



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 MEETING at 1:00 P.M. on
Thursday, June 20, 2019
at Ventura City Hall, Santa Cruz Conference Room #223
501 Poli Street, Ventura, California 93001**

**MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
BOARD OF DIRECTORS MEETING **REVISED** AGENDA**

CALL TO ORDER 1:00 p.m.

1. PLEDGE OF ALLEGIANCE

2. 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 per issue.

3. ROLL CALL

**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 May 16, 2019 Mound Basin GSA 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 a monthly profit and loss statement and balance sheet.

6. BOARD MEMBER ANNOUNCEMENTS

6a Directors will provide updates on matters not on the agenda.

6b Directors will provide oral reports of time spent on grant eligible activities since the previous regular Board meeting.

7. EXECUTIVE DIRECTOR UPDATE

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

8. ACTION ITEMS

**8a. Proposed FY 2019-20 Budget and Extraction Fee Discussion
Motion**

The Board will discuss a draft multi-year budget and potential extraction fees, approve the proposed Fiscal Year 2019-20 Budget, and schedule a public hearing on July 18, 2019 to consider adoption of extraction fees.

**8b. Reappointment of Stakeholder Directors
Motion**

The Board will consider reappointing the Agriculture and Environmental Stakeholder Directors for a new one-year term (August 2019-August 2020)

8c. Resolution 2019-01 Establishing a Biennial Audit Frequency

The Board will consider approving Resolution 2019-01 establishing a biennial audit frequency for the agency.

**8d. Approve Change in Scope for Auditing Services
Motion**

The Board will consider approving an amount not to exceed \$9,120 for auditing of the Fiscal Year 2017/2018 and 2018/2019 accounts and records and preparation of the annual State Controller's Report.

**8e. Resolution 2019- 02 Modifying Agency Bylaws – Disbursement Approval
Procedures**

The Board will consider approving Resolution 2019-02 to modify the Agency's disbursement approval procedures contained in Section 7.1 of the Agency's Bylaws.

**9. INFORMATION ITEMS
NONE**


10. FUTURE AGENDA ITEMS

ADJOURNMENT

The Board will adjourn to the next **Regular Board Meeting** on Thursday, **July 18, 2019** or call of the Chair.

Materials, which are non-exempt public records and are provided to the Board of Directors to be used in consideration of the above agenda items, including any documents provided subsequent to the publishing of this agenda, are available for inspection at UWCD's offices at 106 North 8th Street in Santa Paula during normal business hours.

The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's services, programs or activities because of any disability. If you need special assistance to participate in this meeting, or if you require agenda materials in an alternative format, please contact the Mound Basin Clerk of the Board at (805) 525-4431 or the City of Ventura at (805) 654-7800. Notification of at least 48 hours prior to the meeting will enable the Agency to make appropriate arrangements.

Approved: 
Executive Director Bryan Bondy

Posted: (date) June 17, 2019 (time) 12:15p.m. (attest) *Kris Sofley*
At: <https://moundbasingsa.org>

Posted: (date) June 17, 2019 (time) 12:20p.m. (attest) *Kris Sofley*
At: <https://www.facebook.com/moundbasingsa/>

Posted: (date) June 17, 2019 (time) 12:10p.m. (attest) *Kris Sofley*
At: United Water Conservation District, 106 N 8th Street, Santa Paula CA 93060

Posted: (date) June 17, 2019 (time) 12:15p.m. (attest) *Debra Martinez*
At: Ventura City Hall, 501 Poli Street, Ventura, California 93001



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MINUTES
MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
BOARD OF DIRECTORS MEETING
Thursday, May 16, 2019

DIRECTORS PRESENT

Director Conner Everts
Director Jim Chambers
Chair Mike Mobley
Secretary Susan Rungren

DIRECTORS ABSENT

Vice Chair/Treasurer Glenn Shephard

STAFF

Bryan Bondy, Executive Director
Kris Sofley, Clerk of the Board

PUBLIC

John Lindquist, UWCD
Kathleen Kuepper, UWCD

CALL TO ORDER 1:00 p.m.

1. PLEDGE OF ALLEGIANCE

Chair Mobley asked those present to join him in reciting the Pledge of Allegiance.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chair Mobley asked if there were any comments from the public. None were offered.

3. ROLL CALL

Directors Chambers, Everts, Mobley and Rungren are present. Director Shephard is not in attendance.

4. APPROVAL OF AGENDA

Motion

Motion to approve the agenda, Director Everts; Second, Director Chambers. Voice vote: four ayes (Chambers, Everts, Mobley, Rungren); none opposed; one absent (Shephard). Motion carries 4/0/1.

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)

A typo in the minutes was noted: Item 8a, second paragraph, fourth sentence, “not” should be changed to “no.” Motion to approve all matters listed under the Consent Calendar, with correction of the noted typo, Director Everts; Second, Director Rungren. Voice vote: four ayes (Chambers, Everts, Mobley, Rungren); none opposed; one absent (Shephard). Motion carries 4/0/1.

5a Approval of Minutes

Motion

The Board will consider approving the Minutes from the March 21, 2019 Mound Basin GSA 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 a monthly profit and loss statement and balance sheet.

6. BOARD MEMBER ANNOUNCEMENTS

None were offered.

7. EXECUTIVE DIRECTOR UPDATE

Executive Director Bondy reported that he met with Kris Sofley and UWCD’s IT administrator to discuss his ability to access files for the GSA (which are stored both electronically and in paper form at UWCD) and file sharing software, which he hopes to have in place by June. Executive Director Bondy said this access would improve functionality and could also include secure and confidential folders for Bank statements, reconciliations and other confidential documents in secure folders for the Board.

