given Wednesday Coincidental with CVWD Board Meetings)

6. Consider the manner by which special Board meetings are called

(currently Section 54946 of the Government Code)

7. Consider establishing Roberts *Rules of Order* for all proceedings (current)

8. Consider establishment of Board Oversight of Financial transactions

(currently all Directors, with the requirement that all bills, statements, invoices or claims exceeding \$300 are reviewed and approved by one member of the committee on a rotating basis, that each member be provided with a list of the routine monthly bills and purchases. Bills smaller than \$300 to be approved by the General Manager.)

B. **Consider Independent Auditor's Report and Financial Statements for FY 23-24 prepared by Bartlett Pringle & Wolf (for action, Treasurer, Norma Rosales). *Presentation by Tracey Solomon, CPA, Bartlett Pringle & Wolf*

C. **Consider Resolution No. 035 Updating Check signers (for action, Executive Director Bob McDonald).

D. **Consider Resolution No. 036 updating the GSA Conflict of Interest (for action, General Manager McDonald)

6. EXECUTIVE DIRECTOR REPORTS (for information) –

A. **Financials

7. ADJOURNMENT.

The above matters are the only items scheduled to be considered at this meeting.

Note: The above Agenda was posted at Carpinteria Valley Water District Administrative Office in view of the public no later than 5:00 p.m., January 19, 2025. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied benefits of, the District's programs, services, or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at (805) 684-2816. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements. Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Carpinteria Valley Water district offices located at 1301 Santa Ynez Avenue, Carpinteria during normal business hours, from 8 am to 5 pm.

****Indicates attachment of document to agenda packet.**

	MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY	
	December 11, 2024	
	Chairman Van Wingerden called the Regular meeting of the Carpinteria Groundwater Sustainability Agency Board of Directors held in the Carpinteria City Hall Chamber to order at 5:38 p.m., Wednesday, December 11, 2024.	
	Directors Present; Holcombe, Balch, Roberts, O'Connor and Van Wingerden	
	Others Present: Bob McDonald	
	Junajoy Frianeza Norma Rosales Lisa Silva Danielle Harmon Maso Motlow Tracey Solomon Kyle Tanaka Chris Malejan Rob Morrow	Scott Van Der Kar Bob Franco Alan Soicher Will Carleton Michael Turner Carolyn Frary Shirley Johnson Jim Bailard Amy Stevens
PUBLIC FORUM	No one from the public addressed the Board.	
CONSENT AGENDA	Director Holcombe moved, and Director Balch seconded the motion to approve the consent agenda. The motion carried by a 4-1 vote with Director O'Connor abstaining. The motion was approved by roll call as follows; Ayes: Holcombe, Balch, Roberts and Van Wingerden Nays: none Absent: none Abstain: O'Connor	
WELL REGISTRATION AND METERING POLICY	Executive Director McDonald presented to consider CGSA Well Registration and Metering Policy Framework. Presented by Danielle Harmon. For Information.	
LETTER BY ALAN SOICHER AND GSPAC MEMBERS	Executive Director McDonald presented to consider Letter submitted to the CGSA by Alan Soicher and volunteer members of the GSPAC. For Information.	

	Scott Van Der Kar, Alan Soicher, and Michael Turner addressed the Board in favor of re-establishing the GSPAC and its potential benefits. Scott Van Der Kar, Will Carleton and Carolyn Frary shared concerns regarding well meters, permits, testing and registration.
ADJOURNMENT	Chairman Van Wingerden adjourned the meeting at 6:32 p.m.
	Lisa Silva, Board Secretary



Monthly Disbursement Report
Carpinteria Groundwater Sustainability Agency

Payment Date: 11/11/24 - 12/10/24

CARPINTERIA GSA

Disbursement Report

Carpinteria Groundwater Sustainability Agency Account				
Vendor	Description	Payment Number	Payment Date	Payment
FEDERAL PR TAX DEPOSIT				121.24
	MEDICARE W/H	DFT0001888	11/27/2024	121.24
FRUIT GROWERS LABORATORY, INC				2,975.00
	INORGANIC ANALYSIS - GSA WELLS SAMPLING	2155	12/6/2024	2,975.00
MYERS, WIDDERS, GIBSON JONES & FEINGOLD, LLP				98.00
	GENERAL COUNSEL - OCTOBER	2154	11/22/2024	98.00
PACIFIC SURVEYS, LLC				2,162.18
	SENTRY WELL - NOVEMBER	2156	12/6/2024	2,162.18
US BANK				318.09
	11 2024 BANK ANALYSIS FEE	DFT0001871	11/15/2024	318.09
Total:				\$ 5,674.51



CARPINTERIA GSA

Semiannual Vendor Payment Report
July 1, 2024 - December 31, 2024
by Vendor Amount

Vendor	Amount
FRUIT GROWERS LABORATORY, INC	20,651.00
DCSE, INC.	12,000.00
GROUNDWATER SOLUTIONS, INC.	9,273.50
PACIFIC SURVEYS, LLC	4,323.43
RUTAN & TUCKER, LLP	3,673.50
JEHANNE BROWN	2,308.54
MYERS, WIDDERS, GIBSON JONES & FEINGOLD, LLP	1,837.50
US BANK	1,590.71
TRACY BETTLES	1,181.50
SCOTT VAN DER KAR	160.31
FEDERAL PR TAX DEPOSIT	121.24
Report Total: \$	57,121.23



CARPINTERIA GSA

Semiannual Vendor Payment Report
July 1, 2024 - December 31, 2024 by
Vendor Name

Vendor	Amount
DCSE, INC.	12,000.00
FEDERAL PR TAX DEPOSIT	121.24
FRUIT GROWERS LABORATORY, INC	20,651.00
GROUNDWATER SOLUTIONS, INC.	9,273.50
JEHANNE BROWN	2,308.54
MYERS, WIDDERS, GIBSON JONES & FEINGOLD, LLP	1,837.50
PACIFIC SURVEYS, LLC	4,323.43
RUTAN & TUCKER, LLP	3,673.50
SCOTT VAN DER KAR	160.31
TRACY BETTLES	1,181.50
US BANK	1,590.71
Report Total: \$	57,121.23

CGSA Director Compensation Report September - December 2024 2nd Quarter				
Director Name		Amount	Description	Payment Number
Matthew Roberts	Roberts Total	\$ 770.00	3/1/24 - 10/31/24 MEETINGS	10013
		\$ 770.00		
Casey Balch	Balch Total	\$ 770.00	3/1/24 - 10/31/24 MEETINGS	10010
		\$ 770.00		
Polly Holcombe	Holcombe Total	\$ 880.00	3/1/24 - 10/31/24 MEETINGS	10011
		\$ 880.00		
Shirley Lynne Johnson	Johnson Total	\$ 880.00	3/1/24 - 10/31/24 MEETINGS	10012
		\$ 880.00		
Case Van Wingerden	Van Wingerden Total	\$ 880.00	3/1/24 - 10/31/24 MEETINGS	10014
		\$ 880.00		
Total Director Compensation \$ 4,180.00				
Board Meetings				
2024	8 Regular Meetings - 3/13/24, 4/10/24, 5/22/24, 6/4/24, 7/24/24, 8/21/24, 9/25/24. 10/23/24			

DRAFT

**CARPINTERIA GROUNDWATER
SUSTAINABILITY AGENCY**
June 30, 2024 and 2023
FINANCIAL STATEMENTS



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**CARPINTERIA GROUNDWATER
SUSTAINABILITY AGENCY**

Table of Contents

	<u>Page</u>
Independent Auditor’s Report	1 – 3
Management's Discussion and Analysis (Unaudited)	4 – 8
Basic Financial Statements:	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position	10
Statement of Cash Flows.....	11
Notes to the Financial Statements	12 – 17

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Carpinteria Groundwater Sustainability Agency:**

Opinion

We have audited the accompanying financial statements of the Carpinteria Groundwater Sustainability Agency (the Agency) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Carpinteria Groundwater Sustainability Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Carpinteria Groundwater Sustainability Agency as of June 30, 2024 and 2023, and the changes in financial position and cash flows 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). 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

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 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, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8, be presented to supplement the basic financial statements. Such information, 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.

