



Post Office Box 3544
Ventura, CA 93006-3544
(805) 525-4431
<https://moundbasingsa.org>

**NOTICE IS HEREBY GIVEN that the
Mound Basin Groundwater Sustainability Agency (“Agency”)
Board of Directors (“Directors”) will hold a
REGULAR BOARD OF DIRECTORS MEETING
at 3:00 p.m. on
Monday, May 22, 2023
at City of Ventura, Assembly Conference Room
336 Sanjon Road, Ventura, CA 93002**

To participate in the Board of Directors meeting via Zoom, please access:

<https://us02web.zoom.us/j/87474400434?pwd=Q01mU0JQT20vdGJqRzN0Wi9UdXArQT09>

Meeting ID: 874 7440 0434 | **Passcode:** 551503

To call into the meeting (audio only), call: (877) 853-5247 (US Toll-free)

Meeting ID: 874 7440 0434

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
BOARD OF DIRECTORS MEETING AGENDA

CALL TO ORDER 3:00 P.M.

1. PLEDGE OF ALLEGIANCE

2. ROLL CALL

3. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

The Board will receive public comments on items not appearing on the agenda and within the subject matter jurisdiction of the Agency. The Board will not enter into a detailed discussion or take any action on any items presented during public comments. Such items may only be referred to the Executive Director or other staff for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on specific agenda items should do so at the time specified for those items. In accordance with Government Code §54954.3(b)(1), public comment will be limited to three (3) minutes per speaker.

4. APPROVAL OF AGENDA
Motion

5. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine by the Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board member pulls an item from the Calendar. Pulled items will be discussed and acted on separately by the Board. Members of the public who want to comment on a Consent Calendar item should do so under Public Comments. (ROLL CALL VOTE REQUIRED)

5a. Approval of Minutes

Motion

The Board will consider approving the Minutes from the March 21, 2023, Regular Mound Basin GSA Board of Directors meeting. A meeting cancelation notice was emailed to the Board of Directors and interested parties list as well as posted to the Mound Basin GSA website regarding the April 24, 2023, Regular Board of Directors meeting.

5b. Approval of Warrants

Motion

The Board will consider approving payment of outstanding vendor invoices.

5c. Monthly Financial Reports

Information Item

The Board will receive monthly profit and loss statements and balance sheets for the months of March and April 2023.

6. BOARD MEMBER ANNOUNCEMENTS

Directors will provide updates on matters not on the agenda.

7. EXECUTIVE DIRECTOR UPDATE

Information Item

The Executive Director will provide an informational update on agency activities since the previous Board meeting.

8. MOTION ITEMS

8a. Proposed Fiscal Year 2023/2024 Budget and Multi-Year Projection

Motion

The Board consider approving the Fiscal Year 2023/2024 budget and updated multi-year budget projection and consider scheduling a public hearing to consider adoption of groundwater extraction fees for Fiscal Year 2023/2024.

8b. Resolution 2023-02 Honoring Michael W. Mobley

Motion

The Board will consider adopting Resolution 2023-02 recognizing Michael W. Mobley's dedication of more than five years of service to the Mound Basin Groundwater Sustainability Agency in his role as Chair representing the United Water Conservation District.

8c. Small GSA Coalition Letter to Legislators Concerning State Fiscal Year 2023/2024 Budget

Motion

The Board will consider authorizing the Board Chair or designee to sign a letter to certain State legislators requesting they reject the Governor's proposal to shift \$60 million away from SGMA funding and to request \$10 million in funding for small GSAs for fiscal year 2023/2024.



MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
REGULAR BOARD OF DIRECTORS MEETING

held on Monday, March 21, 2023, at 10:00 a.m. via Zoom and
at the City of Ventura, Assembly Conference Room
336 Sanjon Road, Ventura, CA 93002

MINUTES

DIRECTORS IN ATTENDANCE

Catherine Keeling, Chair
Elizabeth (Betsy) Cooper, Vice-chair/Secretary (via Zoom)
Arne Anselm, Treasurer (via Zoom)
James (Jim) Chambers
Conner Everts

STAFF IN ATTENDANCE

Bryan Bondy, Executive Director
Alex Dominguez, Legal Counsel
Jackie Lozano, Clerk of the Board

PUBLIC IN ATTENDANCE

Amanda DeLeon, City of Ventura
Kathleen Kuepper, UWCD
John Lindquist, UWCD
Ed Reese, UWCD
Daryl Smith, UWCD
Steven Smith
Ambry Tibay, UWCD
Jennifer Tribo, City of Ventura

CALL TO ORDER 10:02 a.m.

Vice-chair Betsy Cooper called the meeting to order at 10:02 a.m.

1. PLEDGE OF ALLEGIANCE

Vice-chair Cooper led the participants in reciting the Pledge of Allegiance.

2. BOARD OF DIRECTORS ROLL CALL

The Clerk of the Board called roll. All five Directors were present (Anselm, Chambers, Cooper, Everts, Keeling). Directors Anselm and Cooper participated virtually, and appropriate notification was provided to the Board of Directors in accordance with the new teleconference rules under AB 2449 "just cause" (item, B. contagious illness). This was the first request by either Director.

3. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Vice-chair Cooper asked if there were any public comments. None were offered.

4. APPROVAL OF AGENDA

Motion

Director Everts moved for Agenda approval; Seconded by Director Chambers. Roll call vote: Five ayes (Anselm, Chambers, Cooper, Everts, Keeling); none opposed. Motion carries unanimously 5/0.

5. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine by the Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board member pulls an item from the Calendar. Pulled items will be discussed and acted on separately by the Board. Members of the public who want to comment on a Consent Calendar item should do so under Public Comments. (ROLL CALL VOTE REQUIRED)

5a. Approval of Minutes

Motion

The Board will consider approving the Minutes from the January 23, 2023, Regular Board of Directors meeting. A meeting cancellation notice was emailed to the Board of Directors and interested parties list as well as posted on the Mound Basin GSA website regarding the February 27, 2023, Regular Board of Directors meeting.

5b. Approval of Warrants

Motion

The Board will review the warrant payment registry for previously paid invoices and consider approving payment of outstanding vendor invoices.

5c. Monthly Financial Reports

Information Item

The Board will receive monthly profit and loss statements and balance sheets for the months of January and February 2023.

Motion to approve Consent Calendar items, Director Everts; Seconded by Director Anselm. Roll call vote: Five ayes (Anselm, Chambers, Cooper, Everts, Keeling); none opposed. Motion carries unanimously 5/0.