Executive Director Bondy reminded the Board that Director Shephard’s term expires in June 2019 and that he would need to be reappointed by the Ventura County Board of Supervisors. He also said that Stakeholder Directors will need to be reappointed in August. Appointment procedures were briefly discussed.

Executive Director Bondy updated the Board on DWR’s draft reprioritization of the Mound Basin from medium priority to high priority. He stated that SGMA doesn’t really distinguish between medium and high priority rankings. Director Everts asked if the deadline for submitting the GSP is the same and Executive Director Bondy replied that the deadlines are the same and the ranking has no advantages for grants either. He added that the priority ranking will be finalized this summer.

Reporting on the Agency’s grant, Executive Director Bondy summarized a kickoff meeting with the Department of Water Resources (DWR) grant manager Eddie Pech and the combined accounting staff of both the MBGSA and the Upper Ventura River Groundwater Agency (UVRGA), which saved time and money. The first quarter report for the grant is due August 15 and quarterly reports and invoices will follow from there out. Executive Director Bondy added that no grant funds are expected to be received during this calendar year. He explained that the grant is divided into four categories – management, studies,

outreach and GSP development and the MBGSA needs to meet the cost share amount before the Agency begins receiving reimbursement from DWR. He explained that as each category reaches cost share amount, then the Agency can invoice for reimbursement and will be paid, less 10 percent holdback. It also takes a while for the invoices to be processed. Executive Director Bondy provided additional details concerning the cost share breakouts.

Executive Director Bondy also stated that he is working with UWCD's Erin Gorospe on developing a time keeping system for Board member in-kind labor, which the Agency gets cost share credit for. Executive Director Bondy explained that if a Board member reviews GSP drafts or other GSP related documents outside of the regular Board meetings, the Agency can request cost share credit for those hours. Going forward, Executive Director Bondy suggested that there be an agenda item to accommodate Directors' verbal reports of the number of hours each have spent on the various grant tasks categories as a means of documentation for the grant's cost share credit. He also suggested that Directors keep a log of time spent reviewing items.

Regarding the Agency's isotope study, Executive Director Bondy received a memo from the consulting geochemist hired by the Agency that lays out procedures for UWCD staff to use when collecting groundwater samples for the study. After reviewing the recommendations with UWCD's Kathleen Keupper and John Lindquist, it was determined that the isotope sampling will require a different sampling methodology than typically used by UWCD. He explained that the sampling budget of approximately \$5,000 might be exceeded. He also explained that they will be operating at the limits of the sampling equipment in the deeper monitoring wells and there is some risk that it not possible to collect samples in some wells. UWCD's John Lindquist introduced Kathleen Keupper to the Board, stating that she is leading the sampling effort. At present, he said, there are three wells or rather three clusters of wells, each of varying depth. Ms. Keupper said that some of the perforations are over 1,000 feet. Chair Mobley asked if the District had the equipment required to go that deep for sampling. Ms. Keupper said that equipment would need to be rented, including a bladder pump and tubing. Mr. Lindquist added that staff can perform the sampling, but isotopes require a different sampling process. He thought it was a gray area, but if there is a budget, they can do the work. With the estimates for rentals, additional staff time, and he is still waiting for some quotes but wanted the Board to be aware of the potential for increased costs.

Executive Director Bondy said that he is still pursuing information from DWR concerning the Technical Support Services (TSS) program regarding drilling the new monitoring well. The latest report from DWR was that the driller is not able to drill to the depths required by the Agency. DWR is initiating another driller contract for 2020 with a driller that should be able to drill deeper, so he is going to go ahead and apply. He will continue to ask for information, and believes it is likely that a biological survey may be needed since the proposed well site is near the river, and that will be an additional cost. Executive Director Bondy said that there are numerous unresolved issues with regard to the proposed well site and the TSS program. He said he thought it was best to start the process, but is concerned about too much spending money and taking time away from the GSP to go through the process with DWR without certainty that DWR will approve the TSS for the monitoring well.

Executive Director Bondy said the next steps will be to start the application and manage the process as best he can until he gets to the point where it gets too costly. He said he will move forward cautiously, monitoring costs versus risk, and that it may take six months to get an answer from DWR as to whether or not the driller can get to the depth required. A monitoring well is part of the GSP but the Agency could develop the GSP, close out the grant and legally, he doesn't know if the Agency is tied to constructing the monitor well at that time or if it can be addressed later.

Director Everts asked if there was only one driller for all of southern California. Executive Director Bondy said there is one driller for southern California and one for northern California and the current contractor can only drill to 800 feet.

Executive Director Bondy reported on upcoming SGMA events, including the Groundwater Resources Association's Second Annual Groundwater Sustainability Agency (GSA) Summit in Fresno on June 5 and 6. He said it was a good program and exclusively focused on GSAs, with nuts and bolts presentations on what various GSAs are doing. He is planning on attending the event and proposed that MBGSA cover a portion of his time at the conference, shared with UVRGA and another client.

Executive Director Bondy said there had been questions about the groundwater extraction fee in response to the issue Fillmore Piru Basins GSA (FPBGSA) billing for periods prior to the Agency's establishment of fees. MBGSA legal counsel identified the issue and provided alternate language in the MBGSA fee resolution that avoids the issue. MBGSA legal counsel checked with FPBGSA legal counsel and verified that the wording used in MBGSA resolution is satisfactory and the Agency. Executive Director Bondy said it was a good catch on counsel's part and both attorneys think MBGSA is complying with the Water Code.

Director Chambers asked if any non-reporting wells had shown up. Executive Director Bondy said three or four have not reported to UWCD but should be, and that UWCD is working on getting the reporting. From the previous billing period, one invoice remains unpaid. He said he would address this with the Board if the invoice remains unpaid after the second invoice due date passes.