Santa Barbara, California
January 22, 2025

Management's discussion and analysis of the Agency's financial performance provides an overview of the Agency's financial activities for the years ended June 30, 2024 and 2023. Please read it in conjunction with the Agency's financial statements, which follow this section.

FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and a brief description of the Agency's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The Agency's financial statements include four components:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

The statement of net position includes all the Agency's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. Net position may be displayed in the categories:

- Net Investment in Capital Assets
- Restricted
- Unrestricted

The statement of net position provides the basis for computing the rate of return, evaluating the capital structure of the Agency, and assessing the liquidity and financial flexibility of the Agency.

The statement of revenues, expenses and changes in net position presents information which shows how the Agency's net position changed during the year. All the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses and changes in net position measures the success of the Agency's operations over the past year and determines whether the Agency has recovered its costs through user fees and other charges.

The statement of cash flows provides information regarding the Agency's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operations
- Noncapital financing
- Capital and related financing
- Investing

This statement differs from the statement of revenues, expenses, and changes in net position because the statement accounts only for transactions that result in cash receipts or cash disbursements.

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

**CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

DRAFT

FINANCIAL HIGHLIGHTS

- The financial statements for the year ending June 30, 2024, represent the fourth year of Agency operations. FY24 marks the second year that the Agency generated operating revenues via parcel acreage-based fee assessments.
- The financial statements for the year ending June 30, 2023, represent the third year of Agency operations. FY23 marked the first year that the Agency generated operating revenues via parcel acreage-based fee assessments, contributing to an overall improvement in its fiscal position.

Adopted Financial Accounting Standards

During the years ended June 30, 2024 and 2023, no new accounting standards had a significant impact on the Agency.

FINANCIAL POSITION

The Agency's overall fiscal position continues to improve since implementing property acreage-based fee assessments in FY23. The Agency has a net position of \$593,108 as of June 30, 2024.

Condensed Statement of Net Position – *Analysis:*

	June 30, 2024	June 30, 2023	June 30, 2022	% Change FYE 2024 and 2023	% Change FYE 2023 and 2022
Assets:					
Current assets	\$ 1,098,042	\$ 404,095	\$ 75,044	172%	438%
Long-term assets	759,314	-	-	100%	0%
Total assets	1,857,356	404,095	75,044	360%	438%
Liabilities:					
Current liabilities	1,004,146	343,526	144,462	192%	138%
Long-term liabilities	260,102	276,000	271,657	-6%	2%
Total liabilities	1,264,248	619,526	416,119	104%	49%
Net position:					
Net investment in capital assets	19,314	-	-	100%	0%
Unrestricted	573,794	(215,431)	(341,075)	366%	37%
Total net position	\$ 593,108	\$ (215,431)	\$ (341,075)	375%	37%

**CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

DRAFT

Analysis of Changes in Total Net Position June 30, 2023 to June 30, 2024:

For the twelve months ended June 30, 2024, the Agency's total net position increased by \$808,539 or 375%, over the prior year, primarily due to receipt of grant proceeds. The net position at June 30, 2024, included net investment in capital assets of \$759,314 and unrestricted amounts of \$(166,206).

Long-Term Liabilities

At the end of the current fiscal year, the Agency had long-term liabilities of \$293,120, comprised of operating funds lent by a related party, Carpinteria Valley Water District. See Note 3 for additional detailed information about the Agency's long-term liability.

Analysis of Changes in Total Net Position June 30, 2022 to June 30, 2023:

For the twelve months ended June 30, 2023, the Agency's total net position increased by \$125,644 or 37%, over the prior year, primarily due to implementation of parcel acreage-based fee assessments and grant proceeds. Unrestricted net position, the amount which may be used to meet the Agency's ongoing obligations, accounts for 100% of the net position.

Long-Term Liabilities

As of June 20, 2023, the Agency had long-term liabilities of \$399,588, comprised of operating funds lent by a related party, Carpinteria Valley Water District. See Note 3 for additional detailed information about the Agency's long-term liability.

Condensed Statement of Revenues, Expenses, and Changes in Net Position – *Analysis:*

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>% Change FYE 2024 and 2023</u>	<u>% Change FYE 2023 and 2022</u>
Operating revenues	\$ 1,308,365	\$ 956,204	\$ -	37%	100%
Operating expenses	<u>494,985</u>	<u>819,146</u>	<u>150,474</u>	<u>-40%</u>	<u>444%</u>
Operating income (loss)	<u>813,380</u>	<u>137,058</u>	<u>(150,474)</u>	<u>493%</u>	<u>-191%</u>
Interest and investment income	-	17	-	100%	100%
Interest expense	<u>(4,841)</u>	<u>(11,431)</u>	<u>(10,141)</u>	<u>-58%</u>	<u>13%</u>
Net non-operating expenses	<u>(4,841)</u>	<u>(11,414)</u>	<u>(10,141)</u>	<u>-58%</u>	<u>13%</u>
Change in net position	808,539	125,644	(160,615)	544%	-178%
Net position, beginning of year	<u>(215,431)</u>	<u>(341,075)</u>	<u>(180,460)</u>	<u>37%</u>	<u>89%</u>
Net position, end of year	<u><u>\$ 593,108</u></u>	<u><u>\$ (215,431)</u></u>	<u><u>\$ (341,075)</u></u>	<u><u>375%</u></u>	<u><u>-37%</u></u>

**CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

DRAFT

Condensed Statement of Revenues, Expenses, and Changes in Net Position – *Analysis:*

OPERATING REVENUES

	FY 20/21	FY 21/22	FY 22/23	FY 23/24
<u>Operating Revenues</u>				
Assessments Revenue	\$ -	\$ -	\$ 320,022	\$ 417,205
Grant Revenue	-	-	636,182	891,160
Total Operating Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 956,204</u>	<u>\$ 1,308,365</u>

Analysis of Changes in Operating Revenues from June 30, 2023 to June 30, 2024:

