



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 and PUBLIC HEARING  
at 1:00 P.M. on  
Thursday, July 18, 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 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 June 20, 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. PUBLIC HEARING**

Resolution 2019-03: A Resolution of the Board of Directors of the Mound Basin Groundwater Sustainability Agency Determining and Establishing Groundwater Extraction Fees Against All Persons Operating Groundwater Extraction Facilities Within the Mound Basin for the Third through Fifth Semiannual Billing Periods (January-June 2019, July-December 2019, and January-June 2020).

**Motion**

The Board will open a PUBLIC HEARING to discuss potential extraction fees, based on the approved Fiscal Year 2019-20 Budget and the updated 5-year financial projection presented on June 20, 2019.

The Board welcomes public comment and testimony regarding the proposed groundwater extraction fees.

After receiving public comment and testimony, the Board will close the PUBLIC HEARING and consider adopting Resolution 2019-03 establishing the proposed groundwater extraction fees within the Mound Basin for the Third through Fifth Semiannual Billing Periods (January-June 2019, July-December 2019, and January-June 2020).

**8b. Master Service Agreement Amendments for S.S. Papadopoulos & Associates, Inc. and Intera, Inc.**

**Motion**

The Board will consider approving amendments to the Agency's Master Services Agreements (MSA) with S.S. Papadopoulos & Associates, Inc. and Intera, Inc. to add professional liability insurance requirements initially omitted from the MSA template.

**9. INFORMATION ITEMS  
NONE**

**10. FUTURE AGENDA ITEMS**

**ADJOURNMENT**

The Board will adjourn to the next **Regular Board Meeting** on Thursday, **August 15, 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 8<sup>th</sup> 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) July 12, 2019 (time) 4:45p.m. (attest) **Kris Sofley**  
At: <https://moundbasingsa.org>

Posted: (date) July 12, 2019 (time) 4:50p.m. (attest) **Kris Sofley**  
At: <https://www.facebook.com/moundbasingsa/>

Posted: (date) July 12, 2019 (time) 4:55p.m. (attest) **Kris Sofley**  
At: United Water Conservation District, 106 N 8<sup>th</sup> Street, Santa Paula CA 93060

Posted: (date) July 15, 2019 (time) 12:30p.m. (attest) **Debra Martinez**  
At: Ventura City Hall, 501 Poli Street, Ventura, California 93001



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**MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY**  
**BOARD OF DIRECTORS MEETING**  
**MINUTES**

**Thursday, June 20, 2019**  
**at Ventura City Hall, Santa Cruz Conference Room #223**  
**501 Poli Street, Ventura, California 93001**

**Directors Present**

Director Jim Chambers  
Director Conner Everts  
Director Mike Mobley (arrived at 1:23pm)  
Director Susan Rungren  
Director Glenn Shephard

**Staff Present**

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

**Public Present**

John Lindquist, UWCD  
Mark McLoughlin, McLoughlin Ranch  
Margo McLoughlin Ferris, MBAWG  
Tonril Raymond, McLoughlin Ranch  
Craig and Susie Thomas, McLoughlin Ranch

Vice Chair Shephard called the meeting to order at 1:06p.m.

**CALL TO ORDER 1:06 p.m.**

**1. PLEDGE OF ALLEGIANCE**

Vice Chair Shephard asked everyone to join him in reciting the Pledge of Allegiance.

**2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

Vice Chair Shephard asked if there were any public comments. None were offered.

**3. ROLL CALL**

Clerk of the Board conducted a roll call. Chair Mobley was the only Director not in attendance. The other four Directors were present.

**4. APPROVAL OF AGENDA**

**Motion**

Vice Chair Shephard asked if there were any changes to the agenda. Executive Director Bondy stated that he'd like to move motion item 8a to later in the agenda in anticipation of Chair Mobley's delayed arrival.

Motion to approve the agenda as amended, Director Everts; Second, Director Chambers. Voice vote: four ayes (Chambers, Everts, Rungren, Shephard), none opposed, one absent (Mobley). 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)

### 5a Approval of Minutes

#### Motion

Motion to approve the Minutes from the May 16, 2019 Mound Basin GSA Board of Directors meeting, Director Everts; Second, Director Rungren. Roll call vote: three ayes (Chambers, Everts, Rungren); none opposed; one abstained (Shephard, as he was not present at the May 16 meeting); one absent (Mobley). Motion carried 3/0/1/1.