8. ACTION ITEMS

8a. Auditor Selection and Contract Approval

Motion

Executive Director Bondy reported that UWCD's Erin Gorospe received four proposals for auditing services from qualified agencies. The firm of Rogers, Anderson, Malody & Scott (RAMS) was the second lowest cost wise, but ranked highest on the overall scoring. Staff recommends contracting with RAMS and he supports her recommendation.

Ms. Sofley added that Ms. Gorospe also believed that she could negotiate a lower price (than what was proposed) for MBGSA services. Director Rungren said she read that in the staff report.

Executive Director Bondy said that UVRGA had spent \$10,000 for its fiscal year audit and the UVRGA's books are not in as good a shape as MBGSA's are, and

they had more transactions to audit. He added that the economy of scale achieved by combining the two agencies should provide for greater cost savings.

The Board discussed whether an audit of both fiscal years is required. Executive Director Bondy stated that he was not sure, but thought that an audit of Fiscal Year 2017/2018 might not be needed because the Agency did not have a bank account and did not receive any revenue until Fiscal Year 2018/2019.

Chair Mobley asked if the amount should be stated as "not to exceed" because it would likely be less. Executive Director Bondy said not to exceed would be appropriate.

Motion to authorize the Executive Director to negotiate and finalize a professional services agreement with RAMS, in an amount not to exceed \$5,555 for FY 2018-19 auditing services, Director Everts; Second, Director Chambers. Voice vote: four ayes (Chambers, Everts, Mobley, Rungren); none opposed; one absent (Shephard). Motion carries 4/0/1.

8b. Approval of Intera Work Order No.1

Motion

Executive Director Bondy explained that the proposed work order for Intera was for them to get up to speed. He said the work is estimated at \$10,000 for the review of background reports, setting up a GSP document template and to participate in project planning with the Executive Director and UWCD staff. Intera will meet with Executive Director Bondy and UWCD in an effort to get everyone's consensus regarding the work required over the next three years. In keeping with the Master Service Agreement template, the work order form is in a not-to-exceed amount and a short proposal with estimated from Intera is attached to the Work Order.

Motion to approve Work Order No. 1 for Intera, for the review of background information, creation of a GSP document template, and other preparatory activities outlined in the work order in an amount not to exceed \$10,000, Director Chambers; Second, Director Rungren. Voice vote: four ayes (Chambers, Everts, Mobley, Rungren); none opposed; one absent (Shephard). Motion carries 4/0/1.

8c. Schedule and Board Meetings for June through December 2019

Motion

Executive Director Bondy said he wanted to review the regularly scheduled Board meetings because the remainder of 2019 will be focused on developing the first grant invoice and progress report and initial GSP development activities, which do not require Board involvement. He wanted to propose that the Board cancel several of its scheduled monthly regular Board meetings between June and the end of the year. He said he anticipates that there will be little GSP material to review in the months ahead, but keeping in mind that the JPA requires at least quarterly meetings. He suggested meeting in June to adopt a budget for FY 2019-20 and approve the audit report, and cancel July and August meetings. Ms. Sofley reminded him of the reappointment of Stakeholder directors in August and/or September. Executive Director Bondy said he would have to review the JPA and bylaws to see if there are any issues.

It was mentioned that August and September would be final financial reporting for the FY 2018-19; that there was a lot going on in the background and that going into 2020 the Board needed to consider a stakeholder workshop in the early part of the year. Chair Mobley said there was also a need to present the UWCD groundwater model to the public. Executive Director Bondy said that he would like to have initial work product to take to stakeholders as conceptual information is harder for stakeholders to understand. Director Chambers asked if the model was available now and Executive Director Bondy replied that it was available now. Mr. Lindquist added that the model documentation including the Mound Basin was available now on the UWCD website.

Executive Director Bondy said that groundwater reports and the model were the basis for a lot of the Agency's work and will want to be presented to stakeholders. He said that with the work that Intera and UWCD are doing, there are several milestones to reach before stakeholder engagement in 2020 and he thinks that meeting quarterly will likely be sufficient for the time being.

Another issue with quarterly meetings is vendor payment. Papadopoulos invoices monthly as does Intera and they may not be okay with waiting for payment. Executive Director Bondy said the bylaws could be amended for directors to approve invoices between regular meetings.

Executive Director Bondy said he would be on vacation during the proposed August meeting date. Director Everts asked if there were requirements through SGMA other than the JPA quarterly board meetings. Executive Director Bondy said there was no specificity. He also suggested doing pre-meeting outreach through the MBGSA contacts list.

The Board did not make a motion regarding this item.

9. INFORMATION ITEMS

None.

10. FUTURE AGENDA ITEMS

FY2019-20 Budget; Stakeholder Director appointments; possible Audit Report, and UWCD's Kathleen Keupper to provide an update on the isotope study deep well sampling.

ADJOURNMENT 2:05p.m.

Chair Mobley adjourned the meeting at 2:05p.m. to the next **Regular Board Meeting** on Thursday, **June 20, 2019** 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 May 16, 2019.