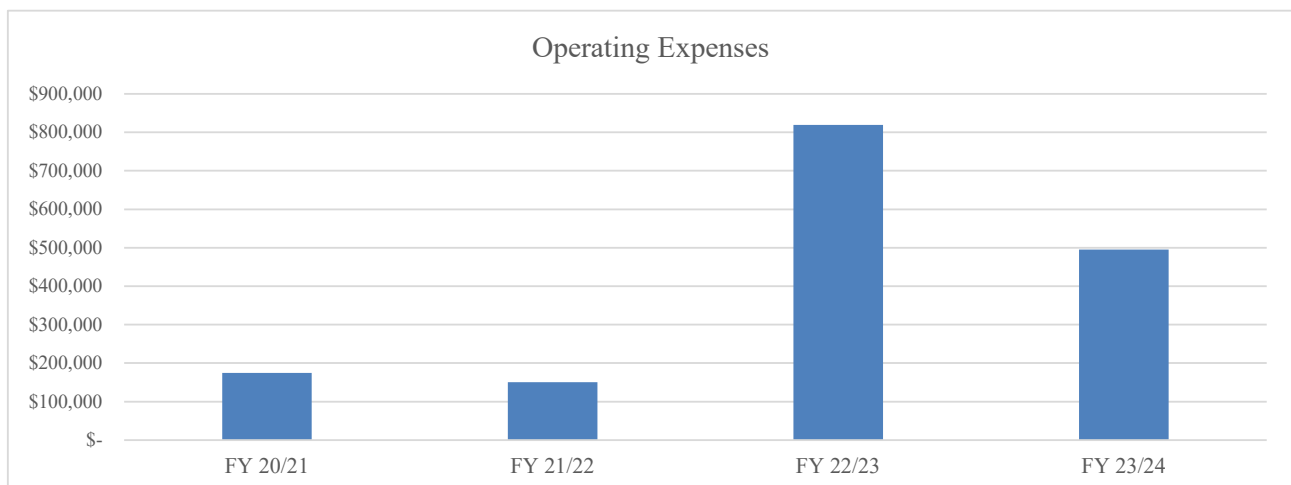
Operating revenues increased by \$352,161 over the prior fiscal year. \$97,183 of the increase is due a parcel acreage-based fee increase, while \$254,978 of the increase is due to Proposition 68 grant proceeds. Proposition 68 funding has helped to offset the Agency's cost of developing its Groundwater Sustainability Plan and the construction of a groundwater monitoring well.

Analysis of Changes in Operating Revenues from June 30, 2022 to June 30, 2023:

Operating revenues increased by \$956,204 over the fiscal year ended June 30, 2022, which reported \$0 operating revenues. \$320,022 of the increase was due to the implementation of parcel acreage-based fee assessments, while \$636,182 of the increase was due to grant proceeds.

OPERATING EXPENSES

	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Testing and Reporting	\$ 14,584	\$ 10,807	\$ 20,839	\$ 76,899
Groundwater Operations	68,343	10,288	568,543	248,572
General and Administrative	90,928	129,379	229,764	169,514
Total Operating Expenses	<u>\$ 173,855</u>	<u>\$ 150,474</u>	<u>\$ 819,146</u>	<u>\$ 494,985</u>



Analysis of Changes in Operating Expenses from June 30, 2023 to June 30, 2024:

- Overall expenses decreased by \$324,161 or 40%.
- Groundwater operations expense decreased by \$319,971 or 56% primarily due to a decrease in groundwater professional services related to Proposition 68 grant deliverables. Grant-related expenditures are entirely offset by grant proceeds in fiscal year 2024.
- General and administrative expenses decreased by \$60,250 or 26% primarily due to decreases in administrative professional services of \$20,829, or 53%, and legal professional services of \$23,223, or 72%.

Analysis of Changes in Operating Expenses from June 30, 2022 to June 30, 2023:

- Overall expenses increased by \$668,672 or 444%.
- Groundwater operations expense increased by \$558,255 or 5,426% primarily due to an increase in groundwater professional services related to Proposition 68 grant deliverables. Grant-related expenditures are almost entirely offset by grant revenue.
- General and administrative expenses increased by \$100,385 or 78% primarily due an increase in personnel allocations from a related party of \$85,453, or 219%, arising from full implementation of cost allocation in the current year, and to an increase in legal professional services of \$25,175 or 356%, partially offset by a decrease in administrative professional services of \$37,415 or 49% due to completion of a fee study in FY22.

Analysis of Changes in Non-Operating Income and Expenses from June 30, 2023 to June 30, 2024:

For the year ended June 30, 2024, non-operating expenses consisted solely of interest accrued on long-term liabilities in the amount of \$4,841, a decrease of \$6,590 or 58%, arising from a lower average loan balance provided by a related party to fund ongoing operations.

Analysis of Changes in Non-Operating Income and Expenses from June 30, 2022 to June 30, 2023:

For the year ended June 30, 2023, non-operating expenses consisted solely of interest accrued on long-term liabilities in the amount of \$11,431, an increase of \$1,290 or 13%, arising from an increase in loans provided by a related party to fund ongoing operations.

CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY

DRAFT

STATEMENT OF NET POSITION

For the Years Ended June 30, 2024 and 2023

	2024	2023
ASSETS:		
Current assets:		
Cash in bank	\$ 200,708	\$ 36,225
Grant receivable	892,501	367,870
Assessment fees receivable	4,833	-
Total current assets	1,098,042	404,095
Capital Assets:		
Property and equipment	759,314	-
Net capital assets	759,314	-
Total assets	1,857,356	404,095
LIABILITIES:		
Current liabilities:		
Accounts payable	20,665	77,270
Current portion of related party payable	950,463	142,668
Total current liabilities	971,128	219,938
Long-term liabilities:		
Related party payable	260,102	371,411
Interest payable on related party payable	33,018	28,177
Total long-term liabilities	293,120	399,588
Total liabilities	1,264,248	619,526
NET POSITION:		
Net investment in capital assets	759,314	-
Unrestricted	(166,206)	(215,431)
Total net position	\$ 593,108	\$ (215,431)

See accompanying notes

CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2024 and 2023

DRAFT

	2024	2023
Operating revenues:		
Assessment revenue	\$ 417,205	\$ 320,022
Grant revenue	891,160	636,182
Total operating revenues	<u>1,308,365</u>	<u>956,204</u>
Operating expenses:		
Water quality testing and reporting	76,899	20,839
Groundwater operations	248,572	568,543
General and administrative	169,514	229,764
Total operating expenses	<u>494,985</u>	<u>819,146</u>
Operating income	<u>813,380</u>	<u>137,058</u>
Non-operating income (expenses)		
Interest income	-	17
Interest expense	(4,841)	(11,431)
Net non-operating expenses	<u>(4,841)</u>	<u>(11,414)</u>
Change in net position	808,539	125,644
Net position, beginning of year	<u>(215,431)</u>	<u>(341,075)</u>
Net position, end of year	<u><u>\$ 593,108</u></u>	<u><u>\$ (215,431)</u></u>

See accompanying notes

CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY

DRAFT**STATEMENT OF CASH FLOWS****For the Years Ended June 30, 2024 and 2023**

	2024	2023
Cash Flows from Operating Activities:		
Cash received from property assessments	\$ 412,372	\$ 320,039
Cash received from grants	366,529	268,312
Payments to vendors and contractors	(551,590)	(781,331)
Net cash and cash equivalents provided (used)		
by operating activities	227,311	(192,980)
Cash Flows from Noncapital Financing Activities:		
Proceeds received from related party payable	696,486	154,161
Net cash and cash equivalents provided by		
noncapital financing activities	696,486	154,161
Cash Flows from Capital and Related Financing Activities:		
Capital assets purchased	(759,314)	-
Net cash and cash equivalents provided (used)		
by noncapital financing activities	(759,314)	-
Increase (decrease) in cash and cash equivalents	164,483	(38,819)
Cash and cash equivalents, beginning of year	36,225	75,044
Cash and cash equivalents, end of year	<u>\$ 200,708</u>	<u>\$ 36,225</u>
Reconciliation of Change in Net Position to Net Cash and Cash Equivalents Used by Operating Activities:		
Change in net position	\$ 808,539	\$ 125,644
Adjustments to reconcile change in net position to net cash		
and cash equivalents provided (used) by operating activities:		
Increase (decrease) in:		
Accounts receivable	(4,833)	-
Grant receivable	(524,631)	(367,870)
Accounts payable	(56,605)	37,815
Interest payable on related party payable	4,841	11,431
Net cash and cash equivalents used by		
operating activities	<u>\$ 227,311</u>	<u>\$ (192,980)</u>

See accompanying notes

Note 1 – Reporting Entity and Summary of Significant Accounting Policies**A) Reporting Entity**

The Carpinteria Groundwater Sustainability Agency was formed to develop and implement a groundwater sustainability plan (GSP) for the Carpinteria Basin as mandated by the 2014 Sustainable Groundwater Management Act (SGMA). The Agency derives its powers and authorities from SGMA and its four Member Agencies. The Agency was formed through a joint powers agreement (JPA) in January 2020 by the Carpinteria Valley Water District, City of Carpinteria, Santa Barbara County Water Agency, and County of Ventura. It is governed by a five-member Board of Directors, consisting of directors from Carpinteria Valley Water District.