### 5b Approval of Warrants

#### Motion

Vice Chair Shephard asked if there were any questions or comments. None were offered.

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

### 5c Monthly Financial Reports

#### Information Item

The Board received a monthly profit and loss statement and balance sheet for the Agency.

## 6. BOARD MEMBER ANNOUNCEMENTS

### 6a Director updates on matters not on the agenda.

Director Rungren reported that Ventura's Water Commission will meet on Tuesday, June 25 at 5:30p.m. to discuss the Environmental Impact Report for the State Water Interconnection project in the Community Meeting Room at City Hall. She reported that quite a few comment letters had been received and the Commission will be making a motion to send the report to the City Council on July 22 for certification by the City Council.

Director Chambers asked if the Board could review the report. Director Rungren said she thought he had it confused with another project. Mr. Bondy said Director Chambers may be thinking of the Water Pure project and that the City has confirmed the removal of all Mound Basin mentions from that document and that there no longer is much of relevance to MBGSA. Director Chambers said he was waiting until the report was out and available to the public. Director Rungren said

she hoped to take that to the City Council in September. Director Chambers said he'd like to review the document in time to comment. Director Rungren said the Water Commission had received comments and it would make recommendations to the City Council. Director Everts said the comment period was earlier. Mr. Bondy added that the comment period ended in April.

**6b Directors oral reports of time spent on grant eligible activities**

None of the Directors had any activities to report. Mr. Bondy reminded the Board that going forward, this is the time during the Board meeting that Directors will report on the time they have spent outside of the board meetings on any grant-eligible activities.

**7. EXECUTIVE DIRECTOR UPDATE**

Mr. Bondy said he had no updates other than the items presented on today's agenda.

**8. ACTION ITEMS** (the Action items were taken out of sequence to allow for Chair Mobley's late arrival as indicated in Agenda item 4)

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

Mr. Bondy explained that an audit for FY 2017-18 is required even though no income was received in that period because the Agency accrued expenses. Based on staff discussions with the auditing firm of Rogers, Anderson, Malody & Scott (RAMS), it has been confirmed that a FY 2017-18 audit is required. Both RAMS and the Agency's legal counsel confirmed that the Board has authority to approve either an annual or biennial audit. Staff recommended a biennial audit based on the fact of the Agency's limited income and expenses and for the cost savings combining the audits would provide. Staff notified the County of the Agency's planned decision and the County did not object. Mr. Bondy added that the audit cost was estimated at \$10,000 if conducted separately, but revised to \$8,560 if combined in a biennial audit.

Vice Chair Shephard asked if there were any questions or public comments. None were offered.

Director Everts made a motion to approve Resolution 2019-01 establishing a biennial audit frequency for the agency; Seconded by Director Chambers. Voice vote: four ayes (Chambers, Everts, Rungren, Shephard); none opposed; one absent (Mobley). Motion carries 4/0/1.

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

Mr. Bondy reported that by establishing the biennial audit for the Agency, staff was able to negotiate a new contract amount with the auditing services vendor. The new total authorization for completing the biennial audit for FY 2017-18 and FY 2018-19, and including the filing of the FY 2018-19 State Controller's report is \$8,650.

Vice Chair Shephard asked if there were any questions or comments. None were offered.

Chair Mobley arrived at 1:23 p.m. Mr. Bondy advised Chair Mobley that Action items 8a and 8b had been delayed to receive the full vote of the Board and brought him up to speed on the current motion item before the Board.

Motion to approve an amount not to exceed \$8,650 for auditing of the FY 2017-18 and FY 2018-19 accounts and records and preparation of the annual State Controller's Report, Director Rungren; Second, Director Everts. Voice vote: five ayes (Chambers, Everts, Mobley, Rungren, Shephard); none opposed; none absent. Motion carries unanimously 5/0/0.