6. BOARD MEMBER ANNOUNCEMENTS

Director Chambers summarized outreach efforts he made to a landowner in the vicinity of the proposed monitoring well location. The landowner is willing to work with MBGSA. Executive Director Bondy will follow up with Director Chambers. Director Everts mentioned the Groundwater Resources Association of California will be hosting their Annual SGMA Implementation Summit and Workshop in June. He has attended in the past and would share the information, if interested. Executive Director Bondy suggested that any information from the conference be sent to Clerk of the Board Lozano for dissemination to ensure Brown Act compliance.

7. EXECUTIVE DIRECTOR UPDATE

Information Item

Executive Director Bondy summarized the written staff report concerning Agency activities since the last Regular Board of Directors meeting of January 23, 2023. Director Chambers asked if the wet winter caused artesian conditions in the Basin. Executive Director Bondy said the new monitoring well was not artesian when it was drilled but will have seen what the groundwater levels are more recently.

Informational item. No further questions or comments from the Directors.

No comments or questions from the public.

8. MOTION ITEMS

8a. Board Appointment of United Water Conservation District Representative Catherine P. Keeling

Motion

Vice-chair Cooper welcomed newly appointed Board member Director Catherine Keeling as did the other Directors. There were no questions from the Directors. No comments or questions were offered by the public.

Motion to approve and accept United Water Conservation District's appointment of Catherine P. Keeling as its member Director to the Mound Basin GSA Board of Directors to fulfill the remainder of the two-year term through June 13, 2024, Director Everts; Seconded by Director Chambers. Roll call vote: Four ayes (Anselm, Chambers, Cooper, Everts); none opposed; one abstained (Keeling). Motion carries 4/0/1.

8b. Agency Officer Appointments and Required Bond

Motion

Executive Director Bondy summarized the motion to the Board for their consideration of approval. Action on this item was deferred from the January 23, 2023, Board of Directors meeting pending Director Keeling's appointment. Director Chambers stated, on behalf of the agricultural stakeholder group, he would like to nominate Director Keeling as chairperson. Director Keeling accepted the nomination. Director Anselm stated he would be happy to continue as Treasurer. Director Cooper also stated she would be happy to continue as Vice-Chair/Secretary. Additionally, the Board of Directors agreed the treasurer's bond coverage is sufficient and there would be no need to modify the bond at this time.

There were no further comments or questions from the Directors. No comments or questions from the public.

Motion to approve the Agency Officer appointments for calendar year 2023 (Director Catherine Keeling as Chair, Director Betsy Cooper as Vice-Chair/Secretary, and Director Arne Anselm as Treasurer) Director Everts; Seconded by Director Chambers. Roll call vote: Five ayes (Anselm, Chambers, Cooper, Everts, Keeling); none opposed. Motion carries unanimously 5/0.

Motion to approve the renewal of the current bond for an additional three years with no modifications, Director Everts. Roll call vote: Five ayes (Anselm, Chambers, Cooper, Everts, Keeling); none opposed. Motion carries unanimously 5/0.

8c. Resolution 2023-01 Approving an Amendment to the Agency's List of Authorized Signers for the Bank of the Sierra Account

Motion

Executive Director Bondy summarized this motion to the Board for approval. No questions or comments from the Directors. No comments or questions from the public.

Motion to adopt Resolution 2023-01 approving an amendment to the Agency's list of authorized signers for the Bank of the Sierra account, Director Everts; Seconded by Vice-Chair Cooper. Roll call vote: Five ayes (Anselm, Chambers, Cooper, Everts, Keeling); none opposed. Motion carries unanimously 5/0.

8d. Fiscal Year 2022-2023 Mid-year Budget Report

Motion

Executive Director Bondy summarized this motion to the Board for approval. There were no questions or comments from the Directors. No comments or questions from the public.

Motion to approve and file the Fiscal Year 2022-2023 Mid-year Budget Report and mid-year budget modifications as noted on Attachment A of the staff report, Director Everts; Seconded by Director Anselm. Roll call vote: Five ayes (Anselm, Chambers, Cooper, Everts, Keeling); none opposed. Motion carries unanimously 5/0.

8e. Small Groundwater Sustainability Agency Coalition Participation

Motion

Executive Director Bondy summarized this motion to the Board for their consideration. After hearing the summary, Director Keeling felt there would be no reason why the Agency shouldn't participate. Director Chambers also inquired how much Executive Director involvement would be necessary and Mr. Bondy mentioned it would be low on his part. Also, any monetary or political requests from the Small Groundwater GSA Coalition would be discussed ahead of any decision making.

No further questions or comments from the Directors. No comments or questions were offered by the public.

Motion to approve Mound Basin GSA's participation in the Small Groundwater Sustainability Agency Coalition, Director Everts; Seconded by Director Chambers. Roll call vote: Five ayes (Anselm, Chambers, Cooper, Everts, Keeling); none opposed. Motion carries unanimously 5/0.

8f. Annual Report for Water Year 2021/2022

Motion

Executive Director Bondy summarized this motion for the Board for their approval. A website link to the report was embedded in the staff report for public review. Directors Everts and Keeling thanked Mr. Bondy for all the time he put into preparing the report.

No questions or further comments from the Directors. No comments or questions were from the public.

Motion to approve the Annual Report for Water Year 2021/2022 and its submittal to the CA Department of Water Resources, Director Everts; Seconded by Director Keeling. Roll call vote: Five ayes (Anselm, Chambers, Cooper, Everts, Keeling); none opposed. Motion carries unanimously 5/0.

9. FUTURE AGENDA ITEMS

Vice-Chair Cooper polled the Directors for any future agenda items.

- Director Everts mentioned he would continue to report to the Agency information of interest from the NGO Groundwater Collaborative group.
- Director Chambers wanted to discuss terms of engagement of testing-well site. Executive Director Bondy recommended a field visit to make sure the site works from a drilling standpoint.
- Director Chambers requested a resolution of appreciation for former Director Michael Mobley.

ADJOURNMENT 10:38 a.m.

Vice-Chair Cooper adjourned the meeting at 10:38 a.m. to the next Regular Board of Directors meeting on April 24, 2023, at 3:00 p.m. or call of the chair.

I certify that the above is a true and correct copy of the minutes of the Mound Basin Groundwater Sustainability Agency's Board of Directors meeting of March 21, 2023.

ATTEST: _____
Elizabeth (Betsy) Cooper, Vice-chair/Secretary

ATTEST: _____
Jackie Lozano, Clerk of the Board



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

Motion Item No. 5(b)

DATE: May 17, 2023
TO: Board of Directors and Executive Director
FROM: Ambry Tibay, UWCD
SUBJECT: Warrant Registers for April and May 2023

SUMMARY

The Board will receive and review the monthly warrant registers for the Mound Basin GSA.

STAFF RECOMMENDATION

UWCD accounting staff has prepared the April and May 2023 warrants based on the Mound Basin GSA payables and is recommending approval. All expenditures are in accordance with the Board approved budget and have been reviewed by the Executive Director.