The Carpinteria Groundwater Sustainability Agency (the Agency) reporting entity includes all significant operations and revenue sources of which the Agency's Board of Directors exercises oversight responsibility and is determined under the criteria established by the National Council on Governmental Accounting Statement No. 3, as adopted by GASB. Oversight responsibility is determined on the basis of selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service.

B) Basis of Accounting and Measurement Focus

The Agency is accounted for as an enterprise fund in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the expenses, including depreciation, of providing goods or services to the general public are recovered through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, and other purposes. Because the Agency is accounted for as an enterprise fund, the accrual method of accounting is used for financial statement reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

An enterprise fund is accounted for on a cost of services or "flow of economic resources" measurement focus. This means that all assets and liabilities, whether current or long-term, are included in the statement of net position.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and the producing and delivering of goods in connection with the Agency's principal ongoing operations. Operating revenues of the Agency consists of property assessments and groundwater extraction fees from its four-member agencies. Operating expenses of the Agency include program expenses, professional fees, general and administrative, and legal fees.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**B) Basis of Accounting and Measurement Focus (Continued)**

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

C) Budget

The Agency is required to adopt an annual budget. The budget is presented on the basis of the funding sources available as well as estimated expenditures for the upcoming fiscal year. The annual budget is approved by the Board of Directors in June each year. Once a budget is approved, it can be amended by the Board of Directors.

D) Use of Estimates

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

E) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand and funds on deposit with financial institutions available for current use with an initial maturity of three months or less. All deposits are carried at cost plus accrued interest.

F) Net Position

Net position represents the difference between assets and liabilities and is classified into three components as follows:

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Restricted net position consists of assets which are legally restricted by outside parties for use for a specific purpose. The Agency does not have any restricted assets.

Unrestricted net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for purposes for which both unrestricted and restricted resources are available for use, it is the Agency's policy to apply restricted assets first, then unrestricted resources.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**G) Property Assessments**

Funding for the operations of the Agency is through property assessments. The Agency levies assessments on a parcel-acreage basis on parcels located within the Carpinteria Groundwater Basin boundary. The Carpinteria Groundwater Basin is located within the boundaries of the County of Santa Barbara and the County of Ventura. The County of Santa Barbara accounts for the majority the assessments revenue.

H) Grant Receivable and Revenue

The Agency recognizes grant revenue when the qualifying expenditures are incurred, all eligibility requirements have been met, and collection of the grant funds is probable. Receipt of funds under the grant is dependent on the approval of submitted expenditures to the Department of Water Resources.

The State withholds 10% of the funds requested by the Agency for reimbursement until the project is completed and the final project completion report is approved.

For the years ended June 30, 2024 and 2023, grant receivable was \$892,501 and \$367,870, respectively.

I) Future GASB Accounting Pronouncements

The Governmental Accounting Standards Board Statements listed below will be implemented in future financial statements. These statements will be evaluated by the Agency to determine if they will have a material impact to the financial statements once effective.

Statement No. 101 *"Compensated Absences"*

The requirements of this statement are effective for periods beginning after December 15, 2023. (FY 24/25)

Statement No. 102 *"Certain Risk Disclosures"*

The requirements of this statement are effective for periods beginning after June 15, 2024. (FY 24/25)

Statement No. 103 *"Financial Reporting Model Improvements"*

The requirements of this statement are effective for periods beginning after June 15, 2025. (FY 25/26)

Statement No. 104 *"Disclosure of Certain Capital Assets"*

The requirements of this statement are effective for periods beginning after June 15, 2025. (FY 25/26)

NOTES TO THE FINANCIAL STATEMENTS

Note 2 – Cash and Cash Equivalents

The Agency's cash and cash equivalents consisted of bank deposits in the amount of \$200,708 and \$36,225 at June 30, 2024 and 2023, respectively.

Authorized Deposits and Investments

The Agency may invest assets in accordance with California Government Code Section 53600. The Agency has no investment policy and the Board of Directors has only approved the use of bank deposits.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Agency had no investments at year-end.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency had no investments at year-end.

Custodial Credit Risk for Deposits

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 custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., brokerdealer) to a transaction, a government will not be able to recover the value of this investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do 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 unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2024 and 2023, the carrying amount of the Agency's deposits and balance in the financial institution was \$200,708 and \$36,225, respectively, all of which was covered by federal depository insurance.

CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY
NOTES TO THE FINANCIAL STATEMENTS

DRAFT

Note 3 – Related Party Transactions

On May 6, 2020, Carpinteria Valley Water District entered into a Grant Agreement on behalf of the Agency with the Department of Water Resources under the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) or the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) to assist in financing the Agency's Carpinteria Groundwater Basin Groundwater Sustainability Plan development. As of July 1, 2022, the Agency began recognizing Proposition 68 grant revenue. Proposition 68 grant revenue was \$891,160 and \$636,182 for the years ended June 30, 2024 and June 30, 2023, respectively. Prior to July 1, 2022, \$415,558 of Proposition 68 grant revenue was recognized as revenue by a related party, Carpinteria Valley Water District. Total Proposition 68 grant revenue recognized by both entities through June 30, 2024, is \$1,942,900.

Upon the formation and initial operation of the Agency, Carpinteria Valley Water District paid certain formation expenses and agreed to advance funds to the Agency for certain administrative and operating costs. Additionally, during fiscal year June 30, 2024, Carpinteria Valley Water District loaned the Agency \$740,000 to cover costs associated with the El Carro well project until grant funds are received. As of June 30, 2024 and 2023, the total outstanding related party note payable was \$1,210,565 and \$514,079, respectively. Interest will accrue at a rate of 3%. Payments started during the fiscal year ending June 30, 2023.

The expected annual repayments of the related party payable are as follows:

<u>Fiscal</u> <u>Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 950,463	\$ 72,098	\$ 1,022,561
2026	260,102	7,824	267,926
2027	-	-	-
2028	-	-	-
2029	-	-	-
	<u>\$ 1,210,565</u>	<u>\$ 79,922</u>	<u>\$ 1,290,487</u>

Note 4 – Commitments and Contingencies

Legal proceedings may arise from the normal conduct of business, but in the opinion of management and legal counsel, these matters will not have a materially adverse effect on the financial position or results of operations of the Agency.

The Agency entered into an agreement with DCSE on March 13, 2024 in the amount of \$20,000 for GIS study of private groundwater extraction. As of June 30, 2024, no costs have been incurred in relation to this agreement.

