CACHUMA CONSERVATION RELEASE BOARD
BOARD OF DIRECTORS

SPECIAL MEETING AGENDA

CITY OF SANTA BARBARA

City of Santa Barbara (Kristen Sneddon, Pres.)

Goleta Water District (Lauren Hanson, Dir.)

Montecito Water District (Charles Tobe Plough, Dir.)

Water Resources Conference Room

619 Garden Street, 3rd floor

Santa Barbara, CA 93101

November 13, 2026
1:00 PM

Members of the Cachuma Conservation Release Board (CCRB) Board of Directors (Board) intend to attend this meeting in person, absent an exception allowed under the Brown Act. It is the practice of CCRB to also present its meetings using Zoom videoconferencing as an accommodation to staff and members of the public. Members of the public may attend the meeting in person or participate by Zoom. CCRB cannot guarantee that Zoom will function or that all discussions of the Board can be heard on Zoom. Therefore, members of the public are advised to attend in person if they wish to ensure they can observe the meeting. The remote conferencing link for Zoom is as follows:

Join by videoconference:

https://santabarbaraca-gov.zoom.us/j/81760762019?pwd=NkH24dNaA2sJW2uS36Ifu5A2dtslkH.1

Join by teleconference:

Call-in Number: 1.669.900.6833

Meeting ID: 8176 076 2019#

Passcode: *717688#

CALL TO ORDER AND ROLL CALL OF BOARD MEMBERS

PUBLIC COMMENT PERIOD

Any member of the public may address the Board on any subject within the jurisdiction of the Board. The President of the Board will determine the total time for public comments. The Board is not responsible for the content or accuracy of statements made by members of the public, and no action will be taken by the Board on any Public Comment item. Those observing the meeting by video may comment during the designated public comment period using the "raise hand" feature of the video software. Commenters will be required to unmute their microphone when commenting. Those participating by telephone may comment during the designated public comment period by pressing *9 on the keypad to indicate such interest. Commenters will be prompted to press *6 to unmute their telephone when called upon to speak. CCRB will use best efforts to swiftly resolve requests for reasonable modifications or accommodations for individuals with disabilities, consistent with the Americans with Disabilities Act, and will resolve any doubt whatsoever in favor of accessibility.

CONSENT AGENDA

Matters listed here comprise a consent agenda that may be acted upon by a single roll call vote of the Board.

CA-1) Meeting Minutes

Approval of minutes of the Board of Directors' October 1, 2026 meeting.

CA-2) Unaudited Interim Financial Reports for the Periods Ending September 30, and October 31, 2026

Receive and file unaudited interim financial reports for the periods ending September 30 and October 31, 2026.

REGULAR AGENDA

RA-1) Receive a Presentation on the Fiscal Year 2025-2026 Audit

Receive and consider a presentation on the Fiscal Year 2025-2026 Audit Report from Nasif, Hicks, Harris LLP. Receive and file the Fiscal Year 2025-2026 Audit report. (Est. time: 10 min.)

RA-2) Executive Director's Report

This item is reserved for the executive director to update and potentially seek informal feedback from the Board and general public regarding issues within his/her authority. This is for informational items only. No decisions will be made; no Board action will be taken. (Est. time: 5 min.)

CLOSED SESSION AGENDA

CS-1) Conference with Legal Counsel – Existing and Anticipated Litigation

- Government Code section 54956.9(d)(1) (Existing case: City of Solvang Petition to Change Water Rights Permit 15878 before the State Water Resources Control Board Administrative Hearing Office)
- Government Code section 54956.9(d)(4) (Anticipated litigation: one potential case).

Reconvene in open session and report on any actions taken in closed session pursuant to Government Code Section 54957.1.

RA-3) Directors' Requests for Agenda Items for Future Board Meetings

RA-4) Consider and Set Next CCRB Meetings for December 2026 and January 2027 (locations TBD), and Adjourn

NOTICE TO PUBLIC

Americans with Disabilities Act: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Cachuma Conservation Release Board representative (*pcantle@ccrb-board.org*) at least 48 hours prior to the meeting to enable the Board to make reasonable arrangements.

[This Agenda was posted to the CCRB website and delivered in accordance with Sections 54954.1 and 54956 of the Government Code.]

MINUTES OF A MEETING
of the
CACHUMA CONSERVATION RELEASE BOARD
Held at the Montecito Water District Board Conference Room

October 1, 2026, 2:00 pm

CALL TO ORDER, ROLL CALL

The meeting was called to order at 2:03 pm by President Kristen Sneddon. Those attending the meeting were:

Directors Present:

Kristen Sneddon	City of Santa Barbara
Lauren Hanson	Goleta Water District
Tobe Plough	Montecito Water District

Also Present:

Ryan Drake	Dakota Corey
Nick Turner	Dana Hoffenberg
Peter Cantle	Scott Shapiro
Joel Mulder	Brian Van Lienden

PUBLIC COMMENT

No one from the general public attended the meeting or sought to comment.

CONSENT AGENDA

Director Hanson moved, and Director Plough seconded approval of the Consent Agenda. The motion passed 3-0 by roll call vote.

REGULAR AGENDA

RA-1, Executive Director's Report. Executive director Cantle advised the board that a new water year begins this date, with reduced Table 2 target flow requirements at the Highway 154 and Solvang gages. As a matter of moderated flow management, Reclamation will implement the ramp-down gradually over the next few months.

Cantle also advised the board that Reclamation met with State Water Board, California Department of Fish and Wildlife and National Marine Fisheries Service staff to consider the 4.3 cfs flow surcharge imposed in late 2022 by CDFW at the Highway 154 gage. Reclamation is seeking to apply adaptive management in place of the surcharge. We await additional information on this matter.

Regarding the Biological Assessment that is in development, the Local Interests are engaged with Reclamation in review of draft Chapter 4, which describes the Cachuma Project's baseline conditions against which the new operating program (i.e., the WRO 2019-0148 flow regime) will be compared.

CLOSED SESSION

The board went into closed session at 2:08 pm. The board came out of closed session at 3:06 pm with no reportable actions.

REGULAR AGENDA – CONT.

RA-2, Items for Future Board Meetings. No items were requested.

RA-3, Set Next Meeting and Adjourn. The next meeting of the CCRB board was set for 1 pm Friday, November 13, 2026 at the City of Santa Barbara's Water Resources Conference Room.

President Sneddon then adjourned the meeting at 3:12 pm.