FISCAL SUMMARY

Not applicable.

ATTACHMENTS

- A. Warrant Register for April 2023
- B. Warrant Register for May 2023

| |
|------------------------------------------------------------------------------------|
| Action: _____ |
| Motion: _____ 2 nd : _____ |
| A.Anselm: _____ J.Chambers: _____ B.Cooper: _____ C.Everts: _____ C.Keeling: _____ |

Mound Basin Groundwater Sustainability Agency
Check Detail
April 19, 2023

| <u>Type</u> | <u>Num</u> | <u>Date</u> | <u>Name</u> | <u>Account</u> | <u>Original Amount</u> |
|-----------------|------------|-------------|-----------------------------------------|----------------------------|------------------------|
| Bill Pmt -Check | 11484 | 04/19/2023 | A.J. Klein, Inc T. Denatale, B. Goldner | 10000 · Bank of the Sierra | -322.00 |
| Bill Pmt -Check | 11485 | 04/19/2023 | Bondy Groundwater Consulting, Inc | 10000 · Bank of the Sierra | -3,644.35 |
| Bill Pmt -Check | 11486 | 04/19/2023 | INTERA Incorporated | 10000 · Bank of the Sierra | -18,535.00 |
| Bill Pmt -Check | 11487 | 04/19/2023 | United Water Conservation District | 10000 · Bank of the Sierra | -1,005.16 |
| | | | | | <u>-23,506.51</u> |

Mound Basin Groundwater Sustainability Agency
Check Detail
May 2023

| <u>Type</u> | <u>Num</u> | <u>Date</u> | <u>Name</u> | <u>Account</u> | <u>Original Amount</u> |
|-----------------|------------|-------------|-----------------------------------------|----------------------------|------------------------|
| Bill Pmt -Check | 11488 | 05/17/2023 | A.J. Klein, Inc T. Denatale, B. Goldner | 10000 · Bank of the Sierra | -230.00 |
| Bill Pmt -Check | 11489 | 05/17/2023 | Bondy Groundwater Consulting, Inc | 10000 · Bank of the Sierra | -829.99 |
| Bill Pmt -Check | 11490 | 05/17/2023 | United Water Conservation District | 10000 · Bank of the Sierra | -644.44 |
| | | | | | <u>-1,704.43</u> |



MoundBasin
GROUNDWATER SUSTAINABILITY AGENCY

Item No. 5(c)

DATE: May 15, 2023
TO: Board of Directors and Executive Director
FROM: Ambry Tibay, UWCD
SUBJECT: Monthly Financial Reports

SUMMARY

The Board will receive the monthly financial reports for the Mound Basin GSA.

INFORMATIONAL ITEM

UWCD accounting staff have prepared financial reports based on the Mound Basin GSA revenue and expenses for the months of March and April 2023.

BACKGROUND

None.

FISCAL SUMMARY

Not applicable.

ATTACHMENTS

- A. March 2023 Profit/Loss Statement
- B. March 2023 Balance Sheet
- C. April 2023 Profit/Loss Statement
- D. April 2023 Balance Sheet

Mound Basin Groundwater Sustainability Agency
Profit & Loss Budget Performance
 July through March 2023

ATTACHMENT A

| | <u>Jul - Mar 23</u> | <u>Annual Budget</u> | <u>Budget</u> |
|--------------------------------------------------|--------------------------|--------------------------|----------------------|
| Income | | | |
| 40001 · Groundwater Extraction Fees | 217,632.41 | 350,000.00 | 62.18% |
| 47000 · Other Revenue | | | |
| 47001 · Late Fees | 1,227.39 | 1,227.00 | |
| Total 47000 · Other Revenue | <u>1,227.39</u> | <u>1,227.00</u> | |
| Total Income | <u>218,859.80</u> | <u>351,227.00</u> | <u>62.18%</u> |
| Gross Profit | 218,859.80 | 351,227.00 | 62.18% |
| Expense | | | |
| 52200 · Professional Services | | | |
| 52240 · Prof Svcs - IT Consulting | 1,216.82 | 1,050.00 | 115.89% |
| 52250 · Prof Svcs - Post GSP Adoption | 52,928.83 | 98,373.79 | 53.80% |
| 52270 · Prof Svcs - Accounting | 3,436.47 | 9,480.58 | 36.25% |
| 52275 · Prof Svcs - Admin/Clerk of Bd | 4,518.33 | 5,097.09 | 88.65% |
| 52280 · Prof Svcs - Executive Director | 8,831.83 | 18,375.00 | 48.06% |
| Total 52200 · Professional Services | <u>70,932.28</u> | <u>132,376.46</u> | <u>53.58%</u> |
| 52500 · Legal Fees | | | |
| 52501 · Legal Counsel | 5,046.00 | 12,000.00 | 42.05% |
| Total 52500 · Legal Fees | <u>5,046.00</u> | <u>12,000.00</u> | <u>42.05%</u> |
| 53000 · Office Expenses | | | |
| 53010 · Public Information | 0.00 | 1,325.00 | 0.00% |
| 53020 · Office Supplies | 68.18 | 210.00 | 32.47% |
| 53026 · Postage & Mailing | 287.63 | 650.00 | 44.25% |
| 53070 · Licenses, Permits & Fees | 0.00 | 1,100.00 | 0.00% |
| 53110 · Travel & Training | 284.50 | 500.00 | 56.90% |
| Total 53000 · Office Expenses | <u>640.31</u> | <u>3,785.00</u> | <u>16.92%</u> |
| 53111 · Office Expenses - Other | 6.73 | 300.00 | 2.24% |
| 53500 · Insurance | | | |
| 53510 · Liability Insurance | 5,834.63 | 5,361.30 | 108.83% |
| Total 53500 · Insurance | <u>5,834.63</u> | <u>5,361.30</u> | <u>108.83%</u> |
| 70000 · Interest & Debt Service | | | |
| 70120 · Interest Expense | 216.31 | 1,238.00 | 17.47% |
| 70130 · Principal Payment | 0.00 | 0.00 | 0.00% |
| Total 70000 · Interest & Debt Service | <u>216.31</u> | <u>1,238.00</u> | <u>17.47%</u> |
| 81000 · Contingency - Non Capital Expen | 0.00 | 21,006.08 | 0.00% |
| 82000 · Capital Expenditures | | | |
| 82001 · Capital Project Expenditures | 0.00 | 5,000.00 | 0.00% |
| 82002 · Contingency - Capital | 0.00 | 0.00 | 0.00% |
| Total 82000 · Capital Expenditures | <u>0.00</u> | <u>5,000.00</u> | <u>0.00%</u> |
| Total Expense | <u>82,676.26</u> | <u>181,066.84</u> | <u>45.66%</u> |
| Net Income | <u><u>136,183.54</u></u> | <u><u>170,160.16</u></u> | <u><u>16.52%</u></u> |