Note 5 – Subsequent Events

Management has evaluated subsequent events through January 22, 2025, the date which the financial statements were available to be issued.

January 22, 2025

Board of Directors
Carpinteria Groundwater Sustainability Agency

To the Board of Directors:

This letter is to inform the Board of Directors of Carpinteria Groundwater Sustainability Agency (the Agency) about significant matters related to the conduct of our audit as of and for the year ended June 30, 2024, so that it can appropriately discharge its oversight responsibility and we can comply with professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for California Special Districts* have been described to you in our arrangement letter dated June 24, 2024. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated September 10, 2024 regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Agency. The Agency did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. We noted no significant estimates reflected in the Plan's December 31, 2024 financial statements.

Basis of Accounting

The financial statements were prepared on the assumption that the Agency will continue as a going concern.

Audit Adjustments and Uncorrected Misstatements

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the Agency are shown in the attached adjustment list.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Other Information Included in the Annual Report

Our responsibility for other information included in annual reports is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report,

whether it contains a material misstatement of fact or whether the other information is otherwise misleading. We read the Agency's Management's Discussion and Analysis and Required Supplementary Information. We did not identify material inconsistencies with the audited financial statements.

Observations About the Audit Process

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed with or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For Bartlett, Pringle and Wolf, LLP (BPW) to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors, and BPW each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. BPW is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The Agency's Responsibilities

- Timely inform BPW, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
 - Change in corporate structure impacting affiliates such as add-on acquisitions or exits.
- Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the Agency and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with BPW.
- Not entering into relationships resulting in close family members of BPW covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Agency.

Certain Written Communications between Management and Our Firm

In conjunction with the audit of the financial statements, copies of significant written communications between our firm and the management of the Agency, including the draft representation letter to be provided to us by management dated January 22, 2025.

Conclusion

This letter is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Carpinteria Groundwater Sustainability Agency.

Very truly yours,

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants

Prepared by	1st Review	2nd Review

DRAFT

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
3	6/30/2024	Interest Payable	BPW1	6005			33,018.00		
3	6/30/2024	DUE TO FUND 01	20-2523	6005		33,018.00			
To reclassify the interest portion of the related party long term debt for presentation purposes									
						33,018.00	33,018.00		
Net Income (Loss)			808,539.00						

January 22, 2025

Bartlett, Pringle & Wolf, LLP
1123 Chapala Street
Santa Barbara, CA 93101

Dear Sir or Madam:

This representation letter is provided in connection with your audit of the basic financial statements of Carpinteria Groundwater Sustainability Agency as of and for the years ended June 30, 2024 and 2023, for the purpose of expressing an opinion on whether the basic financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of January 22, 2025:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 24, 2024, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related party relationships and transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the Agency include:

- a. Those with other organizations for which the nature and significance of their relationship with the Agency are such that exclusion would cause the reporting Agency's basic financial statements to be misleading or incomplete.
 - b. Those with jointly governed organizations in which the Agency participates.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
9. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
10. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated.
11. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
12. Subscription-based technology information arrangements (SBITAs) have been properly identified, recorded, and disclosed in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, when materially applicable. No material arrangements were identified.
13. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with ASC 450 and/or GASB Statement No.10.
14. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
15. The District has satisfactory title to all owned assets.
16. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
17. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2024, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:

- a. GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*.
18. We have no knowledge of any uncorrected misstatements other than misstatements that are clearly trivial.
19. We are responsible for and have reviewed and approved the proposed adjustments to the trial balance identified during the audit, which are included in the summarized schedule of posted adjustments and will post all adjustments accordingly.
20. With respect to the basic financial statement preparation services performed in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made
21. There are no:
 - a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.
 - d. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - e. Guarantees, whether written or oral, under which Carpinteria Groundwater Sustainability Agency is contingently liable.
 - f. Lines of credit or similar arrangements.
 - g. Security agreements in effect under the Uniform Commercial Code.
 - h. Liens or encumbrances on any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.

- i. Liabilities which are subordinated in any way to any other actual or possible liabilities.
 - j. Authorized but unissued bonds and/or notes.
 - k. Arbitrage rebate liabilities.
- 22. We have requested an unsecured electronic copy of the auditor's report and financial statements and agree that the auditor's report financial statements will not be modified in any manner.

Information Provided

- 23. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence;
 - d. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 24. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 25. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
- 26. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an Agency's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
- 27. We have no knowledge of allegations of fraud or suspected fraud, affecting the Agency's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.

28. We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
29. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
30. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. We are currently not aware of any claim that would result in a material impact to the financial statements.
31. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
32. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Agency's ability to record, process, summarize, and report financial data.
33. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
34. We are responsible for and have reviewed and approved the proposed adjustments to the trial balance identified during the audit, which are included in the summarized schedule of posted adjustments and will post all adjustments accordingly.
 - a. As part of the audit you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibilities as it relates to those nonaudit services and have designated an individual who possesses suitable skill, knowledge and experience to oversee the services performed. With respect to the basic financial statement preparation services performed in the course of the audit:
 - b. We have made all management decisions and performed all management functions;
 - c. We assigned an appropriate individual to oversee the services;
 - d. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - e. We have accepted responsibility for the results of the services; and
 - f. We have accepted responsibility for all significant judgments and decisions that were made.
35. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Carpinteria Groundwater Sustainability Agency

Signature: _____
Robert McDonald
Executive Director

Signature: _____
Norma Rosales
Treasurer



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

September 10, 2024

Board of Directors
Carpinteria Groundwater Sustainability Agency
1301 Santa Ynez Avenue
Carpinteria, CA 93013

To the Board of Directors:

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of Carpinteria Groundwater Sustainability Agency's financial statements as of and for the year ending June 30, 2024.

Communication

Effective two-way communication between our firm and the Board of Directors is important to understanding matters related to the audit and developing a constructive working relationship.

Your insights may assist us in understanding Carpinteria Groundwater Sustainability Agency (the Agency) and its environment, identifying appropriate sources of audit evidence and providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate to us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, instances of noncompliance with laws and regulations that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Additionally, we will communicate significant unusual transactions, matters that are difficult or contentious for which we consulted outside the engagement team, and circumstances that affect the form and content of the auditor's report. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing.

Shared Responsibilities: AICPA Independence

The AICPA regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with AICPA independence rules. For Bartlett, Pringle & Wolf, LLP (BPW) to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and BPW each play an important role.

Our responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. BPW is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality control over compliance with independence rules and firm policies.

The Agency's responsibilities

- Timely inform BPW, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, officers, or person in financial reporting oversight roles.
 - Change in corporate structure impacting affiliates such as add-on acquisitions or exits.
- Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the Agency and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with BPW.
- Not entering into relationships resulting in BPW, BPW-covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Agency.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence

standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, partners and professional employees of BPW are restricted in their ability to own a direct financial interest or a material indirect financial interest in a client or any affiliate of a client. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies restrict certain non-audit services that may be provided by BPW and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how the Agency functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of the Agency. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of the Agency's objectives, strategies, risks and performance.

As part of obtaining an understanding of the Agency and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality in both planning and performing the audit; evaluating the effect of identified misstatements on the audit and the effect of uncorrected misstatements, if any, on the financial statements; and forming the opinion in our report. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual uncorrected misstatements aggregated by us in connection with our evaluation of our audit test results.