Respectfully submitted,



Secretary to the Board

Cachuma Conservation
Release Board

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of:	November 13, 2026
Estimated Time:	(Consent)
Continued Item:	No
If Yes, date from:	

TO: Board Members

FROM: Peter Cantle, Executive Director

SUBJECT: CA-2: Unaudited Interim Financial Report for Period Ending September 30, 2026

Legal Concurrence

As to form: N/A

Recommended Actions

Receive and file an unaudited interim Financial Report for the period ending September 30, 2026.

Discussion

The Board of Directors approves the CCRB budget each fiscal year. Upon subsequent approval by each Member Agency's governing body, it becomes CCRB's operating budget for the fiscal year beginning July 1. Through the fiscal year, the Board receives monthly unaudited financial reports to compare fiscal performance against the adopted budget. This report addresses the period ending September 30, 2026.

Fiscal Analysis

CCRB's approved FY26/27 budget is $1,239,000.00. CCRB Member Agencies are billed quarterly for their pro-rata contributions to the approved budget. Total income through September 30, 2026 was $309,750.00, reflecting receipt of first-quarter payments from Member Agencies. Total expenditures of $104,012.36 through September 30, 2026 reflect costs incurred for legal, technical, management and administrative services.

Attachments

Attachment 1: Unaudited Interim Financial Report for the period ending September 30, 2026

Authored by

Peter Cantle, Executive Director

ATTACHMENT 1

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2026

Cachuma Conservation Release Board
Statement of Revenue and Expense- Budget vs. Actual
July through September 2026

	Jul - Sep 26	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4200 · Income	309,750.00	1,239,000.00	-929,250.00	25.0%
Total Income	309,750.00	1,239,000.00	-929,250.00	25.0%
Expense				
5050 · Office Lease	4,312.00	5,000.00	-688.00	86.2%
5100 · Audit	0.00	15,000.00	-15,000.00	0.0%
5200 · Liability Insurance	9.55	7,000.00	-6,990.45	0.1%
5301 · Managers Salary				
5301.01 · Managers Gross Wages	55,730.78			
5301.02 · Employer Tax Expense	4,443.31			
5301 · Managers Salary - Other	0.00	220,000.00	-220,000.00	0.0%
Total 5301 · Managers Salary	60,174.09	220,000.00	-159,825.91	27.4%
5304 · Administrative Support	1,751.05	16,000.00	-14,248.95	10.9%
5312 · Misc Admin Expense	795.31	4,000.00	-3,204.69	19.9%
5313 · Communications/Computer	737.76	8,000.00	-7,262.24	9.2%
5316 · Admin Fixed Assets	0.00	4,000.00	-4,000.00	0.0%
5330 · Admin Travel Expense	0.00	4,000.00	-4,000.00	0.0%
5331 · Travel Federal & State Meetings	0.00	12,000.00	-12,000.00	0.0%
5332 · Transportation	0.00	1,000.00	-1,000.00	0.0%
6500 · Contingency	0.00	80,000.00	-80,000.00	0.0%
7000 · Legal	4,860.10	75,000.00	-70,139.90	6.5%
7001 · BO Reconsultation Legal Support	19,810.00	351,000.00	-331,190.00	5.6%
7002 · SWRCB Water Rights	11,562.50	373,000.00	-361,437.50	3.1%
7100 · SWRCB Support				
7200 · SWRCB Proceedings Support	0.00	15,000.00	-15,000.00	0.0%
Total 7100 · SWRCB Support	0.00	15,000.00	-15,000.00	0.0%
7500 · Hydrologic Technical Support	0.00	49,000.00	-49,000.00	0.0%
Total Expense	104,012.36	1,239,000.00	-1,134,987.64	8.4%
Net Ordinary Income	205,737.64	0.00	205,737.64	100.0%
Net Income	**205,737.64**	**0.00**	**205,737.64**	**100.0%**

Cachuma Conservation Release Board
Reconciliation Summary
1020 · CWB - Chkg #7204, Period Ending 09/30/2026

	Sep 30, 26	
Beginning Balance		778,650.28
Cleared Transactions		
Checks and Payments - 10 items	-346,442.05	
Total Cleared Transactions	-346,442.05	
Cleared Balance		**432,208.23**
Uncleared Transactions		
Checks and Payments - 7 items	-228,768.13	
Total Uncleared Transactions	-228,768.13	
Register Balance as of 09/30/2026		**203,440.10**
Ending Balance		203,440.10



OK
Oct 15, 2026

Cachuma Conservation Release Board
Reconciliation Detail
1020 · CWB - Chkg #7204, Period Ending 09/30/2026

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						778,650.28
Cleared Transactions						
Checks and Payments - 10 items						
Bill Pmt -Check	08/24/2026		Goleta Water Disctri...	X	-238,846.75	-238,846.75
Bill Pmt -Check	08/24/2026		Montecito Water Dist...	X	-67,923.18	-306,769.93
Bill Pmt -Check	08/24/2026		Downey Brand Attor...	X	-21,515.00	-328,284.93
Bill Pmt -Check	08/24/2026		AccountabilityPlus, Inc	X	-561.82	-328,846.75
Bill Pmt -Check	08/24/2026		Peter Cantle	X	-233.42	-329,080.17
Bill Pmt -Check	08/24/2026		CIO Solutions LP	X	-12.50	-329,092.67
Check	08/31/2026		CalPERS 457 Plan	X	-942.31	-330,034.98
General Journal	09/16/2026			X	-7,732.37	-337,767.35
Check	09/22/2026		CalPERS 457 Plan	X	-942.31	-338,709.66
General Journal	09/30/2026			X	-7,732.39	-346,442.05
Total Checks and Payments					-346,442.05	-346,442.05
Total Cleared Transactions					-346,442.05	-346,442.05
Cleared Balance					-346,442.05	432,208.23
Uncleared Transactions						
Checks and Payments - 7 items						
Bill Pmt -Check	08/24/2026		City of Santa Barbar...		-212,123.72	-212,123.72
Bill Pmt -Check	09/24/2026		Downey Brand Attor...		-14,717.60	-226,841.32
Bill Pmt -Check	09/24/2026		AccountabilityPlus, Inc		-604.59	-227,445.91
Bill Pmt -Check	09/24/2026		Peter Cantle		-357.86	-227,803.77
Bill Pmt -Check	09/24/2026		CIO Solutions LP		-12.50	-227,816.27
Bill Pmt -Check	09/24/2026		SDRMA		-9.55	-227,825.82
Check	09/30/2026		CalPERS 457 Plan		-942.31	-228,768.13
Total Checks and Payments					-228,768.13	-228,768.13
Total Uncleared Transactions					-228,768.13	-228,768.13
Register Balance as of 09/30/2026					-575,210.18	203,440.10
Ending Balance					**-575,210.18**	**203,440.10**



OK
Oct 15, 2026

Cachuma Conservation
Release Board

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of:	November 13, 2026
Estimated Time:	(Consent)
Continued Item:	No
If Yes, date from:	

TO: Board Members

FROM: Peter Cantle, Executive Director

SUBJECT: CA-2: Unaudited Interim Financial Report for Period Ending October 31, 2026

Legal Concurrence

As to form: N/A

Recommended Actions

Receive and file an unaudited interim Financial Report for the period ending October 31, 2026.