ATTEST: _____
Susan Rungren, Board Secretary

ATTEST: _____
Kris Sofley, Clerk of the Board



MOUND BASIN GSA BOARD OF DIRECTORS MEETING
May 16, 2019

Name: Connor Zverts

Name: John Lindquist

Organization: _____

Organization: United WCD

Phone: (370) 804-6615

Phone: _____

E-mail: connere@gmail.com

E-mail: _____

Name: Katleen Kuepper

Name: _____

Organization: United Water

Organization: _____

Phone: _____

Phone: _____

E-mail: _____

E-mail: _____

Name: _____

Name: _____

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E-mail: _____

Mound Basin Groundwater Sustainability Agency

Check Detail

June 1 - 17, 2019

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Amount</u>
11273	06/17/2019	A.J. Klein, Inc T. Denatale, B. Goldner	10000 · Bank of the Sierra	(1,207.00)
11274	06/17/2019	Bondy Groundwater Consulting, Inc	10000 · Bank of the Sierra	(3,632.62)
11275	06/17/2019	S.S. Papadopulos & Associates, Inc.	10000 · Bank of the Sierra	(5,279.50)
	04/18/2019	Dept. of Water Resources	52252 · Prof Svcs - GSP Consultant	4,598.00
	05/13/2019	Dept. of Water Resources	52252 · Prof Svcs - GSP Consultant	681.50
				<u>5,279.50</u>
11276	06/17/2019	United Water Conservation District	10000 · Bank of the Sierra	(2,275.14)
			TOTAL CHECKS	(12,394.26)



MoundBasin
GROUNDWATER SUSTAINABILITY AGENCY

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 5(c)

DATE: June 20, 2019
TO: Board of Directors and Executive Director
FROM: Erin Gorospe, UWCD
SUBJECT: Monthly Financial Reports

SUMMARY

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

INFORMATIONAL ITEM

UWCD accounting staff has prepared financial reports based on the Mound Basin GSA revenue and expenses for the month of May 2019.

BACKGROUND

FISCAL SUMMARY

Not applicable.

ATTACHMENTS

- A. May 2019 Profit/Loss Statement
- B. May 2019 Balance Sheet

Mound Basin Groundwater Sustainability Agency
Profit & Loss Budget Performance
May 2019

	<u>Jul '18 - May '19</u>	<u>Annual Budget</u>	<u>% of Budget</u>
Income			
40001 · Groundwater Extraction Fees	167,650.44	204,000.00	82.18%
41000 · Grant revenue			
41001 · State Grants	0.00	9,540.00	0.0%
Total 41000 · Grant revenue	<u>0.00</u>	<u>9,540.00</u>	<u>0.0%</u>
47000 · Other Revenue			
47001 · Late Fees	488.75		
Total 47000 · Other Revenue	<u>488.75</u>		
Total Income	<u>168,139.19</u>	<u>213,540.00</u>	<u>78.74%</u>
Gross Profit	<u>168,139.19</u>	<u>213,540.00</u>	<u>78.74%</u>
Expense			
52200 · Professional Services			
52240 · Prof Svcs - IT Consulting	1,774.68	2,400.00	73.95%
52250 · Prof Svcs - Groundwater/GSP Pre			
52252 · Prof Svcs - GSP Consultant	32,753.50		
52250 · Prof Svcs - Groundwater/GSP Pre - Other	0.00	114,430.00	0.0%
Total 52250 · Prof Svcs - Groundwater/GSP Pre	<u>32,753.50</u>	<u>114,430.00</u>	<u>28.62%</u>
52270 · Prof Svcs - Accounting	2,156.78	17,000.00	12.69%
52275 · Prof Svcs - Admin/Clerk of Bd	5,342.83	20,000.00	26.71%
52280 · Prof Svcs - Executive Director	15,451.90	50,000.00	30.9%
Total 52200 · Professional Services	<u>57,479.69</u>	<u>203,830.00</u>	<u>28.2%</u>
52500 · Legal Fees			
52501 · Legal Counsel	8,733.33	42,400.00	20.6%
Total 52500 · Legal Fees	<u>8,733.33</u>	<u>42,400.00</u>	<u>20.6%</u>
53000 · Office Expenses			
53010 · Public Information	463.84	1,500.00	30.92%
53020 · Office Supplies	22.92	1,000.00	2.29%
53026 · Postage & Mailing	27.26		
53070 · Licenses, Permits & Fees	0.00	500.00	0.0%
53110 · Travel & Training	304.41		
Total 53000 · Office Expenses	<u>818.43</u>	<u>3,000.00</u>	<u>27.28%</u>
53500 · Insurance			
53510 · Liability Insurance	2,064.44	1,955.00	105.6%
Total 53500 · Insurance	<u>2,064.44</u>	<u>1,955.00</u>	<u>105.6%</u>
Total Expense	<u>69,095.89</u>	<u>251,185.00</u>	<u>27.51%</u>
Net Income	<u><u>99,043.30</u></u>	<u><u>-37,645.00</u></u>	<u><u>-263.1%</u></u>

Mound Basin Groundwater Sustainability Agency
Balance Sheet
As of May 31, 2019

	<u>May 31, 2019</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 · Bank of the Sierra	63,392.43
Total Checking/Savings	<u>63,392.43</u>
Accounts Receivable	
11000 · Accounts Receivable	210,896.03
Total Accounts Receivable	<u>210,896.03</u>
Total Current Assets	<u>274,288.46</u>
TOTAL ASSETS	<u><u>274,288.46</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	12,394.26
Total Accounts Payable	<u>12,394.26</u>
Other Current Liabilities	
20001 · Advance from City of Ventura	55,000.00
20002 · Advance from County of Ventura	50,000.00
Total Other Current Liabilities	<u>105,000.00</u>
Total Current Liabilities	<u>117,394.26</u>
Total Liabilities	117,394.26
Equity	
32000 · Retained Earnings	57,850.90
Net Income	99,043.30
Total Equity	<u>156,894.20</u>
TOTAL LIABILITIES & EQUITY	<u><u>274,288.46</u></u>



Motion Item No. 8(a)

DATE: June 20, 2019
TO: Board of Directors
FROM: Executive Director and Erin Gorospe, UWCD
SUBJECT: Proposed FY 2019-20 Budget and Extraction Fee Discussion

SUMMARY

FY 2019/2020 Budget and 5-Year Financial Projection

The proposed Fiscal Year 2019/2020 budget is shown in Attachment A. The attachment also includes projections for the following four years, for planning purposes. Fiscal Year 2017/2018 actuals and the projected year end amounts for the current fiscal year are also provided for your information.