Balance Sheet

As of March 31, 2023

| | <u>March 2023</u> |
|----------------------------------------|--------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 10000 · Bank of the Sierra | 382,527.19 |
| Total Checking/Savings | <u>382,527.19</u> |
| Accounts Receivable | |
| 11000 · Accounts Receivable | 401,334.75 |
| Total Accounts Receivable | <u>401,334.75</u> |
| Total Current Assets | <u>783,861.94</u> |
| TOTAL ASSETS | <u><u>783,861.94</u></u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 20000 · Accounts Payable | 23,506.51 |
| Total Accounts Payable | <u>23,506.51</u> |
| Other Current Liabilities | |
| 20001 · Advance from City of Ventura | 0.00 |
| 20510 · Interest Payable | 0.00 |
| Total Other Current Liabilities | <u>0.00</u> |
| Total Current Liabilities | <u>23,506.51</u> |
| Total Liabilities | 23,506.51 |
| Equity | |
| 32000 · Retained Earnings | 624,171.40 |
| Net Income | 136,184.03 |
| Total Equity | <u>760,355.43</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>783,861.94</u></u> |

Mound Basin Groundwater Sustainability Agency
Profit & Loss Budget Performance
 July through April 2023

ATTACHMENT C

| | <u>Jul - Apr 23</u> | <u>Annual Budget</u> | <u>Budget</u> |
|--------------------------------------------------|--------------------------|--------------------------|----------------------|
| Income | | | |
| 40001 · Groundwater Extraction Fees | 217,632.41 | 350,000.00 | 62.18% |
| 47000 · Other Revenue | | | |
| 47001 · Late Fees | 1,227.39 | 1,227.00 | |
| Total 47000 · Other Revenue | <u>1,227.39</u> | <u>1,227.00</u> | |
| Total Income | <u>218,859.80</u> | <u>351,227.00</u> | <u>62.18%</u> |
| Gross Profit | 218,859.80 | 351,227.00 | 62.18% |
| Expense | | | |
| 52200 · Professional Services | | | |
| 52240 · Prof Svcs - IT Consulting | 1,216.82 | 1,050.00 | 115.89% |
| 52250 · Prof Svcs - Post GSP Adoption | 53,084.45 | 98,373.79 | 53.96% |
| 52270 · Prof Svcs - Accounting | 3,557.67 | 9,480.58 | 37.53% |
| 52275 · Prof Svcs - Admin/Clerk of Bd | 4,956.56 | 5,097.09 | 97.24% |
| 52280 · Prof Svcs - Executive Director | 9,506.20 | 18,375.00 | 51.73% |
| Total 52200 · Professional Services | <u>72,321.70</u> | <u>132,376.46</u> | <u>54.63%</u> |
| 52500 · Legal Fees | | | |
| 52501 · Legal Counsel | 5,276.00 | 12,000.00 | 43.97% |
| Total 52500 · Legal Fees | <u>5,276.00</u> | <u>12,000.00</u> | <u>43.97%</u> |
| 53000 · Office Expenses | | | |
| 53010 · Public Information | 0.00 | 1,325.00 | 0.00% |
| 53020 · Office Supplies | 70.19 | 210.00 | 33.42% |
| 53026 · Postage & Mailing | 338.38 | 650.00 | 52.06% |
| 53070 · Licenses, Permits & Fees | 0.00 | 1,100.00 | 0.00% |
| 53110 · Travel & Training | 316.75 | 500.00 | 63.35% |
| Total 53000 · Office Expenses | <u>725.32</u> | <u>3,785.00</u> | <u>19.16%</u> |
| 53111 · Office Expenses - Other | 6.24 | 300.00 | 2.08% |
| 53500 · Insurance | | | |
| 53510 · Liability Insurance | 5,834.63 | 5,361.30 | 108.83% |
| Total 53500 · Insurance | <u>5,834.63</u> | <u>5,361.30</u> | <u>108.83%</u> |
| 70000 · Interest & Debt Service | | | |
| 70120 · Interest Expense | 216.31 | 1,238.00 | 17.47% |
| 70130 · Principal Payment | 0.00 | 0.00 | 0.00% |
| Total 70000 · Interest & Debt Service | <u>216.31</u> | <u>1,238.00</u> | <u>17.47%</u> |
| 81000 · Contingency - Non Capital Expen | 0.00 | 21,006.08 | 0.00% |
| 82000 · Capital Expenditures | | | |
| 82001 · Capital Project Expenditures | 0.00 | 5,000.00 | 0.00% |
| 82002 · Contingency - Capital | 0.00 | 0.00 | 0.00% |
| Total 82000 · Capital Expenditures | <u>0.00</u> | <u>5,000.00</u> | <u>0.00%</u> |
| Total Expense | <u>84,380.20</u> | <u>181,066.84</u> | <u>46.60%</u> |
| Net Income | <u><u>134,479.60</u></u> | <u><u>170,160.16</u></u> | <u><u>15.58%</u></u> |

Balance Sheet

As of April 30, 2023

| | <u>April 2023</u> |
|----------------------------------------|--------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 10000 · Bank of the Sierra | 461,127.86 |
| Total Checking/Savings | <u>461,127.86</u> |
| Accounts Receivable | |
| 11000 · Accounts Receivable | 299,227.57 |
| Total Accounts Receivable | <u>299,227.57</u> |
| Total Current Assets | <u>760,355.43</u> |
| TOTAL ASSETS | <u><u>760,355.43</u></u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 20000 · Accounts Payable | 1,704.43 |
| Total Accounts Payable | <u>1,704.43</u> |
| Other Current Liabilities | |
| 20001 · Advance from City of Ventura | 0.00 |
| 20510 · Interest Payable | 0.00 |
| Total Other Current Liabilities | <u>0.00</u> |
| Total Current Liabilities | <u>1,704.43</u> |
| Total Liabilities | 1,704.43 |
| Equity | |
| 32000 · Retained Earnings | 624,171.40 |
| Net Income | 134,479.60 |
| Total Equity | <u>758,651.00</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>760,355.43</u></u> |



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

Item No. 7

DATE: May 22, 2023
TO: Board of Directors
FROM: Executive Director
SUBJECT: Executive Director Update

SUMMARY

The following are updates on Agency activities since the last Board meeting.