Discussion

The Board of Directors approves the CCRB budget each fiscal year. Upon subsequent approval by each Member Agency's governing body, it becomes CCRB's operating budget for the fiscal year beginning July 1. Through the fiscal year, the Board receives monthly unaudited financial reports to compare fiscal performance against the adopted budget. This report addresses the period ending October 31, 2026.

Fiscal Analysis

CCRB's approved FY26/27 budget is $1,239,000.00. CCRB Member Agencies are billed quarterly for their pro-rata contributions to the approved budget. Total income through October 31, 2026 was $619,500.00, reflecting receipt of second-quarter payments from Member Agencies. Total expenditures of $183,067.41 through October 31, 2026 reflect costs incurred for legal, technical, management and administrative services.

Attachments

Attachment 1: Unaudited Interim Financial Report for the period ending October 31, 2026

Authored by

Peter Cantle, Executive Director

ATTACHMENT 1

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDING OCTOBER 31, 2026

Cachuma Conservation Release Board
Statement of Revenue and Expense- Budget vs. Actual
July through October 2026

	Jul - Oct 26	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4200 · Income	619,500.00	1,239,000.00	-619,500.00	50.0%
Total Income	619,500.00	1,239,000.00	-619,500.00	50.0%
Expense				
5050 · Office Lease	4,312.00	5,000.00	-688.00	86.2%
5100 · Audit	0.00	15,000.00	-15,000.00	0.0%
5200 · Liability Insurance	2,031.55	7,000.00	-4,968.45	29.0%
5301 · Managers Salary				
5301.01 · Managers Gross Wages	71,653.86			
5301.02 · Employer Tax Expense	5,712.82			
5301 · Managers Salary - Other	0.00	220,000.00	-220,000.00	0.0%
Total 5301 · Managers Salary	77,366.68	220,000.00	-142,633.32	35.2%
5304 · Administrative Support	2,078.81	16,000.00	-13,921.19	13.0%
5312 · Misc Admin Expense	1,077.09	4,000.00	-2,922.91	26.9%
5313 · Communications/Computer	983.68	8,000.00	-7,016.32	12.3%
5316 · Admin Fixed Assets	0.00	4,000.00	-4,000.00	0.0%
5330 · Admin Travel Expense	0.00	4,000.00	-4,000.00	0.0%
5331 · Travel Federal & State Meetings	0.00	12,000.00	-12,000.00	0.0%
5332 · Transportation	0.00	1,000.00	-1,000.00	0.0%
6500 · Contingency	0.00	80,000.00	-80,000.00	0.0%
7000 · Legal	6,750.10	75,000.00	-68,249.90	9.0%
7001 · BO Reconsultation Legal Support	36,012.50	351,000.00	-314,987.50	10.3%
7002 · SWRCB Water Rights	52,455.00	373,000.00	-320,545.00	14.1%
7100 · SWRCB Support				
7200 · SWRCB Proceedings Support	0.00	15,000.00	-15,000.00	0.0%
Total 7100 · SWRCB Support	0.00	15,000.00	-15,000.00	0.0%
7500 · Hydrologic Technical Support	0.00	49,000.00	-49,000.00	0.0%
Total Expense	183,067.41	1,239,000.00	-1,055,932.59	14.8%
Net Ordinary Income	436,432.59	0.00	436,432.59	100.0%
Net Income	**436,432.59**	**0.00**	**436,432.59**	**100.0%**

Cachuma Conservation Release Board
Reconciliation Summary
1020 · CWB - Chkg #7204, Period Ending 10/31/2026

	Oct 31, 26	
Beginning Balance		432,208.23
Cleared Transactions		
Checks and Payments - 11 items	-246,242.50	
Total Cleared Transactions	-246,242.50	
Cleared Balance		**185,965.73**
Uncleared Transactions		
Checks and Payments - 5 items	-61,580.68	
Total Uncleared Transactions	-61,580.68	
Register Balance as of 10/31/2026		**124,385.05**
Ending Balance		124,385.05



OK
Nov 4, 2026

Cachuma Conservation Release Board
Reconciliation Detail
1020 · CWB - Chkg #7204, Period Ending 10/31/2026

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						432,208.23
Cleared Transactions						
Checks and Payments - 11 items						
Bill Pmt -Check	08/24/2026		City of Santa Barbar...	X	-212,123.72	-212,123.72
Bill Pmt -Check	09/24/2026		Downey Brand Attor...	X	-14,717.60	-226,841.32
Bill Pmt -Check	09/24/2026		AccountabilityPlus, Inc	X	-604.59	-227,445.91
Bill Pmt -Check	09/24/2026		Peter Cantle	X	-357.86	-227,803.77
Bill Pmt -Check	09/24/2026		CIO Solutions LP	X	-12.50	-227,816.27
Bill Pmt -Check	09/24/2026		SDRMA	X	-9.55	-227,825.82
Check	09/30/2026		CalPERS 457 Plan	X	-942.31	-228,768.13
General Journal	10/14/2026			X	-7,857.37	-236,625.50
Check	10/14/2026		CalPERS 457 Plan	X	-942.31	-237,567.81
General Journal	10/28/2026			X	-7,732.38	-245,300.19
Check	10/28/2026		CalPERS 457 Plan	X	-942.31	-246,242.50
Total Checks and Payments					-246,242.50	-246,242.50
Total Cleared Transactions					-246,242.50	-246,242.50
Cleared Balance					-246,242.50	185,965.73
Uncleared Transactions						
Checks and Payments - 5 items						
Bill Pmt -Check	10/26/2026		Downey Brand Attor...		-58,985.00	-58,985.00
Bill Pmt -Check	10/26/2026		California Special Di...		-2,022.00	-61,007.00
Bill Pmt -Check	10/26/2026		AccountabilityPlus, Inc		-327.76	-61,334.76
Bill Pmt -Check	10/26/2026		Peter Cantle		-233.42	-61,568.18
Bill Pmt -Check	10/26/2026		CIO Solutions LP		-12.50	-61,580.68
Total Checks and Payments					-61,580.68	-61,580.68
Total Uncleared Transactions					-61,580.68	-61,580.68
Register Balance as of 10/31/2026					-307,823.18	124,385.05
Ending Balance					**-307,823.18**	**124,385.05**

OK
Nov 4, 2026

Cachuma Conservation
Release Board
Agenda Letter

Board of Directors

City of Santa Barbara

Goleta Water District

Montecito Water District

For Agenda Of:	November 13, 2026
Estimated Time :	10 minutes
Continued Item:	No
If Yes, date from:	

TO:	Board Members
FROM:	Peter Cantle, Executive Director
SUBJECT:	Item RA-1: Financial Audit for Fiscal Year Ending June 30, 2026

Legal Concurrence

As to form: N/A

Recommended Actions

Receive and consider a presentation on the Fiscal Year 2025-2026 Audit Report from Nasif, Hicks, Harris LLP (NHH). Receive and file the audit report.