The following changes are reflected in the updated budget and financial projections:

1. Projected unrealized GSP expenses and net income are carried forward from Fiscal Year 2018/2019.
2. Conversion to an accrual accounting format (the original multi-year projection presented in August 2018 was presented in cash accounting format).
3. Reclassification of the Agency's chart of accounts¹.
4. The final GSP grant agreement. Grant revenue originally associated with the monitoring well has been moved to the GSP tasks (reflected in the "Professional Services – Groundwater/GSP Preparation" line item) with a corresponding increase in grant revenue.
5. UWCD and MBGSA Board member in-kind labor is now included in expenses and revenues (previously was shown as a reduced expense only). To be conservative, Board member in-kind labor revenue is assumed to be zero for budgeting purposes due to the uncertainty in the amount of revenue that will be generated.
6. The legal services budget has been reduced due to lower than anticipated billings by Agency Counsel.
7. Grant administration has been moved from "Professional Services" to "Professional Services – Groundwater/GSP Preparation."

¹ The Agency budget previously showed grant tasks as budget line items. Pursuant to finance staff's recommendation, grant tasks expenditures will now be tracked as billing classifications across a given budget line item ("Professional Services – Groundwater/GSP Preparation" and "Professional Services – In-Kind GSP Services"). Detail reports can be run to show expenditures by grant task (billing classification).

8. Audit costs, originally missing from the budget, are now included.
9. Fiscal Year 2023/2024 is now shown in its entirety (the original multi-year projection presented in August 2018 only showed the first half of the year).

Actual and projected extraction fees are shown at top of the multi-year projection. Projected extraction fees are in-line with the August 2018 projection, except that fees for the last two semi-annual periods have been reduced by \$2 per acre-foot.

Projected cash flow is shown at the bottom of Attachment A. The projected ending cash balance is approximately \$150,000 more than the August 2018 multi-year budget. The higher cash balance is recommended to address uncertainty in the planning estimates and because the Agency may need to pay for a monitoring well if the Department of Water Resources Technical Support Services is not approved.

Extraction Fees

The groundwater extraction fee adopted in August 2018 was based on the Fiscal Year 2018/2019 budget. Because invoicing has been complete for two semi-annual periods, Agency Counsel has advised that a new extraction fee should be adopted. It is recommended that the Board schedule a public hearing for the next Regular Meeting on July 18, 2019 to consider adoption of extraction fees.

The Agency has two options for setting groundwater extraction fees. One approach would be to adopt a fee for the next two semi-annual billing periods based on the Fiscal Year 2019/2020 budget. The other option would be to set extraction fees based on the multi-year projection, in which case a maximum fee would be established and the Agency would have the option to set the fee at any amount less than or equal to the maximum amount each billing period, as based on the Agency's finances at that time. Staff and counsel recommend the latter approach because it would reduce administrative costs. If the Board concurs with the recommended approach, it should provide feedback on the multi-year projections so they can be updated and published at least 10 days before the next Board meeting, as required by Water Code Section 10730(b)(3).

RECOMMENDED ACTION

It is recommended that the Board discuss a draft multi-year budget and potential extraction fees, approve the proposed Fiscal Year 2019-20 Budget, and schedule a public hearing on July 18, 2019 to consider adoption of extraction fees.

BACKGROUND

Please see summary.

FISCAL SUMMARY

Please see summary.

ATTACHMENTS

A. Proposed FY 19/20 Budget and 5-Year Financial Projection

Action: _____
Motion: _____ 2 nd : _____
J.Chambers: _____ C.Everts: _____ M.Mobley: _____ S.Rungren: _____ G.Shephard: _____