Significant Risks of Material Misstatement

Our audit of the financial statements includes the performance of risk assessment procedures in order to identify risks of material misstatement, whether due to fraud or error. As part of these risk assessment procedures, we determine whether any risks identified are a significant risk. A significant risk is an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk due to the degree to which inherent risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement should that misstatement occur, or that is to be treated as a significant risk in accordance with generally accepted auditing standards in the United States of America. As part of our initial risk assessment procedures, we identified the following risks as significant risk. Additional significant risks may be identified as we perform additional audit procedures.

Risk Name	Risk Description	Planned Response
Management Override of Controls	Management override of controls is a presumed risk due to management's ability to manipulate accounting records by overriding controls.	BPW will gain an understanding of the journal entry process and evaluate and perform testing of journal entries which are susceptible to risk of management override. BPW will also review minutes to the board meetings documenting its review and approval of disbursements. Any transactions which appear to be out of the normal course of operations will be evaluated for proper treatment.
Fraudulent Revenue Recognition	Fraudulent revenue recognition is a presumed risk due to potential fraudulent financial reporting relative to fictitious revenue and improper revenue recognition schemes.	BPW will perform substantive analytical procedures over revenue. BPW will review billing schedule to evaluate timing of revenue recognition. Journal entry testing will be performed for revenue related adjustments based on evaluation of risk. Substantive testing of investment income will be performed, including confirmation with third parties.
Segregation of Duties – Related Parties	Due to limited staff size at the Agency and the related party transaction between Carpinteria Valley Water District and the Agency, certain duties related to cash receipts and cash disbursements cannot be adequately segregated. The Agency has implemented various controls in response to these risks included board oversight.	Walkthroughs of related control and substantive testing over impacted areas will be performed.

Our Approach to Internal Control Relevant to the Audit

Our audit of the financial statements will include obtaining an understanding of internal control sufficient to plan the audit and determine the nature, timing and extent of audit procedures to be performed. A financial statement audit is not designed to provide assurance on internal control or identify significant deficiencies or material weaknesses. Our review and understanding of Carpinteria Groundwater Sustainability Agency's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

Timing of the Audit

Fieldwork will take place in November and December 2024. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Carpinteria Groundwater Sustainability Agency.

This communication is intended solely for the information and use of the Board of Directors and is not intended to be, and should not be, used by anyone other than this specified party.

Very truly yours,

Bartlett, Pringle & Wolf, LLP

BARTLETT, PRINGLE & WOLF, LLP

Certified Public Accountants and Consultants

RESOLUTION NO. 035

**RESOLUTION OF THE BOARD OF DIRECTORS
OF CARPINTERIA GROUNDWATER
SUSTAINABILITY AGENCY
UPDATING CHECK SIGNERS FOR ITS CGSA CHECKING ACCOUNT**

WHEREBY, the Carpinteria Groundwater Sustainability Agency (Agency), in order to update check signers to include a newly elected Director, must update its check signing authorization for its bank account;

NOW THEREFORE BE IT RESOLVED, that funds from its checking account may be withdrawn on checks or electronic drafts of the Carpinteria Groundwater Sustainability Agency, signed by any two of the following persons if checks or electronic drafts are under the amount of ten thousand dollars (\$10,000).

	Robert McDonald	Executive Director
Or:	Norma Rosales	Treasurer

BE IT FURTHER RESOLVED that for checks or electronic drafts over ten thousand dollars (\$10,000) either the General Manager, Robert McDonald or the Treasurer Norma Rosales and one of the Board of Directors named below:

or:	Case Van Wingerden	Director
or:	Polly Holcombe	Director
or:	Matthew T. Roberts	Director
or:	Kenneth "Casey" Balch	Director
or:	Patrick O'Connor	Director

BE IT FURTHER RESOLVED, that US Bank is hereby authorized to honor and pay any and all checks and electronic drafts signed as provided, herein, including those drawn or endorsed to the individual order any officer or other person authorized to sign the same.

BE IT FURTHER RESOLVED, that the authority hereby conferred shall remain in force until written notice of the revocation thereof, signed by the officers of this District hereunto duly authorized by its governing body, shall have been accepted by an officer of US Bank at the office at which such account is kept, and that the Certification of the Secretary of this District, as to the signature of the above named, shall be binding on this District.

BE IT FURTHER RESOLVED, All authority granted by resolution prior to this resolution to sign checks is rescinded by the adoption of this resolution.

PASSED, APPROVED AND ADOPTED by the Board of Directors
of the Carpinteria Groundwater Sustainability Agency on the 22nd day of January
2025 by the following roll call vote:

AYES:

NAYES:

ABSENT:

ABSTAIN:

APPROVED:

Case Van Wingerden, Chairperson

ATTEST:

Lisa Silva, Board Secretary

AUTHORIZED SIGNATURES:

Case Van Wingerden

Polly Holcombe

Matthew T. Roberts

Kenneth "Casey" Balch

Patrick O'Connor

Robert McDonald

Norma Rosales

RESOLUTION NO. 036

RESOLUTION OF THE BOARD OF DIRECTORS OF CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY

REAFFIRMING ADOPTION OF CONFLICT OF INTEREST CODE SET FORTH IN 2 CCR SECTION 18730 AND RATIFYING UPDATE TO FORM 700 FILING INSTRUCTIONS AND ENUMERATION OF DESIGNATED POSITIONS

WHEREAS, the Political Reform Act, which is codified in Government Code Sections 81000, *et seq.* (the “Act”), prohibits public officials from using their official position to influence governmental decisions in which they have a financial interest; requires state and local government agencies to adopt and promulgate conflict of interest codes that identify all officials and employees within the agency who make governmental decisions; and provides that all persons in such designated positions must disclose their financial interests as specified in the agency’s conflict of interest code and as otherwise required by applicable law; and

WHEREAS, pursuant to Government Code Section 83112, the Fair Political Practices Commission (“FPPC”) has promulgated certain regulations, set forth in 2 California Code of Regulations (“CCR”) Sections 18104, *et seq.* (the “Regulations”), to carry out the purposes and provisions of the Act; and

WHEREAS, the FPPC adopted 2 CCR Section 18730, which sets forth a model conflict of interest code (“Model Conflict of Interest Code”) that governmental agencies may incorporate by reference along with the designation of the agency’s officials and employees who manage public investments and a list of disclosure categories identifying the types of investments, business entities, sources of income and real property interests that such officials and employees must disclose; and

WHEREAS, the Board of Directors (“Board”) of Carpinteria Groundwater Sustainability Agency (“CGSA”) has historically incorporated by reference the Model Conflict of Interest Code, inclusive of any amendments thereto, as the CGSA’s conflict of interest code (the “CGSA’s Conflict of Interest Code”); subsequently reconfirmed its adoption of the Model Conflict of Interest Code, inclusive of any amendments thereto; and updated as necessary its lists of designated positions and disclosure categories; and

WHEREAS, the FPPC may amend the Model Conflict of Interest Code from time to time to conform to any amendments to the Act; and

WHEREAS, the FPPC recently amended the Model Conflict of Interest Code; and

WHEREAS, the CGSA would like to reaffirm its adoption of the Model Conflict of Interest Code, inclusive of any amendments thereto, as the CGSA's Conflict of Interest Code; and

WHEREAS, in addition to the Model Conflict of Interest Code, the CGSA's Conflict of Interest Code includes an Appendix comprised of Appendix "I," which lists the CGSA's officials who manage public investments and must disclose their economic interests and designates the filing officer for each such official, and Appendix "II," which lists the disclosure categories for each official; and