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

Mr. Bondy advised the Board that this Resolution was to address a recommended change to the Agency's bylaws regarding disbursement approval procedures. He said that since it is likely that the Board will not be meeting every month, this change would continue to allow for monthly payment of vendor invoices. Mr. Bondy would review vendor invoices before presenting those invoices to the Board for approval and, the second change would allow for flexibility to approve disbursements between Board meetings by allowing disbursements to be approved by the Treasurer and Board Chair or Vice Chair. The modification also calls for all check disbursements to require dual signatures, one of which is the Treasurer and the second to be the Board Chair or Vice Chair. In order to adopt Resolution 2019-02, Mr. Bondy reminded the Board that it must unanimously approve a waiver of the 30 day written notice period required for Agency Bylaw amendments, as provided for in Article 13.1 of the Agency bylaws.

Chair Mobley asked if there were any need for further discussion by the Board. No response was made. Director Chambers stated that he thought this was an important step to keep things moving forward.

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

Motion to approve Resolution 2019-02 to modify the Agency's disbursement approval procedures contained in Section 7.1 of the Agency's Bylaws, Vice Chair Shephard; Second, Director Rungren. Roll call vote: five ayes (Chambers, Everts, Mobley, Rungren, Shephard); none opposed, none absent. Motion carries unanimously 5/0/0.

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

Mr. Bondy addressed the Board stating that, compared to last August, the five-year worksheet had a couple of changes based on the shift to accrual accounting methods. He said that in the final grant agreement, DWR removed the monitoring well but kept the funds in the grant. As a result, staff have listed the former monitoring well funds as both an expense and a revenue in the, so it's a net zero effect. Another change was the reclassification of the Agency's chart of accounts, which previously had grant tasks listed as expenditures. Those tasks will now be tracked as billing classifications across a given budget line item. In-kind labor is now included in both the expenses and revenues and, to be conservative, Board member in kind labor revenue is assumed to be zero for budgeting purposes. The legal services budget was reduced due to lower than anticipated billings by Agency

counsel. Audit costs are now included and half of FY 2023-24 has been added for a full five year projection. Actual and projected extraction fees are shown at top of the multi-year projection and projected extraction fees are in line with the August 2018 projection, except fees for the last two semi-annual periods have been reduced by \$2 per acre-foot. At the bottom of page two, projected net income is up by \$150,000, and it is appropriate for the Agency to have that balance as Mr. Bondy said he is not sure if the monitoring well will be funded by DWR under the Technical Support Services program. He said that FY 2020-21 cash flow gets low but still is above the \$25,000 reserve and staff will watch as we go forward to manage the pace of work.

Mr. Bondy said just to clarify, he is asking the Board to adopt the FY 2019-20 Budget as of July 1, 2019. The five year projection is in support of the Board's adoption of a new extraction fee. The Board has two options – one is to adopt the extraction fee for a single year or adopt the fee based on the five year projection, establishing a maximum fee and the Board will have the ability to adjust up to the maximum each year. That way the Board will be able to update the fee based on actual finances at that time. It depends on what feels right for the Board.

After a prolonged discussion, which included questions from the public in attendance regarding outstanding invoice from previous billing cycles, the Agency's process for following up with late payers and non-reporters, a member of the public inquired about the possibility of the rates being reduced if revenues significantly exceeded projected expenses and Mr. Bondy said yes, that was possible.

The Board then agreed to establish rates on an annual basis due to concerns about uncertainty in future pumping volumes. Mr. Bondy requested that the Board include a \$20,000 increase in the GSP consultant services in the FY 2019-20 Budget due to anticipated additional expenses that may be incurred for the isotope study. Mr. Bondy and Mr. Lindquist provided further background on the anticipated additional isotope study costs. Mr. Bondy asked for two separate motions from the Board members. The first motion is to approve the FY 2019-20 Budget including an additional \$20,000 in the GSP consultant line item. The second motion is to direct staff to schedule a Public Hearing as part of the July 18 regular board meeting to consider adoption of a new groundwater extraction fee.

Director Chambers said it was important to have projections, especially with such a range of pumping. Mr. Bondy said staff would revise the groundwater extraction fee setting to occur annually. Chair Mobley added that, maybe in the future, when the Agency has a better idea of pumping projections, it could establish groundwater extraction fees for a longer period of billing.