Mound Basin Groundwater Sustainability Agency

Proposed FY 19/20 Budget and 5-Year Financial Projection

	Revenue and Expenditures						
	FY 2017-18 Actuals	FY 2018-19 Projections	FY 2019-20 Budget	FY 2020-21 Projections	FY 2021-22 Projections	FY 2022-23 Projections	FY 2023-24 Projections
Groundwater Extractions (AF) (Actual or Projected)	\$1,970	4,191 / 1,850	3,500 / 2,750	3,500 / 2,750	3,500 / 2,750	3,500 / 2,750	3,500 / 2,750
Groundwater Extraction Fees (\$/AF) (Actual or Projected)	40	40 / 35	30	28 / 19	19 / 19	19 / 17	17 / 17
Income							
40001 · Groundwater Extraction Fees	78,816	232,400	187,500	150,250	118,750	113,250	106,250
41000 · Grant Revenue							
41001 · State Grants	-	11,428	153,778	383,310	209,582	-	-
Total 41000 · Grant Revenue	-	11,428	153,778	383,310	209,582	-	-
47000 · Other Revenue							
47001 · Late Fees	-	489	-	-	-	-	-
Total 47000 · Other Revenue	-	489	-	-	-	-	-
50000 · In-Kind Revenue							
50001 · In-Kind Services	-	-	43,500	-	-	-	-
Total 50000 · In-Kind Revenue	-	-	43,500	-	-	-	-
Total Income	78,816	244,317	384,778	533,560	328,332	113,250	106,250
Gross Profit	78,816	244,317	384,778	533,560	328,332	113,250	106,250
Expense							
52200 · Professional Services							
52230 · Grant Solicitation	16,586	-	-	-	-	-	-
52240 · Prof Svcs - IT Consulting	-	2,400	893	920	947	976	1,005
52250 · Prof Svcs - Groundwater/GSP Pre							
52252 · Prof Svcs - GSP Consultant	-	37,698	249,830	425,900	148,636	73,000	42,000
52252 · Prof Svcs - In-Kind GSP Services	-	-	43,500	-	-	-	-
Total 52250 · Prof Svcs - Groundwater/GSP Pre	-	37,698	293,330	425,900	148,636	73,000	42,000
52270 · Prof Svcs - Accounting	-	7,000	18,560	10,300	17,077	7,055	5,000
52275 · Prof Svcs - Admin/Clerk of Bd	-	10,000	20,000	20,600	15,914	14,110	10,000
52280 · Prof Svcs - Executive Director	-	20,000	50,000	51,500	39,784	35,275	30,000
Total 52200 · Professional Services	16,586	77,098	382,783	509,220	222,358	130,416	88,005
52500 · Legal Fees							
52501 · Legal Counsel	4,379	10,000	21,600	33,000	29,200	14,350	10,000
Total 52500 · Legal Fees	4,379	10,000	21,600	33,000	29,200	14,350	10,000
53000 · Office Expenses							
53010 · Public Information	-	-	-	-	-	-	-
53020 · Office Supplies	-	500	1,015	1,045	1,077	1,109	1,142
53026 · Postage & Mailing	-	50	102	105	108	111	115
53110 · Travel & Training	-	203	-	-	-	-	-
Total 53000 · Office Expenses	-	753	1,117	1,151	1,185	1,221	1,257
53500 · Insurance							
53510 · Liability Insurance	-	2,064	2,126	2,190	2,255	2,323	-
Total 53500 · Insurance	-	2,064	2,126	2,190	2,255	2,323	-
70000 · Interest & Debt Service							
70120 · Interest Expense	-	1,238	2,363	2,363	2,363	-	-
Total Expense	20,965	91,153	409,989	547,923	257,361	148,309	99,262
Net Income	57,851	153,164	(25,211)	(14,363)	70,971	(35,059)	6,988

Mound Basin Groundwater Sustainability Agency
Proposed FY 19/20 Budget and 5-Year Financial Projection

	FY 2017-18 Actuals	FY 2018-19 Projections	FY 2019-20 Budget	FY 2020-21 Projections	FY 2021-22 Projections	FY 2022-23 Projections	FY 2023-24 Projections
Projected Working Capital/Fund Balance							
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Beginning Fund Balance, July 1	-	57,851	316,015	290,805	276,442	269,913	207,353
Projected Surplus (Shortfall)	57,851	153,164	(25,211)	(14,363)	70,971	(35,059)	6,988
Cash Advances	-	105,000	-	-	-	-	-
Repayment of Cash Advances	-	-	-	-	(77,500)	(27,500)	-
Projected Ending Working Capital/Fund Balance, June 30	57,851	316,015	290,805	276,442	269,913	207,353	214,341
Designated for Reserves	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Projected Net Available, June 30	32,851	291,015	265,805	251,442	244,913	182,353	189,341
Projected Cash Flow							
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Beginning Cash Balance, July 1	-	-	182,033	113,172	41,800	119,364	172,134
Projected Cash Inflows	-	291,650	296,568	476,613	411,385	228,782	106,250
Projected Cash Outflows	-	(109,617)	(365,429)	(547,985)	(333,821)	(176,012)	(99,262)
Projected Ending Cash Balance, June 30	-	182,033	113,172	41,800	119,364	172,134	179,122
Designated for Reserves	-	25,000	25,000	25,000	25,000	25,000	25,000
Projected Net Available, June 30	-	157,033	88,172	16,800	94,364	147,134	154,122



Motion Item No. 8(b)

DATE: June 20, 2019
TO: Board of Directors
FROM: Executive Director
SUBJECT: Reappointment of Stakeholder Directors

SUMMARY

Pursuant to Agency Bylaws Sections 2.4 and 2.5 and Joint Powers Agreement (JPA) Section 6.4, Stakeholder Directors serve one-year terms. The terms for Directors Chambers and Everts end on August 16, 2019.

Stakeholder Director appointment procedures are set forth in JPA Sections 6.3.4 and 6.3.5. The Agricultural Stakeholder Director is appointed by Mound Basin Agricultural Water Group (MBAWG) or the Ventura County Farm Bureau, if MBAWG does not make a nomination. The Environmental Stakeholder Director is appointed collectively by the twelve organizations listed in the JPA known as the “Santa Clara River Environmental Groundwater Committee” or The Nature Conservancy, if the committee does not make a nomination. Both Director Chambers and Everts have been nominated for reappointment (Attachment A). No other individuals were nominated for either Stakeholder Director position.

JPA Sections 6.3.4 and 6.3.5 require a unanimous vote of the Member Directors to appoint Stakeholder Directors.

RECOMMENDED ACTION

It is recommended that the Member Directors reappoint the current Stakeholder Directors for the August 2019 through August 2020 terms.

BACKGROUND

Please see summary.