Discussion

With the board's prior authorization, NHH was engaged June 4, 2026 to audit CCRB's financial status for the fiscal year that ended June 30, 2026. The company's audit report presents a "clean" audit and identifies no significant issues. It is comprised of the two documents that are attached for the Board's review and consideration.

Fiscal Analysis

NHH was retained to perform the Fiscal Year 2025-2026 audit at a not-to-exceed-without-notice amount of $14,000, and CCRB is budgeted in Account Code 5100 to cover this cost. As the current audit has been straightforward and unremarkable, I anticipate NHH will complete the audit report within the not-to-exceed amount.

Attachments:

Att. 1: *Cachuma Conservation Release Board Financial Statements June 30, 2026 and 2025 (Nasif, Hicks, Harris LLP, dated October 23, 2026)*

Att. 2: *Cachuma Conservation Release Board Report to the Board of Directors and Management June 30, 2026 (Nasif, Hicks, Harris LLP, dated October 23, 2026)*

Authored by:

Peter Cantle, Executive Director

ATTACHMENT 1

CACHUMA CONSERVATION RELEASE BOARD

FINANCIAL STATEMENTS JUNE 30, 2026 AND 2025

(NASIF, HICKS, HARRIS LLP, DATED OCTOBER 23, 2026)

CACHUMA CONSERVATION RELEASE BOARD

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2026 AND 2025

CACHUMA CONSERVATION RELEASE BOARD

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Nasif, Hicks, Harris & Co., LLP
CERTIFIED PUBLIC ACCOUNTANTS
104 West Anapamu Street, Suite B | Santa Barbara, CA 93101

William J. Nasif
Steven J. Hicks, Retired
Jeffery P. Harris
Jody Dolan Holehouse
Thomas W. Burk
Robert Swayne Lyons
Lawrence W. Brown
Sarah E. Turner
Thomas A. Olson
Joseph G. Bishop
Rachelle O. Barnier
Elena Mund
Mitchell P. Thomas

October 23, 2026

Independent Auditors' Report

To the Board of Directors
Cachuma Conservation Release Board
Santa Barbara, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cachuma Conservation Release Board, which comprise the statements of net position as of June 30, 2026 and 2025, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cachuma Conservation Release Board as June 30, 2026 and 2025, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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 Cachuma Conservation Release Board 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 U.S. GAAP, 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 Cachuma Conservation Release Board's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 Cachuma Conservation Release Board'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 Cachuma Conservation Release Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. GAAP requires that the Management's Discussion and Analysis on pages 4 through 9 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 inquires, 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.



Nasif, Hicks, Harris & Co., LLP

FISCAL YEAR ENDED JUNE 30, 2026

This section presents management's analysis of the financial condition and activities of the Cachuma Conservation Release Board ("CCRB") for the fiscal year ended June 30, 2026. This information should be read in conjunction with the financial statements and the additional information included herewith.

OVERVIEW OF THE FINANCIAL STATEMENTS

CCRB operates as a proprietary fund-type. All proprietary fund-types are accounted for on a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included in the statement of net position. Where appropriate, net total position (i.e. fund equity) is segregated into invested in capital and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in the net position.

All proprietary fund-types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

Summary of Organization and Business

CCRB is a public entity duly organized and existing in accordance with enabling legislation of the State of California: Chapter 5, Division 7, Title 1, of the Government Code (Section 6500 et seq.), the Joint Exercise of Powers Act. CCRB was officially established as a joint powers agency through an agreement entitle "Joint Powers Agreement Respecting Cachuma Project Release and Water Conservation Program" ("Agreement") dated January 16, 1973, as amended February 11, 1974, by five public water agencies ("South Coast JPA parties") on the South Coast of Santa Barbara County, two of which have subsequently merged, and one which has withdrawn its membership in CCRB. The members of CCRB entered into the Agreement to promote their common objective of maximizing the amounts of water that they can obtain from the Cachuma Project or other sources that may be available to them, provided that CCRB not represent the South Coast JPA parties with respect to water rights or other projects upstream from Cachuma Reservoir. In particular, the South Coast member units formed CCRB as a joint powers entity with the authority to represent the parties with respect to their Cachuma Project water rights.

CCRB is presently composed of three of the four original South Coast JPA parties, all of which are public agencies: the Goleta Water District, the Montecito Water District, and the City of Santa Barbara. Two of the founding South Coast member units of CCRB are no longer members. The Summerland Water District reorganized with the Montecito Water District as the successor agency, and the Carpinteria Valley Water District ("CVWD") withdrew from CCRB as of January 1, 2011.

Summary of Organization and Business - continued

On behalf of the Bureau of Reclamation ("Reclamation"), CCRB and Santa Ynez River Water Conservation District, Improvement District No. 1 ("I.D. No. 1") historically carried out the management actions and steelhead enhancement projects, as well as the long-term fisheries monitoring program for the Lower Santa Ynez River and its tributaries, as identified in the Lower Santa Ynez River Fish Management Plan (October 2000) ("FMP") and the National Marine Fisheries Service Biological Opinion ("BO") on Cachuma Project Operations (September 2000). This work was also under the direction of an Adaptive Management committee (established by the BO and FMP) and a Consensus Committee, as specified by the 2001 Santa Ynez River Fisheries Memorandum of Understanding. CCRB sat on both committees. In January 2011, the Cachuma Operation and Maintenance Board ("COMB") assumed responsibility for implementation of the 2000 BO, which actions constitute the existing Santa Ynez River Fisheries Program. CCRB continues to represent its CCRB member units in the State Water Resource Control Board ("SWRCB") Cachuma water rights proceedings and the BO reconsultation activities.