1. Administrative: No update.
2. Financial:
 - a. Invoices for the 2022-2 semi-annual period (August – December 2022) were issued on March 3, 2023, with payment due April 3, 2023. As of May 15, one entity remains past due with an unpaid balance of \$97,473.93.
3. Legal: No update.
4. Groundwater Sustainability Plan (GSP) Implementation:
 - a. GSP: The GSP is under review by the Department of Water Resources (DWR).
 - b. GSP Development Grant:
 - i. Progress report and invoice no. 12 was submitted to DWR on April 25, 2022, and approved November 1, 2022. Payment in the amount of \$106,022.61 had not been received as of May 15, 2023. The Executive Director inquired about payment status on May 15, 2023. The DWR Project Manager is researching.
 - ii. The required grant closeout report and retention release request were submitted to DWR on April 25, 2022. Retention payment in the amount of \$75,792.14 is expected one to two months after DWR approval. The Executive Director inquired about status on May 15, 2023. The DWR Project Manager anticipates approving the grant closeout report and processing the retention release request shortly.
 - c. SGMA Implementation Grant: The SGMA Implementation Round 2 Grant application is under review by DWR. Draft award announcements are expected in June 2023. DWR recently reported that 84 applications were received with a total of \$780 million dollars requested. However, only \$200 million dollars are allocated for awards.

- d. Small GSA Coalition: The Small GSA Coalition lobbied legislators concerning various funding options to support small GSAs leading up to an Assembly budget committee hearing held in late April. The latest draft State budget is expected to be released in mid-May. The coalition is working on an outreach letter to send to legislators following the release of the updated draft budget. However, it seems unlikely that new funding will be earmarked in the fiscal year 2023/2024 budget due to budget challenges (low revenue and delays associated with tax return deadline extensions). The Small GSA will also lobby to earmark a portion of the existing \$60M set aside for the third round of the Sustainable Groundwater Management Grant Program. An updated small GSA coalition fact sheet is provided for reference (Attachment A).
- e. Groundwater Monitoring Well – DWR Technical Support Services (TSS): DWR is working on closing out the project and transferring custody of the wells to MBGSA. UWCD groundwater monitoring staff have added the well to their monitoring schedule. DWR provided laboratory results from the initial water quality sampling event conducted on August 2, 2022. The sampling results do not show any indication of seawater intrusion in the principal aquifers.
- f. Shallow Groundwater Level Monitoring: Monitoring activities are ongoing by UWCD on behalf of MBGSA.

5. Miscellaneous: None.

6. Correspondence: None.

INFORMATIONAL ITEM

Receive an update from the Executive Director on activities since the previous board meeting.

BACKGROUND

Not applicable.

FISCAL SUMMARY

Not applicable.

ATTACHMENT

A. Small GSA Coalition Fact Sheet



Implementing Groundwater Sustainability Plans Funding Small Basins

Pending logo approval: Ukiah Valley GSA, Lake County, and Coachella Valley

THE PROBLEM

Very small groundwater basins and small basins with large underrepresented communities¹ are struggling to fund the implementation of recently submitted Groundwater Water Sustainability Plans (GSPs) and the administration of Groundwater Sustainability Agencies (GSAs). Support for administration and reporting (tasks which are not eligible for DWR grants) is needed to help these GSAs bridge the gap while they seek reasonable options for long-term, sustainable agency funding.

PROPOSED SOLUTION

Allocate a total of \$10 million over two years (\$5 million in FY 2023-24 and \$5 million in FY 2024-25) in state budget funds for non-competitive matching funding to very small GSAs to cover a portion of SGMA-required annual operating and monitoring costs. Very small GSAs include those that manage an average of less than 10,000 acre-feet (AFY) of groundwater annually or those that manage on average less than 20,000-acre feet and at least half area managed is classified as an underrepresented community.

FIXED COSTS

The mandates under SGMA result in fixed administrative and reporting costs. These include support for running a public agency such as Board meetings, Brown Act compliance, budgeting, accounting, and legal review. Costs also are incurred for maintaining new monitoring networks, data management systems, annual reports, groundwater models, and five-year updates. In basins with large populations or extensive commercial agriculture, these costs can be spread out over many users, but smaller basins do not benefit from such an economy of scale. Table 1, below, illustrates these challenges in seven basins with annual groundwater pumping of less than 10,000-acre feet annually (AFY).

Table 1. Annual fees required to cover basic costs of GSA compliance

| Basin | Acre Feet pumped annually (AFY) | Annual basic costs of compliance* | Annual amount per AFY (for basic compliance) | Additional amount per AFY to fill data gaps, model, project planning | Total fee per AFY |
|----------------------------|---------------------------------|-----------------------------------|----------------------------------------------|----------------------------------------------------------------------|-------------------|
| Langley Subbasin | 1,100 | \$230,000 | \$209 | \$83 | \$292 |
| Corral de Tierra | 1,295 | \$230,000 | \$177 | \$77 | \$254 |
| Petaluma Valley | 2,795 | \$500,000 | \$178 | \$215 | \$393 |
| Santa Margarita | 2,700 | \$400,000 | \$148 | | |
| Santa Cruz Mid-County | 5,100 | \$450,000 | \$88 | | |
| Sonoma Valley | 6,920 | \$500,000 | \$72 | \$101 | \$173 |
| Ukiah Valley | 6,484 | \$330,000 | \$51 | | |
| Upper Ventura River Valley | 5,035 | | \$59 | | \$163 |

**Basic compliance costs vary widely from basin-to-basin depending on local labor costs, staff support provided by other local government agencies, history of groundwater issues/monitoring, and other factors.*

FUNDING OPTIONS

There has been limited assistance or guidance from the State in terms of options for funding the GSAs. The two most common approaches being pursued in California are member-agency funding and pumping-fee funded, based on actual or estimated pumping amounts, which is more common in agricultural hubs. A basin wide parcel tax can spread costs more widely but requires two-thirds voter support and is expensive to place on the ballot.

Member-agency funding leads to questions of the equitable distribution of costs. For example, in the Santa Cruz Mid-County Groundwater Basin, some residents are paying for the GSA costs through both their water rates and their property tax. The cost allocations are based on pumping impacts to the basin from each member agency, though the administrative burdens of SGMA are arguably independent of those impacts.

Table 1 illustrates the fee levels that would be required if these very small basins charged fees based on groundwater use. Two of these basins – Petaluma Valley and Sonoma Valley – completed fee studies in 2022 and adopted fees based on estimated use. In order to reduce the burden to groundwater pumpers (the majority are rural residents who use their wells for drinking water), the County of Sonoma provided a two-year contribution to the GSAs that allowed the fees to temporarily drop to \$40 per AFY. The subsidy, which was possible due to a one-year budget surplus, ends in 2024 and is not expected to be renewed.

Other basins with large underrepresented communities are struggling to identify funding options that are affordable to low-income residents and small farmers who rely on wells for drinking water, crops and livestock.