WHEREAS, it was determined that the CGSA's Conflict of Interest Code automatically incorporates the substantive amendments to the monetary threshold for the prohibition on receipt of gifts, which has been raised to \$590, and for donor disqualification, which has been raised to \$590, in accordance with the amendments to 2 CCR Section 18730(b)(8.1)-(b)(8.1)(A) and (b)(9)(E); and

WHEREAS, the CGSA's Conflict of Interest Code warranted an update to the Form 700 filing instructions for designated filers and an enumeration of the designated positions in Appendix I, along with minor formatting edits; and

WHEREAS, the 2024 Local Agency Biennial Notice was due to the Clerk of the Board of Supervisors for Santa Barbara County by October 1, 2024; however, the next regularly scheduled meeting of the CGSA's Board after the CGSA's Conflict of Interest Code review was requested from and completed by the CGSA's legal counsel was set for a date after the notice submission deadline; and

WHEREAS, the Board hereby desires to adopt the amended Conflict of Interest Code and thereafter submit the 2024 Local Agency Biennial Notice and related documentation to the Clerk of the Board of Supervisors for Santa Barbara County.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT:

1. The foregoing recitals are true and correct.
2. The Board hereby reaffirms that the terms of the Model Conflict of Interest Code, as set forth in 2 CCR Section 18730, and any amendments to it duly adopted by the FPPC, are incorporated by reference as the Conflict of Interest Code for the Carpinteria Groundwater Sustainability Agency, and along with Appendix "I," which designates positions requiring disclosure and designates the appropriate filing officer, and Appendix "II," which sets forth disclosure categories for each designated position, constitute the Conflict of Interest Code of the Carpinteria Groundwater Sustainability Agency. All persons holding designated positions in Appendix "I" shall file Form 700 Statements of Economic Interests as provided therein.

3. The Board hereby delegates authority to the Executive Director, or his designee, and the CGSA's legal counsel, to submit to the Clerk of the Board of Supervisors for Santa Barbara County the requisite 2024 Local Agency Biennial Notice and related documentation updating the Form 700 filing instructions; enumerating the Appendix I designated positions; and incorporating certain formatting edits to the CGSA's Conflict of Interest Code. A redline version of the Model Conflict of Interest Code (as set forth in 2 CCR Section 18730 and as recently amended by the FPPC) and the Appendix (comprised of Appendix "I," which lists the CGSA's officials who manage public investments and must disclose their economic interests, and designates the filing officer for each such official, and Appendix "II," which lists the disclosure categories for each official) are attached hereto as Attachment "1." A clean version of the Model Conflict of Interest Code and Appendix are attached hereto as Attachment "2." Attachments "1" and "2" are incorporated herein by reference.

4. The Board hereby delegates authority to the Executive Director, or his designee, and the CGSA's legal counsel, to take any other action necessary to effectuate the purpose of this Resolution.

PASSED AND ADOPTED by the Board of the CGSA on this ____ day of January, 2025 at a regularly scheduled meeting of the Board by the following roll call votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Case Van Wingerden, Board President

ATTEST:

Lisa Silva, Board Secretary

ATTACHMENT “1”

**REDLINE VERSION OF
MODEL CONFLICT OF INTEREST CODE
(2 CCR § 18730, AS OF JANUARY 2025)
AND APPENDIX THERETO**

DRAFT

CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs. § 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of Title 2 of the California Code of Regulations Section 18730 (hereinafter "Section 18730") and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix, designating positions and establishing disclosure categories, shall constitute the Conflict of Interest Code (hereinafter "Code") of the Carpinteria Groundwater Sustainability Agency (hereinafter "CGSA").

Designated positions in the attached Appendix 1 (referred to as "designated employees" in Title 2 of California Code of Regulations Section 18730) may file their statements online using eDisclosure, which will submit the Form 700 to the Santa Barbara County Clerk, Recorder and Assessor. Online statements will be made available for public inspection and reproduction. (Gov. Code, § 81008.)

Designated positions who file using a paper Form 700 shall file with the CGSA. Upon receipt of the statement filed by a designated position other than a Consultant, a copy shall be retained with the CGSA and the original shall be forwarded to the Santa Barbara County Clerk, Recorder and Assessor ~~(PO Box 61510, Santa Barbara, CA 93160-1510)~~. Statements filed by Consultants shall be retained by the CGSA. Paper statements will be made available for public inspection and reproduction. (Gov. Code, § 81008.)

IN PREPARING THEIR FORM 700, DESIGNATED FILERS NEED ONLY DISCLOSE THOSE FINANCIAL INTERESTS FALLING WITHIN THE DISCLOSURE CATEGORIES DESIGNATED FOR THAT FILER'S POSITION AS STATED IN APPENDIX I AND II.

APPENDIX **DESIGNATED POSITIONS AND** **DISCLOSURE CATEGORIES**

I. Designated Positions Governed by the Conflict of Interest Code ~~Assigned Disclosure Category~~

<u>NUMBER OF POSITIONS</u>	<u>POSITION TITLE/CONSULTANT</u>	<u>DISCLOSURE CATEGORIES</u> (Appendix II)	<u>FILING OFFICER</u>
<u>1</u>	<u>Executive Director</u>	<u>1, 2, 3</u>	<u>Santa Barbara County Clerk, Recorder and Assessor</u>
<u>1</u>	<u>Secretary/Treasurer</u>	<u>1, 2, 3</u>	<u>Santa Barbara County Clerk, Recorder and Assessor</u>
<u>1</u>	<u>Legal Counsel</u>	<u>1, 2, 3</u>	<u>Santa Barbara County Clerk, Recorder and Assessor</u>
	<u>Consultant/New Position¹</u>		<u>Santa Barbara County Clerk, Recorder and Assessor</u>

Designated employees may file their Form 700 Statements of Economic Interests online using eDisclosure, which will submit the statements to the Santa Barbara County Clerk, Recorder and Assessor. Designated employees who file using a paper Form 700 Statements of Economic Interests shall file with the CGSA. Upon receipt of the statement filed by the designated employee, a copy shall be retained with the CGSA and the original shall be forwarded to the Santa Barbara County Clerk, Recorder and Assessor. Statements will be made available for public inspection and reproduction. (See Gov. Code, § 81008.)

<u>Executive Director</u>	<u>1, 2, 3</u>
<u>Secretary/Treasurer</u>	<u>1, 2, 3</u>
<u>Legal Counsel</u>	<u>1, 2, 3</u>

¹ Consultants/New Positions shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitation: The CGSA may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and is thus not required to fully comply with the disclosure requirements described in this Appendix. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of the disclosure requirements. The CGSA’s determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

~~Consultants/New Positions~~ —*

Note: The ~~p~~Positions of Executive Director and Secretary/Treasurer are currently filled by Carpinteria Valley Water District employees who act in a staff capacity for the CGSA. Additionally, the position of Legal Counsel may be filled either by (a) General Counsel for Carpinteria Valley Water District, or, alternatively, (b) another Consultant retained by the CGSA.

~~*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in this Code, subject to the following limitation:~~

~~The CGSA may determine in writing that a particular Consultant or New Position, although a "Designated Position," is hired to perform a range of duties that is limited in scope and thus is not required to comply with the full extent of disclosure requirements in this Code. Such written determination shall include a description of the Consultant's or New Position's duties and, based upon that description, a statement of the extent of disclosure requirements. The CGSA's determination is a public record and shall be retained for public inspection in the same manner and location as this Code. (Gov. Code, § 81008.)~~

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Pursuant to Government Code section 87200 et seq., certain city and county officials, as well as all "other officials who manage public investments," are required to disclose their economic interests in accordance with the Political Reform Act. This Appendix provides the relevant definitions for determining which public officials qualify as "other officials who manage public investments," designates the District's positions which qualify as such, and states the Filing Officer for each designated position.