Each of the CCRB member units appoints a representative to the CCRB Board of Directors. The following table shows the CCRB member units' voting structure for CCRB.

CCRB member units	Board of Representatives
Goleta Water District	1 vote
Montecito Water District	1 vote
City of Santa Barbara	1 vote
Total	3 votes

Under the Agreement, a majority number of votes is required for the approval of any decision, other than adjournment, which requires action of the CCRB Board of Directors. The unanimous consent of the representatives of the CCRB member units is required for the CCRB Board to take action on the following matters:

1. Approval of any single expenditure of funds exceeding $500. It has been the common practice for the CCRB Board to consider expenditures funded through approved CCRB budget accounts simply by receiving, filing and approving periodic financial reports. These reports routinely include the following reports: payment of claims, a statement of net position, and a statement of revenue and expense. No other specific expenditure approval actions have been practiced by the CCRB Board.

2. Approval of any policy decision involving the supply of water to the South Coast Area of Santa Barbara County (except decisions involving the Cachuma Project, the Santa Ynez River watershed downstream from the Cachuma Project and conjunctive operation and use of the Cachuma Project and groundwater in Santa Barbara County).

Summary of Organization and Business - continued

The table below indicates the normalized percentage cost of CCRB's share for each of the CCRB member units. This is based on the proportionate amount of Cachuma Project water for which each of them is entitled pursuant to the 1995 Cachuma Project Renewal Master Contract. The CCRB member units are assessed for their respective share of budgeted costs.

CCRB member units (July 1, 2025 - June 30, 2026)	Cost & Expenses Percentage
Goleta Water District	46.03%
Montecito Water District	13.09%
City of Santa Barbara	40.88%
Total	100.00%

During fiscal year 2014-2015, CCRB and I.D. No. 1 shared consultant costs associated with the SWRCB water rights hearing proceedings and reconsultation on the BO through a reimbursement arrangement as specified in the March 2011 Joint Defense Cooperation Agreement. Administrative costs, general counsel legal costs and the retainer expense for a regulatory analyst were paid by the CCRB member units only.

With the shift of responsibilities for implementation of the existing Santa Ynez River Fisheries Program to COMB, CCRB's responsibilities were limited to the SWRCB water rights proceedings and activities associated with reconsultation on the Cachuma Project BO. The CCRB General Manager continued working for CCRB in carrying out these functions from July 1, 2013, through January 30, 2014, as a single employee of CCRB. Between February 1 and April 21, 2014, management services were provided by a project manager at the Cardno consulting firm. Between April 21, 2014, and June 30, 2019, CCRB contracted with independent contractors to serve as General Manager (as of February 2018, "Executive Director"). As of July 1, 2019, the CCRB Executive Director became a single employee of CCRB.

Operating Assessments

The CCRB member units fund CCRB's annual budget, including general and administrative functions, coordination and administration of SWRCB water rights hearing proceedings, and BO reconsultation activities, and were assessed quarterly for approved budgeted funds for Fiscal Year 2025-2026. Fourth-quarter assessments were not issued in Fiscal Year 2025-2026, as the revenue was not needed based on expenses anticipated to be incurred by fiscal year end.

CCRB Committees

Appointments to committees are made by the President of the Board. In January 2011, the Board President appointed all three Directors to serve on CCRB's committees as committees of the whole. These committees are ad hoc and meet when formed and needed.

CCRB Legal Representation

In August 2003, through a Joint Legal Advocacy Agreement with I.D. No. 1, CCRB engaged the services of Best Best & Krieger, I.D. No. 1's special legal counsel, for issues related to the SWRCB Cachuma water rights hearing proceedings and Endangered Species Act issues. In November 2010, CCRB hired its own law firm, Downey Brand, to provide both special and general counsel services. CCRB withdrew from the Joint Legal Advocacy Agreement with I.D. No. 1 and entered into a new Joint Defense and Cooperation Agreement with I.D. No. 1 and the Santa Ynez River Water Conservation District effective March 1, 2011, which provided for separate legal counsel for each party for the same purposes as the 2003 Joint Legal Advocacy Agreement. In December 2012, CCRB entered into an Agreement with I.D. No. 1 for coordination of legal counsel relating to matters involving the Cachuma Project Biological Opinion, whereby special legal expenses for Downey Brand and Best Best & Krieger are shared, but legal representation remains separate for CCRB and I.D. No. 1, respectively. Sharing of special legal expenses between CCRB and I.D. No. 1 for the Cachuma Project Biological Opinion ceased after June 2015. In Fiscal Year 2025-2026, CCRB paid all costs for Downey Brand legal representation associated with the Cachuma Project Biological Opinion and the SWRCB water rights proceedings.

FINANCIAL HIGHLIGHTS

The following table shows a condensed version of CCRB's statement of net position with corresponding analysis regarding significant variations:

Condensed Statement of Net Position

	Year Ended			2026-2025 Variance		2025-2024 Variance	
	June 30, 2026	June 30, 2025	June 30, 2024	Dollar Change	Percent Change	Dollar Change	Percent Change
Current Assets	$ 543,712	$ 481,641	$ 229,731	$ 62,071	12.9 %	$ 251,910	109.7 %
Total Assets	**$ 543,712**	**$ 481,641**	**$ 229,731**	**$ 62,071**	**12.9 %**	**$ 251,910**	**109.7 %**
Current Liabilities	$ 546,010	$ 483,939	$ 232,029	$ 62,071	12.8 %	$ 251,910	108.6 %
Total Liabilities	**$ 546,010**	**$ 483,939**	**$ 232,029**	**$ 62,071**	**12.8 %**	**$ 251,910**	**108.6 %**
Net Position: Unrestricted	$ (2,298)	$ (2,298)	$ (2,298)	$ -	- %	$ -	- %
Total Net Position	**$ (2,298)**	**$ (2,298)**	**$ (2,298)**	**$ -**	**- %**	**$ -**	**- %**

Statement of Net Position Analysis

- Current assets consist of the General Fund cash account. The increase from prior year is because at the end of fiscal year 2025, there was a budget surplus of $518,894 which was returned to CCRB member units in early fiscal year 2026, compared to a budget surplus of $449,770 in fiscal year 2024 which was returned to CCRB member units in early fiscal year 2025.

- Current liabilities consist of trade payables, accrued payroll, and the budget surplus that will be returned to CCRB member units in the following fiscal year.