For more information, please contact Mark Fenstermaker at mark@pacificpolicygroup.com



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

Motion Item No. 8(a)

DATE: May 22, 2023
TO: Board of Directors
FROM: Executive Director and UWCD Finance Staff
SUBJECT: Fiscal Year 2023/2024 Budget and Multi-Year Budget Projection

SUMMARY

The draft Fiscal Year (FY) 2023/2024 Budget and updated Multi-Year Budget Projection have been prepared for consideration (Attachment A). Key budget assumptions and changes relative to last year's projections are described below.

Expenses

Budgeted expenses are generally consistent with the multi-year budget projection adopted last year. Noteworthy exceptions are as follows:

1. The capital budget (monitoring wells) was increased by 25% to account for a steep rise in construction costs since the capital budget was originally prepared for the groundwater sustainability plan (GSP).

Expense assumptions include the following:

1. No litigation.
2. Five percent (5%) annual inflation.
3. Actual costs will be pursuant to the GSP implementation cost projections.

Operating Reserve

Consistent with last year's budget and projection, the operating reserve for FY 2023/2024 is \$52,500 and is escalated 5% each year thereafter to account for inflation.

Capital Reserve

Unused FY 2022/2023 budget was moved to capital reserve, raising the projected FY 2022/2023 yearend capital reserve total up to \$790,313. The capital reserve is budgeted to increase during FY 2023/2024 and FY 2024/2025 leading up to the construction of a monitoring well scheduled for FY 2025/2026. The capital reserve begins building again in FY 2025/2026 in anticipation of another monitoring well in FY 2031/2032.

Grants

Although Mound Basin Groundwater Sustainability Agency applied for a Round 2 GSP Implementation Grant in late 2022, no grant revenue has been included in the budget and forecast because there is no guarantee of a grant award. The draft award announcement is expected in June 2023.

Groundwater Extractions

The FY 2022/2023 year end projected groundwater extractions and extraction fee revenue were reduced in anticipation of low groundwater extraction volumes during the 2023-1 semi-annual billing period (January – June 2023) because of the very wet winter.

Assumed City of Ventura (City) groundwater extractions have been reduced from 3,500 acre feet per year (AFY) to 3,000 AFY based on information received from City staff. Private well groundwater extractions assumed for FY 2023/2024 through FY 2027/2028 are per the previously adopted projection, which was estimated based on review of historical pumping.

Extraction Fees

Groundwater extraction fees for FY 2023/2024 through FY 2027/2028 were selected to balance the budget (i.e., achieve near-zero unreserved cash each year).

It is noted that the budgeted extraction fee for FY 2023/2024 and the projected extraction fees for the remaining years are significantly higher than previously projected. The increase is due to (1) the reduction in the current year’s anticipated extraction fees due to the wet winter, (2) the reduction in future estimated City of Ventura groundwater extractions; and (3) the increase in monitoring well construction costs. The projected extraction fee spike in FY 2025/2026 is due to the combined effect of the capital expenditure that year and initiation of reserve funding for the subsequent monitoring well.

RECOMMENDED ACTIONS

1. Approve the FY 2023/2024 budget and updated multi-year budget projection.
2. Schedule a public hearing to consider adoption of groundwater extraction fees for FY 2023/2024.

BACKGROUND

Please see summary.

FISCAL SUMMARY

Please see summary and attachment.

ATTACHMENT

- A. Draft FY 2023/2024 Budget and Multi-Year Budget Projection

| |
|------------------------------------------------------------------------------------|
| Action: _____ |
| Motion: _____ 2 nd : _____ |
| A.Anselm: _____ J.Chambers: _____ B.Cooper: _____ C.Everts: _____ C.Keeling: _____ |

Mound Basin Groundwater Sustainability Agency
DRAFT Fiscal Year 23-24 Budget and Multi-Year Budget Projection