APPLICABLE DEFINITIONS

As set forth in 2 California Code of Regulations section 18701, the following definitions apply for the purposes of Government Code section 87200:

(1) "Other public officials who manage public investments" means:

(A) Members of boards and commissions, including pension and retirement boards or commissions, or of committees thereof, who exercise responsibility for the management of public investments;

(B) High-level officers and employees of public agencies who exercise primary responsibility for the management of public investments, such as chief or principal investment officers or chief financial managers. This category shall not include officers and employees who work under the supervision of the chief or principal investment officers or the chief financial managers; and

(C) Individuals who, pursuant to a contract with a state or local government agency, perform the same or substantially all the same functions that would otherwise be performed by the public officials described in subdivision (1)(B) above.

(2) "Public investments" means the investment of public moneys in real estate, securities, or other economic interests for the production of revenue or other financial return.

(3) "Public moneys" means all moneys belonging to, received by, or held by, the state,

or any city, county, town, district, or public agency therein, or by an officer thereof acting in his or her official capacity, and includes the proceeds of all bonds and other evidences of indebtedness, trust funds held by public pension and retirement systems, deferred compensation funds held for investment by public agencies, and public moneys held by a financial institution under a trust indenture to which a public agency is a party.

(4) “Management of public investments” means the following non-ministerial functions: directing the investment of public moneys; formulating or approving investment policies; approving or establishing guidelines for asset allocations; or approving investment transactions.

Based on the foregoing, the following District positions qualify as “other officials who manage public investments” and shall file Statements of Economic Interests (Form 700) pursuant to Government Code section 87200, *et seq.* with the below-designated Filing Officers²:

<u>POSITION TITLE</u>	<u>FILING OFFICER</u>
<u>Members of the Board of Directors</u>	<u>Santa Barbara County Clerk, Recorder and Assessor</u>
<u>Alternate Members of the Board of Directors</u>	<u>Santa Barbara County Clerk, Recorder and Assessor</u>

² Individuals holding one of the above-listed positions may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPC makes the final determination whether a position is covered by Government Code section 87200.

Public Officials Who Manage Public Investments

The following positions are not covered by this Code because they must file a statement of economic interests under Government Code Section 87200 and, therefore, are listed for informational purposes only:

- ~~Members and Alternates of the Board of Directors~~

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code section 87200.

II. Disclosure Categories

Category 1

Investments and business positions in business entities, and any sources of income, including receipt of gifts, loans, and travel payments, if the business entities or sources of income are of the type that might provide or actually provides, leases, or contracts facilities, services, supplies, materials, machinery or equipment of the type utilized by of the CGSA.

Category 2

Interests in real property, any leasehold, beneficial or ownership interest, or option to acquire such interest in real property, located in whole or in part within the jurisdiction of the CGSA or within two miles of the CGSA jurisdictional boundaries, or within two miles of any land owned or used by the CGSA.

Category 3

Investments and business positions in business entities, and any sources of income, including receipt of gifts, loans, and travel payments, if the business entities or sources of income are known by the CGSA Committee to have filed a claim, or have a claim pending against the CGSA.



Carpinteria Groundwater Sustainability Agency

Statement of Revenues and Expenses

(unaudited)

For Fiscal: 2024-2025 | Period Ending: 11/30/2024

% of Year to Date: 42%

Account	Name	Current Total Budget	YTD Activity	Budget Remaining	% Used
OPERATIONS					
Revenues					
20-4315	ASSESSMENT REVENUE	485,000	177,763	307,238	36.7%
Revenue Total:		485,000	177,763	307,238	36.7%
Expenses					
20-550-6806	GSA WTR QUALITY & TESTING	30,000	9,070	20,930	30.2%
20-560-6307	GSA GROUNDWATER PROF SVCS	50,000	6,323	43,677	12.6%
20-550-6308	GSA ANNUAL REPORTING	30,000	-	30,000	0.0%
20-560-6607	GSA SUPPLIES & EQUIPMENT	3,708	4,008	(300)	108.1%
20-570-6009	FICA-SOCIAL SECURITY	-	-	-	0.0%
20-570-6025	GSA PERSONNEL	134,252	55,061	79,191	41.0%
20-570-6117	GSA DIRECTORS FEES	7,200	4,180	3,020	58.1%
20-570-6118	GSA ADMINISTRATIVE EXPENSES	4,000	245	3,755	6.1%
20-570-6309	GSA ADMIN PROF SERVICES	60,000	-	60,000	0.0%
20-570-6310	GSA LEGAL PROFESSIONAL SERVICES	10,000	2,288	7,713	22.9%
20-599-7313	INTEREST EXPENSE	10,000	-	10,000	0.0%
Expense Total:		339,160	81,175	257,985	23.9%
Operating Surplus (Deficit):		145,840	96,587	49,253	66.2%
GRANT RELATED ACTIVITY					
Revenues					
21-4317	GSP GRANT FUNDING		-		
Revenue Total:			-		
Expenses					
21-560-6311	GSP GROUNDWATER PROF SVCS		-		
21-570-6121	GSP ADMINISTRATIVE EXPENSES		-		
Expense Total:			-		
Grant Surplus (Deficit):			-		
COMBINED SURPLUS (DEFICIT):			96,587		

CASH FLOW

Cash in Bank, 06/30/2024	\$ 209,326
Surplus - Operations and Grants	96,587
Accrued Grant Revenue	191,081
Accrued Member Fees	5,959
Accrued Labor Allocation	55,000
CVWD cash advances and promissory note	(210,516)
Net change in current assets	2,000
Net change in current liabilities	(10,921)
Cash in Bank, 11/30/2024	<u>\$ 338,516</u>



Carpinteria Groundwater Sustainability Agency

Statement of Net Position (unaudited)

As Of: 11/30/2024

Account	Name	Balance	
Assets			
20-1029	CGSA CHECKING	338,516	
21-1236	GSA GRANT RECEIVABLE	191,081	
20-1245	GSA ASSESSMENTS RECEIVABLE	5,959	
20-1420	GSA PREPAYMENTS	10,000	
20-1755	EL CARRO MONITORING WELL	759,314	
2x-1820	CONSTRUCTION IN PROGRESS	-	
	Total Assets:	1,304,870	\$ 1,304,870
Liabilities			
20-2000	ACCOUNTS PAYABLE - CGSA	13,991	
20-2032	STATE TAX PAYABLE	-	
20-2033	FEDERAL TAX PAYABLE	-	
20-2034	FICA PAYABLE	-	
20-2205	RETENTIONS PAYABLE	-	
20-2250	CVWD PROMISSORY NOTE	38,760	
20-2523	DUE TO CVWD	302,321	
20-2524	RELATED PARTY PAYABLE - LT	260,102	
	Total Liability:	615,174	
Fund Balance			
2x-3050	CGSA FUND BALANCE	593,108	
	Total Fund Balance:	593,108	
	Total Beginning Equity:	593,108	
	Total Revenue	177,763	
	Total Expense	81,175	
	Revenues Over/Under Expenses	96,587	
	Total Equity and Current Surplus (Deficit):	689,696	
	Total Liabilities, Equity and Current Surplus (Deficit):		\$ 1,304,870