FINANCIAL HIGHLIGHTS - CONTINUED

The following table shows a condensed version of CCRB's Statement of Revenues, Expenses and Changes in Net Position, with corresponding analysis regarding significant variances.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Year Ended			2026-2025 Variance		2025-2024 Variance	
	June 30, 2026	June 30, 2025	June 30, 2024	Dollar Change	Percent Change	Dollar Change	Percent Change
Operating Revenues (Expenses):							
Operating Revenues	$ 1,091,250	$ 1,079,250	$ 900,000	$ 12,000	1.1 %	$ 179,250	19.9 %
Operating expenses	(572,356)	(629,480)	(771,280)	57,124	(9.1)	141,800	(18.4)
Operating Surplus	518,894	449,770	128,720	69,124	15.4	$ 321,050	249.4
Non-operating revenue	-	-	-	-	-	-	-
Non-operating expense	(518,894)	(449,770)	(128,720)	(69,124)	15.4	(321,050)	249.4
Change in Net Position	**$ -**	**$ -**	**$ -**	**$ -**	**- %**	**$ -**	**- %**

Statement Analysis

- Operating revenues as of June 30, 2026, were higher than June 30, 2025, due to an increase in budgeted expenditures assessed from CCRB member units.

- Operating expenses as of June 30, 2026, were lower than June 30, 2025, due to a decrease in actual expenditures for Hydrologic technical support and State Water Resource Control Board water rights legal support.

Non-operating expenses listed consist of unspent member assessments that were returned to the CCRB member units.

CACHUMA CONSERVATION RELEASE BOARD
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Current assets:		
Cash	$ 543,712	$ 481,641
Total current assets	543,712	481,641
TOTAL ASSETS	**$ 543,712**	**$ 481,641**
LIABILITIES AND NET POSITION		
Current liabilities:		
Unspent operating assessment	$ 518,894	$ 449,770
Accounts payable and accrued expenses	27,116	34,169
Total current liabilities	546,010	483,939
Net position:		
Unrestricted:		
Accumulated deficit	(2,298)	(2,298)
Total net position	(2,298)	(2,298)
TOTAL LIABILITIES AND NET POSITION	**$ 543,712**	**$ 481,641**

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

CACHUMA CONSERVATION RELEASE BOARD
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
Revenues:		
Operating and project assessments from member units	$ 1,091,250	$ 1,079,250
Total revenues	1,091,250	1,079,250
Operating expenses:		
Legal and technical services:		
Biological Opinion Reconsultation legal support	131,209	96,879
Hydrologic technical support	-	6,440
State Water Resource Control Board water rights legal support	169,080	242,872
State Water Resource Control Board proceedings legal support	-	11,635
Total legal and technical services	300,289	357,826
General and administrative expenses:		
Payroll	209,530	208,044
Insurance	6,588	6,222
Travel Expense	-	965
Office lease	4,175	4,048
Office expenses	6,760	5,660
Communications	7,306	3,505
Accounting	14,000	12,000
Legal	20,480	28,175
Miscellaneous	3,228	3,035
Total general and administrative expenses	272,067	271,654
Total operating expenses	572,356	629,480
Non-Operating expenses:		
Amount constructively returned to member units	518,894	449,770
Change in net position	-	-
Total net position, beginning of year	(2,298)	(2,298)
TOTAL NET POSITION, END OF YEAR	**$ (2,298)**	**$ (2,298)**

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

CACHUMA CONSERVATION RELEASE BOARD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
Cash flows from operating activities:		
Cash received from member units	$ 1,091,250	$ 1,079,250
Cash payments to suppliers for operations	(362,826)	(421,436)
Cash payments for payroll, payroll taxes and benefits	(209,530)	(208,044)
Cash returned to member units	(456,823)	(197,860)
Net cash provided by operating activities	62,071	251,910
Net change in cash	62,071	251,910
Cash and cash equivalents, beginning of year	481,641	229,731
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 543,712**	**$ 481,641**

Reconciliation of change in net position to net cash provided by operating activities:		
Change in net position	$ -	$ -
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Unspent operating assessment	69,124	321,050
Accounts payable	(7,053)	(69,140)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 62,071**	**$ 251,910**

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

Note 1: Organization

The Cachuma Conservation Release Board ("CCRB") is a joint powers agency formed in January 1973 among the Carpinteria Valley Water District, Goleta Water District, the City of Santa Barbara, Montecito Water District and Summerland Water District. Subsequently, Montecito Water District and Summerland Water District merged with Montecito Water District as the successor agency. CCRB was established to jointly represent the respective parties in protecting the Cachuma Project water rights interest of the CCRB member units. CCRB's Board of Directors (the "CCRB Board") is made up of elected representatives from each of its CCRB member units.

Although not a member of CCRB, from July 1 through December 31, 2010, the Santa Ynez River Water Conservation District, Improvement District No. 1 ("I.D. No. 1") participated and shared in the Santa Ynez River Fisheries Program activities, as specified by the Cachuma Project Biological Opinion ("BO"). Cachuma Operation and Maintenance Board ("COMB") assumed responsibility for carrying out the Fisheries Program effective January 1, 2011. I.D. No. 1 discontinued sharing in the funding of the State Water Resource Control Board ("SWRCB") water rights hearing matters related to the permits for continuing operations of the Cachuma Project, and the reconsultation process for the BO with CCRB after June 2015 (legal costs) and September 2016 (consultant costs).

Until January 1, 2011, CCRB's voting board members were Carpinteria Valley Water District ("CVWD"), Goleta Water District, the City of Santa Barbara, and Montecito Water District. Effective January 1, 2011, CVWD withdrew from CCRB.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

CCRB operates as a proprietary fund-type. All proprietary fund-types are accounted for on a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included in the statement of net position. Where appropriate, net total position is segregated into net position invested in capital assets and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net position.

All proprietary fund-types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

Note 2: Summary of Significant Accounting Policies - continued

Basis of Accounting - continued

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes demand deposits and money market accounts but does not include restricted cash.

Unspent Operating Assessments

The operating assessments represent amounts received from CCRB's member units to fund current operations. To the extent that revenues exceed expenses in a given year, the unspent funds are constructively returned to the contributing CCRB member units in subsequent years to be used to reduce operating assessments required from the CCRB member units in future periods or returned to CCRB member units. The CCRB Board makes this determination.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results will differ from those estimates.

Note 3: Cash and Equivalents

Of the bank balances at June 30, 2026, $250,000 was covered by federal depository insurance. The California Government Code requires all California financial institutions to secure a local government agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure agency deposits by pledging first trust deed mortgage notes having a value of 150% of the agency's total deposits. All CCRB cash held by a financial institution is, therefore, entirely insured and collateralized.