| | FY 2022-23 Adopted Budget | Q1 - Q3 Jul - Mar 2023 Actuals | Q4 April - June 2023 Projection | FY 22-23 Year End Projection | FY 23-24 Proposed Budget | FY 24-25 Projected Budget | FY 25-26 Projected Budget | FY 26-27 Projected Budget | FY 27-28 Projected Budget | Comments |
|------------------------------------------------|------------------------------|--------------------------------------|------------------------------------|---------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Income | | | | | | | | | | |
| Groundwater Extractions City of Ventura (AF) | N/A | 1,572 (Jul-Dec 22) | 650 (Jan-June 23) | 2,222 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | FY 22-23 revised downward due to wet winter. Estimate for remaining years reduced 500 AFY based on updated information from City. |
| Groundwater Extractions Others (AF) | N/A | 1,938 (Jul-Dec 22) | 750 (Jan-June 23) | 2,688 | 2,900 | 2,900 | 2,900 | 2,900 | 2,900 | FY 22-23 revised downward due to wet winter. |
| Groundwater Extractions Total (AF) | 5,645 | 3,510 (Jul-Dec 22) | 1,400 (Jan-June 23) | 4,910 | 5,900 | 5,900 | 5,900 | 5,900 | 5,900 | FY 22-23 year end projected extractions revised downward due to wet winter. |
| Groundwater Extraction Fee (\$/AF) | \$ 62.00 | \$ 62.00 | \$ 62.00 | \$ 62.00 | \$ 97.00 | \$ 90.00 | \$ 119.00 | \$ 61.50 | \$ 99.00 | |
| 40001 · Groundwater Extraction Fees | \$350,000 | \$217,620 | \$86,800 | \$304,420 | \$572,300 | \$531,000 | \$702,100 | \$362,850 | \$584,100 | FY 22-23 year end projected revenue revised downward due to wet winter. |
| 41000 · Grant revenue | | | | | | | | | | Applied for SGM Round 2 Implementation grant. Potential grant income is not included in budget because award is not guaranteed. |
| 41001 · State Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Total 41000 · Grant revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 47000 · Other Revenue | | | | | | | | | | |
| 47001 · Late Fees | \$1,227 | \$1,227 | \$10,722 | \$11,949 | \$0 | \$0 | \$0 | \$0 | \$0 | Late penalty and finance charges on overdue extraction fees. |
| Total 47000 · Other Revenue | \$1,227 | \$1,227 | \$10,722 | \$11,949 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Total Income | \$351,227 | \$218,847 | \$97,522 | \$316,369 | \$572,300 | \$531,000 | \$702,100 | \$362,850 | \$584,100 | |
| Gross Profit | \$351,227 | \$218,847 | \$97,522 | \$316,369 | \$572,300 | \$531,000 | \$702,100 | \$362,850 | \$584,100 | |
| Expense | | | | | | | | | | |
| 52200 · Professional Services | | | | | | | | | | |
| 52240 · Prof Svcs - IT Consulting | \$1,050 | \$137 | \$200 | \$337 | \$1,103 | \$1,158 | \$1,216 | \$1,277 | \$1,341 | |
| 52250 · Prof Svcs - Groundwater/GSP Pre | | | | | | | | | | |
| 52252 · Prof Svcs - GSP Consultant | | | | | | | | | | |
| 52250 · Prof Svcs - Post GSP Adoption | \$98,374 | \$52,929 | \$5,000 | \$57,929 | \$144,069 | \$95,920 | \$198,784 | \$184,074 | \$157,824 | |
| 52270 · Prof Svcs - Accounting | \$9,481 | \$3,436 | \$2,000 | \$5,436 | \$23,798 | \$10,382 | \$26,675 | \$11,450 | \$29,409 | Includes audit expenses every other year. |
| 52275 · Prof Svcs - Admin/Clerk of Bd | \$5,097 | \$4,518 | \$2,500 | \$7,018 | \$7,350 | \$7,718 | \$8,103 | \$8,509 | \$8,934 | Budget for FY 23-24 and beyond increased based on FY 22-23 year end projection. |
| 52280 · Prof Svcs - Executive Director | \$18,375 | \$8,832 | \$5,000 | \$13,832 | \$19,294 | \$20,258 | \$21,271 | \$22,335 | \$23,452 | |
| Total 52200 · Professional Services | \$132,376 | \$69,852 | \$14,700 | \$84,552 | \$195,614 | \$135,436 | \$256,050 | \$227,644 | \$220,960 | |
| 52500 · Legal Fees | | | | | | | | | | |
| 52501 · Legal Counsel | \$12,000 | \$5,046 | \$1,000 | \$6,046 | \$12,600 | \$13,230 | \$13,892 | \$14,586 | \$15,315 | |
| Total 52500 · Legal Fees | \$12,000 | \$5,046 | \$1,000 | \$6,046 | \$12,600 | \$13,230 | \$13,892 | \$14,586 | \$15,315 | |
| 53000 · Office Expenses | | | | | | | | | | |
| 53010 · Public Information | \$1,325 | \$0 | \$1,325 | \$1,325 | \$1,391 | \$1,461 | \$1,534 | \$1,610 | \$1,691 | |
| 53020 · Office Supplies | \$210 | \$68 | \$142 | \$210 | \$221 | \$232 | \$243 | \$255 | \$268 | |
| 53070 Licenses, Permits & Fees | \$1,100 | \$1,080 | \$0 | \$1,080 | \$1,155 | \$1,213 | \$1,273 | \$1,337 | \$1,404 | |
| 53026 · Postage & Mailing | \$650 | \$288 | \$300 | \$588 | \$683 | \$717 | \$753 | \$791 | \$830 | |
| 53110 · Travel & Training | \$500 | \$285 | \$300 | \$585 | \$525 | \$551 | \$579 | \$608 | \$638 | |
| 53000 Office Expenses Other | \$300 | \$6 | \$150 | \$156 | \$315 | \$331 | \$347 | \$365 | \$383 | |
| Total 53000 · Office Expenses | \$4,085 | \$1,727 | \$2,217 | \$3,943 | \$4,290 | \$4,504 | \$4,729 | \$4,966 | \$5,214 | |
| 53500 · Insurance | | | | \$0 | | | | | | |
| 53510 · Liability Insurance | \$5,361 | \$5,835 | \$0 | \$5,835 | \$6,126 | \$6,433 | \$6,754 | \$7,092 | \$7,447 | |
| Total 53500 · Insurance | \$5,361 | \$5,835 | \$0 | \$5,835 | \$6,126 | \$6,433 | \$6,754 | \$7,092 | \$7,447 | |
| 70000 · Interest & Debt Service | | | | | | | | | | |
| 70120 · Interest Expense | \$1,238 | \$216 | \$0 | \$216 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 70130 Principal Payment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Total 70000 · Interest & Debt Service | \$1,238 | \$216 | \$0 | \$216 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 81000 · Contingency - Non Capital Expenditures | \$21,006 | \$0 | \$0 | \$0 | \$21,863 | \$15,960 | \$28,142 | \$25,429 | \$24,894 | 10% of budgeted expenses |
| 82000 Capital Expenditures | | | | | | | | | | |
| 82001 Capital Project Expenditures | \$41,694 | \$0 | \$0 | \$0 | \$43,779 | \$96,298 | \$1,017,864 | \$0 | \$0 | Monitoring well construction costs increased 25% due to steep rise in drilling costs. |
| 82002 Contingency - Capital | \$4,169 | \$0 | \$0 | \$0 | \$4,378 | \$9,630 | \$101,786 | \$0 | \$0 | 10% of budgeted capital expenditures |
| Total Expense | \$221,930 | \$82,676 | \$17,917 | \$100,593 | \$288,650 | \$281,490 | \$1,429,217 | \$279,717 | \$273,829 | |
| Net Income | \$129,298 | \$136,172 | \$79,605 | \$215,777 | \$283,650 | \$249,510 | -\$727,117 | \$83,133 | \$310,271 | |

Mound Basin Groundwater Sustainability Agency
DRAFT Fiscal Year 23-24 Budget and Multi-Year Budget Projection

| FY 2022-23 Adopted Budget | Q1 - Q3 Jul - Mar 2023 Actuals | Q4 April - June 2023 Projection | FY 22-23 Year End Projection | FY 23-24 Proposed Budget | FY 24-25 Projected Budget | FY 25-26 Projected Budget | FY 26-27 Projected Budget | FY 27-28 Projected Budget | Comments |
|----------------------------------------|--------------------------------------|------------------------------------|---------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cash Flow Projections | | | | | | | | | |
| Beginning Cash Balance, July 1 | | | \$ 379,703 | 816,165 | 843,223 | 1,117,513 | 287,735 | 574,418 | |
| Projected Cash Inflows | | | \$ 537,054 | 315,708 | 555,780 | 599,440 | 566,400 | 451,350 | |
| Projected Cash Outflows | | | \$ (100,593) | (288,650) | (281,490) | (1,429,217) | (279,717) | (273,829) | Some June expenses may actually be paid during subsequent fiscal year. |
| Projected Ending Cash Balance, June 30 | | | \$ 816,165 | \$ 843,223 | \$ 1,117,513 | \$ 287,735 | \$ 574,418 | \$ 751,939 | |
| Designated for Operating Reserves | | | \$ 50,000 | 52,500 | 55,125 | 57,881 | 60,775 | 63,814 | |
| Designated for Capital Reserves | | | \$ 766,165 | 790,313 | 1,062,173 | 230,000 | 511,568 | 690,000 | Unused FY 22-23 income transferred to capital reserve. Capital reserve in FY 25-26 and beyond is for second monitoring well scheduled for construction in FY 31-32. |
| Total Reserves | | | \$ 816,165 | \$ 842,813 | \$ 1,117,298 | \$ 287,881 | \$ 572,343 | \$ 753,814 | |
| Unreserved Cash, June 30 | | | \$ - | \$ 410 | \$ 215 | \$ (146) | \$ 2,075 | \$ (1,875) | |