FISCAL SUMMARY

Not applicable

ATTACHMENTS

A. Stakeholder Director Nominations

Action: _____ Motion: _____ 2 nd : _____ J. Chambers _____ C. Everts _____ M. Mobley _____ S. Rungren _____ G. Shephard _____
--

Re-nomination of Conner Everts as the Mound Basin GSA Environmental Stakeholder Director

E.J. Remson <eremson@TNC.ORG>

Thu 6/6/2019 5:08 PM

To: Bryan Bondy; connere@gmail.com <connere@gmail.com>; Shephard, Glenn <Glenn.Shephard@ventura.org>;

Cc: Ron Bottorff <bottorffm@verizon.net>; Bruce Schoppe <bschoppe6698@sbcglobal.net>; prettycheapjewelry <prettycheapjewelry@gmail.com>; Jason Weiner <jweiner.venturacoastkeeper@wishtoyo.org>; Paul Jenkin <ljenkin@surfrider.org>; Erynn Smith <erynnsmithusc@gmail.com>; ed@CFROG.org <ed@CFROG.org>; jeff@LPFW.org <jeff@LPFW.org>; Alasdair Coyne <sespecoyne@gmail.com>; candicemeneghin@gmail.com <candicemeneghin@gmail.com>; rmarlow@caltrout.org <rmarlow@caltrout.org>; connere@gmail.com <connere@gmail.com>; Charles Lester (clester@santaclarariver.org) <clester@santaclarariver.org>; merrill berge <merrillberge@gmail.com>;

Chairman Mobley and Directors of the Mound Basin GSA,

The Santa Clara River Environmental Groundwater Committee voted to re-nominate Mr. Conner Everts for the upcoming term as the Mound Basin GSA Environmental Stakeholder Director. There was no opposition.

The organizations listed below cast votes:

1. Friends of the Santa Clara River
2. CalTrout
3. The Nature Conservancy
4. Sierra Club
5. Audubon
6. Santa Clara River Conservancy
7. Wishtoyo
8. Surfrider
9. Keep Sespe Wild
10. CFROG

Thank you for the opportunity to submit this nomination.

E.J.

E.J. Remson
Senior Project Director
CA Water Program
eremson@tnc.org
(626) 799-2445

The Nature Conservancy
532 E Main St., Suite 200
Ventura, CA 93001
nature.org
groundwaterresourcehub.org



Bryan Bondy

From: Neal P. Maguire <nmaguire@fcoplaw.com>
Sent: Tuesday, May 28, 2019 3:00 PM
To: Bryan Bondy
Subject: MBAWG

MBAWG again nominates Jim Chambers to the Mound Basin GSA board.

Neal Maguire | Ferguson Case Orr Paterson LLP
1050 S. Kimball Road, Ventura, CA 93004
805.659.6800 ext. 217
nmaguire@fcoplaw.com

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Motion Item No. 8(c)

DATE: June 20, 2019
TO: Board of Directors
FROM: Executive Director
SUBJECT: Resolution 2019-01 – Establishing a Biennial Audit Frequency

SUMMARY

On May 16, 2019, the Board approved a contract with Rogers, Anderson, Malody & Scott (RAMS) to perform an audit of the Fiscal Year 2018/2019 accounts and records. Based on discussions with RAMS, it has been determined that a Fiscal Year 2017/2018 audit is required. RAMS and Agency Counsel both advise that the Agency has the option of performing of performing audits on an annual or biennial frequency. Thus, the Fiscal Year 2017/2018 and 2018/2019 audits may be performed together (biennial audit) or separately (annual audit). Staff believes biennial audits will provide adequate review of the Agency’s financial statements and internal controls. Thus, staff recommends a biennial audit frequency to help reduce administrative costs.

The Agency has not formally selected an audit frequency. Agency Counsel recommends establishing the Agency audit frequency by resolution and has reviewed Resolution 2019-01. If adopted, Resolution 2019-01 would establish a biennial audit frequency.

RECOMMENDED ACTION

It is recommended that the Board approve Resolution 2019-01 to establish a biennial audit frequency for the Agency.

BACKGROUND

Please see summary.

FISCAL SUMMARY

A biennial audit frequency will reduce administrative costs by several thousand dollars per year.

ATTACHMENTS

- A. Resolution 2019-01

Action: _____
Motion: _____ 2 nd : _____
J.Chambers: _____ C.Everts: _____ M.Mobley: _____ S.Rungren: _____ G.Shephard: _____



MoundBasin
GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2019-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
(AGENCY) ESTABLISHING A BIENNIAL FINANCIAL AUDIT**

WHEREAS, Government Code section 6505(b) requires the Agency to retain a certified public accountant to perform an annual audit of the Agency's accounts and records;

WHEREAS, Government Code section 6505(f) permits the Agency to replace the annual special audit with an audit covering a two-year period pursuant to a unanimous request of the governing body; and

WHEREAS, the Agency has notified the County of Ventura of the Agency's desire to replace the annual audit required under section 6505(b) with a biennial audit under section 6505(f) and the County of Ventura has made no objection to the Agency taking that action;

WHEREAS, at its June 20, 2019 meeting, the Board of Directors did thoroughly discuss and determine that biennial audits will provide adequate review of the Agency's financial statements and internal controls.

NOW, THEREFORE, the Board of Directors of the Agency does hereby resolve, find, determine and order as follows:

The Agency shall retain a certified public accountant to perform biennial audits of the Agency's accounts and records beginning with Fiscal Years 2017/2018 and 2018/2019.

PASSED, APPROVED, AND ADOPTED this 20th day of June, 2019.

Michael Mobley, Board Chair

ATTEST:

Bryan Bondy, Executive Director



Motion Item No. 8(d)

DATE: June 20, 2019
TO: Board of Directors
FROM: Executive Director
SUBJECT: Approve Change in Scope for Auditing Services

SUMMARY

On May 16, 2019, the Board approved a contract with Rogers, Anderson, Malody & Scott (RAMS) to perform an audit of the Fiscal Year 2018/2019 accounts and records and prepare a State Controller’s Report for an amount not to exceed \$5,655. It is noted that the motion was \$100 short of the actual proposal cost of \$5,755.