Note 4: Related Party Transactions

As described in Note 1, the CCRB Board is made up of elected representatives from each of its CCRB member units. CCRB's revenue is provided by its CCRB member units through quarterly member assessments. Revenue collected and unspent during the year is constructively returned to the CCRB member units during the following fiscal year, unless designated for another purpose by the CCRB Board.

As of June 30, 2026, and 2025, there were no amounts due from CCRB member units. Unspent member assessments included in accounts payable as of June 30, 2026, and 2025 were $518,894 and $449,770, respectively. The amount will be constructively returned to CCRB member units during the following fiscal year.

Because substantially all of the CCRB Board's revenue is provided by its CCRB member units through member assessments, the Board is exposed to a concentration risk in that the loss of, or a significant reduction in assessments from, one or more member units could materially affect the CCRB Board's operations and financial position.

Note 5: Commitments and Contingencies

Legal Proceedings

CCRB is involved in certain quasi-judicial matters that have arisen in the course of conducting business. These matters primarily involve the SWRCB proceedings regarding the Cachuma Project water rights permits, which include a water rights hearing that was completed in late 2003, the completion of a final Environmental Impact Report ("EIR") on the Cachuma Project operations, and the ensuing final decision issued by the SWRCB in September 2019. It is the opinion of management and CCRB's legal counsel that the proceedings will not have a material adverse effect on the financial statements of CCRB.

Note 5: Commitments and Contingencies - continued

SWRCB Cachuma Project Water Rights Hearings

During the fiscal year 1999-2000, CCRB participated in Phase 1 of the Cachuma Project Water Rights Hearing. Phase 2 of the hearing was completed during the fiscal year 2003-2004. In August 2003, the SWRCB issued a draft Cachuma Project EIR for public comment. No activity on completing the final EIR took place for four years. In July 2007, the SWRCB completed a revised draft EIR and circulated it for another round of public comments. The second revised draft EIR was released in April 2011, and the final EIR was completed in December 2011. The SWRCB held a hearing on the final EIR in March 2012 and admitted it into the administrative hearing record.

The SWRCB released its Draft Order Amending Permits 11308 and 11310 held by the United States Bureau of Reclamation for the Cachuma Project, Santa Ynez River, Santa Barbara ("Draft Order") on September 7, 2016. After receipt of written comments in November 2016, the SWRCB addressed comments received and released the final order in September 2019. The United States Bureau of Reclamation is operating the Cachuma Project under the requirements of this Draft Order at this writing. There is a potential for CCRB to be involved in litigation as a result of the decision.

Memorandum of Understanding Regarding Implementation of the Lower Santa Ynez River Fish Management Plan and Cachuma Project Biological Opinion

CCRB is a signatory to a Memorandum of Understanding ("MOU") signed in 2001 to implement the flow and non-flow management actions identified in the Biological Opinion/ Fish Management Plan. CCRB and I.D. No. 1 were responsible for the administration and implementation of the long-term fisheries program on the lower Santa Ynez River and its tributaries and utilized grant funding when available as the agencies carried out physical habitat improvements for steelhead. Effective January 1, 2011, COMB carried out these responsibilities.

Note 5: Commitments and Contingencies - continued

Agreement Between the Santa Ynez River Water Conservation District, Improvement District No. 1, the Cachuma Conservation Release Board and the Santa Ynez River Water Conservation District Concerning Joint Defense and Cooperation in the Cachuma Project Permit Proceedings and the Cachuma Project Endangered Species Act Matters

CCRB is a signatory to a Joint Defense and Cooperation Agreement signed in March 2011 with the Santa Ynez River Water Conservation District, Improvement District No. 1 and the Santa Ynez River Water Conservation District for the purpose of cooperating in connection with: (1) ongoing hearings before the California State Water Resources Control Board regarding appropriative water rights permits and litigation that may arise out of those hearings; and (2) proceedings and matters including potential litigation, involving the National Marine Fisheries Service ("NMFS") Endangered Species Act listing of steelhead/rainbow trout as related to the continuing operation of the Cachuma Project.

National Marine Fisheries Service and United States Bureau of Reclamation - Cachuma Project Biological Opinion

The National Marine Fisheries Service (NMFS) and United States Bureau of Reclamation have engaged in federal consultation proceedings to update the Cachuma Project 2000 Biological Opinion. CCRB continues to actively work with the Bureau of Reclamation and NMFS in this consultation. An updated Biological Opinion related to the Cachuma Project operations may eventually be issued by NMFS. CCRB continues to engage stakeholders to protect the water rights interests of its CCRB Member Agencies.

This matter also encompasses Endangered Species Act consultation activities related to the NMFS Biological Opinion for Southern California steelhead.

Note 6: Subsequent Events

Subsequent events have been evaluated through October 23, 2026, the date the financial statements were available to be issued.

ATTACHMENT 2

CACHUMA CONSERVATION RELEASE BOARD

REPORT TO THE BOARD OF DIRECTORS AND MANAGEMENT

JUNE 30, 2026

(NASIF, HICKS, HARRIS LLP, DATED OCTOBER 23, 2026)

CACHUMA CONSERVATION RELEASE BOARD

REPORT TO THE
BOARD OF DIRECTORS AND MANAGEMENT

FOR THE YEAR ENDED
JUNE 30, 2026

Nasif, Hicks, Harris & Co., LLP
CERTIFIED PUBLIC ACCOUNTANTS
104 West Anapamu Street, Suite B | Santa Barbara, CA 93101

William J. Nasif
Steven J. Hicks, Retired
Jeffery P. Harris
Jody Dolan Holehouse
Thomas W. Burk
Robert Swayne Lyons
Lawrence W. Brown
Sarah E. Turner
Thomas A. Olson
Joseph G. Bishop
Rachelle O. Barnier
Elena Mund
Mitchell P. Thomas

October 23, 2026

To the Members of the Cachuma Conservation Release Board:

Annually, we review with the board and management those matters that are required by generally accepted auditing standards to be communicated, as well as other matters we believe would be of interest to the board and management. The attached report outlines those areas where we are required to communicate and certain other matters related to the audit of the financial statements of the Cachuma Conservation Release Board for the year ended June 30, 2026.

If you have any questions, please contact me at (805) 979-9536.

Sincerely,

Nasif, Hicks, Harris & Co., LLP

By,



Mitchell P. Thomas, CPA

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I. Scope

- The matters raised in this report are only those which have come to our attention arising from our audit that we believe need to be brought to the attention of management and the board. They are not a comprehensive record of all the matters arising, and in particular, we cannot be held responsible for reporting all risks in your business or all internal control weaknesses. This report has been prepared solely for the use of management and the board and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

- Because of the inherent limitations of an audit, it is possible that material misstatements of the financial statements resulting from fraud and, to a lesser extent from error, may not have been detected.