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

Resolution 2023-02

HONORING

Michael W. Mobley

WHEREAS Director Mobley has faithfully served as a Member Director on behalf of United Water Conservation District since the formation of the Mound Basin Groundwater Sustainability Agency serving one three-year term and one two-year term (June 2017 to December 2022) on the Board of Directors of the Mound Basin Groundwater Sustainability Agency, and

WHEREAS Director Mobley has given freely of his time, experience, and knowledge at the expense of his family and professional activities in order to contribute to the success and accomplishments of the Agency, and

WHEREAS Director Mobley was instrumental in leading the Mound Basin Groundwater Sustainability Agency through the groundwater sustainability plan development process having served as Chair between June 2017 and December 2022, and

WHEREAS, during his tenure, Director Mobley has served with dignity and distinction and has contributed significantly to the successful operation of the Mound Basin Groundwater Sustainability Agency.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mound Basin Groundwater Sustainability Agency take great pleasure in honoring Michael W. Mobley for his dedicated, loyal, and honorable service.

PRESENTED BY THE MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY BOARD OF DIRECTORS THIS 22nd DAY OF MAY 2023.

Chair
Catherine Keeling

Vice-chair/Secretary
Elizabeth Cooper

Treasurer
Arne Anselm

Director
James Chambers

Director
Conner Everts



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

Motion Item No. 8(c)

DATE: May 22, 2023
TO: Board of Directors
FROM: Executive Director and UWCD Finance Staff
SUBJECT: Small GSA Coalition Letter to Legislators Concerning State Fiscal Year 2023/2024 Budget

SUMMARY

The Small GSA Coalition is recommended sending the attached letter to certain legislators asking them to reject the Governor’s May budget revision proposal to shift \$60 million in Sustainable Groundwater Management Act funding from the General Fund to a potential climate bond and to set aside \$10 million of the SGMA funding to assist small GSAs.

RECOMMENDED ACTIONS

Authorizing the Board Chair or designee to sign a letter to certain State legislators requesting they reject the Governor’s proposal to shift \$60 million away from SGMA funding and to request \$10 million in funding for small GSAs for fiscal year 2023/2024.

BACKGROUND

Please see summary.

FISCAL SUMMARY

None.

ATTACHMENT

- A. Draft Small GSA Coalition Letter

Action: _____

Motion: _____ 2nd: _____

B. Cooper ___ C. Keeling ___ A. Anselm ___ J. Chambers ___ C. Everts ___



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

<https://www.moundbasingsa.org/>

May 22, 2023

The Honorable Nancy Skinner
Chair, Senate Budget & Fiscal Review Committee
1021 O St., Ste. 8630
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget & Fiscal Review Committee
1021 O St., Ste. 8230
Sacramento, CA 95814

The Honorable Josh Becker
Chair, Senate Budget Subcommittee No. 2
1021 O St., Ste. 7250
Sacramento, CA 95814

The Honorable Steve Bennett
Chair, Assembly Budget Subcommittee No. 3
1021 O St., Ste. 4710
Sacramento, CA 95814

Re: Reject Proposed Sustainable Groundwater Management Act Funding Shift Sustainability Agency Support

Dear Senators Skinner and Becker and Assemblymembers Ting and Bennett:

The undersigned Groundwater Sustainable Agencies (GSAs) represent a coalition of small GSAs in California seeking financial support from the state to reduce exorbitant fees that we will have to assess on our users to cover the cost of managing our GSAs and Groundwater Sustainability Plans (GSPs). We write to request that you reject the Governor's May Revision proposal to shift \$60 million in Sustainable Groundwater Management Act (SGMA) from the General Fund to a potential climate bond and to **set aside \$10 million of the SGMA funding to assist small GSAs. The purpose of this set-aside is to assist small GSAs bridge a gap in resources while we develop reasonable options for long-term local funding.**

Specifically, we are seeking non-competitive funding for the approximately 20-30 GSAs that manage basins or areas of basins that pump less than 10,000 acre-feet of groundwater (or less than 20,000-acre feet for those basins with more than 50 percent underrepresented communities) annually. The funding would cover a portion of SGMA-required annual operating and monitoring costs.

Small GSAs are struggling to cover the costs of implementing recently submitted GSPs and administering the GSAs. Additional support for administration and reporting (tasks which have not been eligible for previous SGMA grants administered by the Department of Water Resources (DWR)) is needed to ensure these GSAs can comply with SGMA and bring our basins and sub-basins into sustainability.

The mandates under SGMA result in fixed administrative and reporting costs, including maintaining new monitoring networks, data management systems, Brown Act compliance, updating JPAs and bylaws, budgeting, accounting, legal review, annual reports, groundwater models, and 5-year updates. In basins with either large populations or extensive commercial agriculture, these costs can be spread out over many users, but smaller basins do not benefit from such an economy of scale.

Senators Skinner and Becker and Assemblymembers Ting and Bennett

RE: Reject Proposed Sustainable Groundwater Management Act Funding Shift Sustainability Agency Support

May 22, 2023

Page 2

For very small basins, when dividing the basic costs of compliance among the small number of users, these GSAs could end up with fees in the \$70 to \$190 per acre foot of water pumped annually. When the costs of project planning, modeling, and filling data gaps are added, these per acre foot costs can more than double. These high per acre-foot charges could be a significant burden for rural homeowners and place agriculture in these basins at a competitive disadvantage with larger neighboring basins where the fees will be significantly lower. For example, in Sonoma County, groundwater pumpers in Petaluma Valley could pay as much as \$400 an acre foot and, in Sonoma Valley, as much as \$170 an acre foot, while pumpers in the neighboring Santa Rosa Plain would pay no more than \$40 an acre foot.

We believe that the \$60 million for SGMA implementation as proposed by the Governor in his January budget is an appropriate funding source for our request and, therefore, we are opposed to the May Revised proposal to shift this funding to a potential climate bond. There is an ongoing tremendous need to implement SGMA at the project implementation and planning levels. In fact, DWR received more than \$790 million in project applications for its most recent solicitation.

Assistance from the state would provide a lifeline to these small basins while they do the legwork needed to develop more equitable funding plans (for example, a parcel tax or benefit assessment approach).

Thank you for your consideration. Please feel free reach out to us individually or contact Mark Fenstermaker at mark@pacificpolicygroup.com, (916) 798-8008.

Sincerely,

Catherine P. Keeling
Member Director and Chair