Based on discussions with RAMS, it has been determined that a Fiscal Year 2017/2018 audit is required. As discussed in Item No. 8c, the Fiscal Year 2017/2018 and 2018/2019 audits may be performed together (biennial audit) or separately (annual audit). Staff recommended a biennial audit frequency in Item No. 8c to help reduce administrative costs.

The contract with RAMS has not been executed yet. Staff recommends approving an audit of both Fiscal Year 2017/2018 and Fiscal Year 2018/2019 accounts and records. The new total authorization for completing the biennial audit of Fiscal Years 2017/2018 and 2018/2019 and filing of the FY 2018/19 State Controller’s reports is \$8,560. Performing a biennial audit will result in a savings of \$2,390 over the two-year period compared to performing an annual audit.

RECOMMENDED ACTION

It is recommended that the Board consider approving an amount not to exceed \$8,560 for auditing of the Fiscal Year 2017/2018 and 2018/2019 accounts and records and preparation of the annual State Controller’s Report.

BACKGROUND

Please see summary.

FISCAL SUMMARY

The total cost to for the FY 2017/2018 and FY 2018/2019 biennial audit and prepare the FY 2018/2019 State Controller’s Report is \$8,560.

ATTACHMENTS

none

Action: _____
Motion: _____ ^{2nd} : _____
J.Chambers: _____ C.Everts: _____ M.Mobley: _____ S.Rungren: _____ G.Shephard: _____



Motion Item No. 8(e)

DATE: June 20, 2019
TO: Board of Directors
FROM: Executive Director
SUBJECT: Resolution 2019-02 – Disbursement Approval Procedures

SUMMARY

Resolution 2019-02, if adopted, would amend Section 7.1 of the Agency’s Bylaws to implement two changes the Agency’s disbursement approval procedures.

First, it is recommended that the Treasurer and either the Board Chair or Vice Chair be authorized to approve disbursements in-between Board meetings, as may be necessary to comply with vendor contractual requirements or to otherwise avoid work delays. This will be particularly necessary when the Board meets less frequently than monthly.

The second change is to require Executive Director review of disbursements prior to approval. Executive Director review of disbursements is an appropriate internal control and will help ensure disbursements are made in accordance with contractual requirements.

The proposed amendments are as follows:

DEPOSIT AND DISBURSEMENT OF FUNDS. All funds of the Authority shall be deposited in one or more depository accounts as may be designated by the Board. Such accounts shall be independent of any account owned by or exclusively controlled by any of the Members. No disbursements of such funds shall be made unless the same shall have been approved in the annual operating budget, or otherwise specifically approved by the Board. Monthly, or at a time established by the Board, all disbursements shall be reviewed by the Executive Director, listed on a report by check number, vendor and amount, and approved by the Board prior to the issuance of a payment. When required by contract or as necessary to prevent work delays, disbursements may be approved by the Treasurer and Board Chair or Vice Chair. All check disbursements shall require dual signature that will include the Treasurer and Board Chair or Vice Chair.

In order to adopt Resolution 2019-02 at this meeting, the Board must unanimously approve a waiver of the thirty day written notice period for Agency Bylaw amendments, as provided for in Article 13.1 of the Agency Bylaws.

RECOMMENDED ACTION

It is recommended that the Board approve Resolution 2019-02 to modify the Agency’s disbursement approval procedures contained in Section 7.1 of the Agency’s Bylaws.

Motion Item 8(e)

June 20, 2019

Page 2

BACKGROUND

Please see summary.

FISCAL SUMMARY

Modifying the disbursement approval procedures will help the Agency avoid interest charges for late vendor payments.

ATTACHMENTS

A. Resolution 2019-02

Action: _____
Motion: _____ 2 nd : _____
J.Chambers: _____ C.Everts: _____ M.Mobley: _____ S.Rungren: _____ G.Shephard: _____



RESOLUTION NO. 2019-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY (AGENCY) MODIFYING DISBURSEMENT APPROVAL PROCEDURES

WHEREAS, Article 13.1 of the Agency Bylaws authorizes the Board of Directors (Board) to amend its Bylaws by resolution of the Board;

WHEREAS, Article 7.1 of the Agency Bylaws requires the Board to approve all disbursements and authorize issuance of checks in payment thereof; and

WHEREAS, the Board did thoroughly discuss and determine the need for revisions to Section 7.1 of the Agency's Bylaws at its June 20, 2019 meeting.

NOW, THEREFORE, the Board of Directors of the Agency does hereby resolve, find, determine and order as follows:

1. The Board unanimously waives the thirty day written notice period for Agency Bylaw amendments, as provided for in Article 13.1 of the Agency Bylaws.
2. Article 7.1 of the Agency Bylaws is hereby amended in its entirety to read as follows:

DEPOSIT AND DISBURSEMENT OF FUNDS. All funds of the Authority shall be deposited in one or more depository accounts as may be designated by the Board. Such accounts shall be independent of any account owned by or exclusively controlled by any of the Members. No disbursements of such funds shall be made unless the same shall have been approved in the annual operating budget, or otherwise specifically approved by the Board. Monthly, or at a time established by the Board, all disbursements shall be reviewed by the Executive Director, listed on a report by check number, vendor and amount, and approved by the Board prior to the issuance of a payment. When required by contract or as necessary to prevent work delays, disbursements may be approved by the Treasurer and Board Chair or Vice Chair. All check disbursements shall require dual signature that will include the Treasurer and Board Chair or Vice Chair

Resolution 2019-02
continued

PASSED, APPROVED, AND ADOPTED this 20th day of June, 2019.

Michael Mobley Board Chair

ATTEST:

Bryan Bondy, Executive Director