II. Results of the Audit

- We have completed our audit of the financial statements of the Cachuma Conservation Release Board ("CCRB") for the year ended June 30, 2026 and issued an unmodified opinion on CCRB's financial statements.

- The primary purposes of this report are to present significant findings arising from our audit procedures and to communicate recommended enhancements to the internal control structure which came to our attention during our audit.

- We received full cooperation from management who provided us with complete access to the books and records of CCRB. There were no restrictions on the scope of our audit procedures.

III. Required Communications

Matter to be Communicated	Our Response
Auditor's responsibility under Generally Accepted Auditing Standards	
• The auditor should communicate the level of responsibility assumed under Generally Accepted Auditing Standards (GAAS).	• Our audit is designed to obtain reasonable, not absolute, assurance about the financial statements. This was also communicated in our engagement letter dated May 20, 2026.
Significant Accounting Policies and Unusual Transactions	
• The auditor should determine that those charged with governance are informed about the initial selection of and changes in significant accounting policies, including critical accounting policies, as well as the methods used to account for significant unusual transactions and the auditor's judgment about the quality of accounting principles.	• We have reviewed CCRB's accounting policies and believe that they are reasonable.
Management Judgments and Accounting Estimates	
• Those charged with governance should be informed about the process used by management in forming particularly sensitive accounting estimates and about the basis for the auditor's conclusions regarding the reasonableness of those estimates.	• The following items are the most significant areas encountered during our audit which involved substantial levels of management judgment or application of accounting estimates. These estimates are sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may ultimately differ from management's current judgment: - There were no significant areas requiring management judgment or accounting estimates for the year ended June 30, 2026. • During our audit of CCRB's financial statements for the year ended June 30, 2026, we reviewed the estimates made by management and found the basis for their conclusions to be reasonable. However, estimates could change, and actual results could differ from those estimates.

III. Required Communications - continued

Matter to be Communicated	Our Response
Other Information in Documents Containing Audited Financial Information	
• Those charged with governance should be informed as to the auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the related results.	• We are responsible for the review of other information in all documents containing audited financial statements to ensure their consistency with the financial statements. To our knowledge, no such documents have been issued.
Significant Audit Adjustments	
• All significant adjustments arising from the audit should be communicated to management.	• No significant adjustments arose during the course of the audit.
Disagreements with Management	
• Disagreements with management, whether or not satisfactorily resolved, about matters that could be significant to the entity's financial statements or the auditor's report should be communicated to those charged with governance.	• No such disagreements occurred.
Consultation with Other Accountants	
• When the auditor is aware that management has consulted with other accountants about significant accounting or auditing matters, the auditor's views about the subject of the consultation should be communicated to those charged with governance.	• We are not aware of any consultations with other independent accountants on any matters.
Major Issues Discussed with Management Prior to Retention	
• Any major issues that were discussed with management in connection with our annual retention should be communicated to those charged with governance.	• No such issues were encountered.
Difficulties Encountered in Performing the Audit	
• Serious difficulties encountered in dealing with management that relate to the performance of the audit are required to be brought to the attention of those charged with governance.	• No such difficulties were encountered.

III. Required Communications - continued

Matter to be Communicated	Our Response
Deficiencies in Internal Control	
• Those charged with governance should be advised of any material weaknesses or significant deficiencies in the design or operation of the internal control structure coming to the auditor's attention during the audit.	• Refer to Section IV. Report to Management for internal control observations.
Material Uncertainties Related to Events and Conditions, Specifically Going Concern Issues	
• The auditor should communicate any doubt regarding the entity's ability to continue as a going concern, and any other material uncertainties.	• No material uncertainties were identified.
Fraud and Illegal Acts	
• Those charged with governance should be adequately informed of any fraud or illegal acts noted.	• During the course of our audit of the financial statements for the year ended June 30, 2026, we did not become aware of any fraud or illegal acts. • However, an auditor cannot obtain absolute assurance that material misstatements in the financial statements will be detected. Because of the characteristic of fraud, particularly those involving concealment and falsified documentation including forgery, a properly planned audit may not detect a material misstatement. Further, the determination of whether an act is illegal is usually beyond the auditors' professional competence. The auditor's training and experience should ordinarily provide a reasonable basis for awareness that some client acts coming to their attention in the performance of the audit might be illegal. The further removed an illegal act is from events and transactions specifically reflected in the financial statements, the less likely the auditor is to become aware of the act or recognize the possible illegality.
Independence	
• Those charged with governance should be informed of any relationships that in our professional judgment may reasonably be thought to bear on our independence.	• To the best of our knowledge, there are no circumstances or relationships between the Cachuma Conservation Release Board and Nasif, Hicks, Harris & Co., LLP that would impair our independence in reporting on the financial statements. • We are independent accountants within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Accountants. • Peter Cantle, Executive Director, has been designated as the management-level individual with the requisite knowledge and experience to oversee our financial statement preparation (non-attest services).

III. Required Communications - continued

Matter to be Communicated	Our Response
Other Material Written Communications	
• Those charged with governance should be informed of other material written communications between the auditor and management.	• In addition to this report, the following are other material written communications between Nasif, Hicks, Harris & Co., LLP and CCRB during 2026: - Engagement letter for the audit of the financial statements for the year ended June 30, 2026 dated May 20, 2026. - Management representation letter dated October 23, 2026. - Independent Auditors' Report on Audited Financial Statements for the year ended June 30, 2026 dated October 23, 2026.

IV. Report to Management

In planning and performing our audits of the financial statements of Cachuma Conservation Release Board ("CCRB") for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered CCRB's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CCRB's internal control. Accordingly, we do not express an opinion on the effectiveness of CCRB's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

Other Matters

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report on the financial statements of the Cachuma Conservation Release Board for the year ended June 30, 2026. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

Segregation of Duties

Observation:
CCRB has a limited number of personnel available to perform accounting duties making a high degree of segregation of responsibilities impractical. The lack of a high degree of segregation of duties places a greater burden on management and the board to closely supervise accounting functions, review budgetary performance and financial statements.

IV. Report to Management

Other Matters - continued

Segregation of Duties - continued

Recommendation:
We note that management has implemented measures to mitigate, to the extent practicable, this matter.

This communication is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than management.

We believe that the implementation of these recommendations will provide CCRB with a stronger system of internal control, while also making its operations more efficient. We would be pleased to meet with you at your convenience to discuss these matters further.

Nasif, Hicks, Harris & Co. LLP

Nasif, Hicks, Harris & Co., LLP