Ms. Gorospe asked for clarification on if the Board would be adopting a \$35/\$30 extraction fee; or adopting \$30 for FY 2019-20. Mr. Bondy said that first fee was based on the adopted FY 18/19 budget, and two billing cycles had already passed. Again, Ms. Gorospe clarified \$35 for FY 2018-19. Mr. Bondy said a single year budget with the fee invoiced for the year and the Board would set a new fee before the third cycle invoice. Vice Chair Shephard suggested the Board hold the fee through the FY 2019-20 budget and the Board could continue the discussion for



the next budget cycle, projecting fees next June and set extraction rates for July. Director Chambers agreed stating that it made sense to take that approach.

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

Motion to approve the FY 2019-20 budget including a \$20,000 addition to the GSP consultant line item, Director Everts; Second, Director Chambers. Roll call vote: five ayes (Chambers, Everts Mobley, Rungren, Shephard); none opposed, none absent. Motion carries unanimously 5/0/0.

Motion to schedule a public hearing for to consider adoption of groundwater extraction at the July 18 Mound Basin GSA Board meeting, Vice Chair Shephard; Second, Director Everts. Roll call vote: five ayes (Chambers, Everts, Mobley, Rungren, Shephard); none opposed; none absent. Motion carries unanimously 5/0/0.

**8b. Reappointment of Stakeholder Directors**

**Motion**

Mr. Bondy reminded the Board that appointment of Stakeholder Directors requires the unanimous vote of the Member Directors. To that end, he reported that MBAWG members had reappointed Director Chambers as its representative to the Mound Basin GSA Board and that, similarly, the Nature Conservancy, on behalf of the Santa Clara River Groundwater Environmental Committee Members, had reappointed Director Everts as its representative to the Mound Basin GSA Board.

Chair Mobley asked if there were any questions or need for discussion. None were offered. Chair Mobley asked if there were any public comments. None were offered.

Motion to reappointing Jim Chambers as the Agriculture Stakeholder Director and Conner Everts as the Environmental Stakeholder Director for a new one-year term beginning August 2019 and concluding in August 2020, Director Rungren; Second, Vice Chair Shephard. Voice vote: three ayes (Mobley, Rungren, Shephard); none opposed; none absent. Motion carries unanimously 3/0/0

**9. INFORMATION ITEMS**

**NONE**

**10. FUTURE AGENDA ITEMS**

Public Hearing on the Establishment of Groundwater Extraction Fees

**ADJOURNMENT 2:10p.m.**

Chair Mobley adjourned the meeting at 2:10p.m. to the next **Regular Board Meeting** on Thursday, **July 18, 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 June 20, 2019.

ATTEST: \_\_\_\_\_  
Susan Rungren, Board Secretary

ATTEST: \_\_\_\_\_  
Kris Sofley, Clerk of the Board

**Mound Basin Groundwater Sustainability Agency**  
**Check Report**  
 July 15, 2019

<b>Num</b>	<b>Date</b>	<b>Name</b>	<b>Account</b>	<b>Amount</b>
11277	07/15/2019	A.J. Klein, Inc T. Denatale, B. Goldner	10000 · Bank of the Sierra	(1,728.00)
	06/18/2019		52501 · Legal Counsel	54.00
	06/28/2019		52501 · Legal Counsel	1,674.00
				1,728.00
11278	07/15/2019	Bondy Groundwater Consulting, Inc	10000 · Bank of the Sierra	(6,662.18)
11279	07/15/2019	S.S. Papadopulos & Associates, Inc.	10000 · Bank of the Sierra	(368.00)
11280	07/15/2019	United States Postmaster	10000 · Bank of the Sierra	(154.00)
			<b>TOTAL CHECKS</b>	<b>(8,912.18)</b>



**MoundBasin**  
GROUNDWATER SUSTAINABILITY AGENCY

**MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY**

**Item No. 5(c)**

**DATE:** July 15, 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 June 2019. Please note that these are preliminary year-end reports and there will be additional accruals posted during the year-end close, including accrual of groundwater revenue and consultant expenses.

**BACKGROUND**

**FISCAL SUMMARY**

Not applicable.

**ATTACHMENTS**

- A. June 2019 Profit/Loss Statement - Preliminary
- B. June 2019 Balance Sheet - Preliminary

# Mound Basin Groundwater Sustainability Agency Profit and Loss Budget Performance

June 2019 - Preliminary

	<u>Jul '18 - Jun '19</u>	<u>Annual Budget</u>	<u>% of Budget</u>
<b>Income</b>			
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%
<b>Total 41000 · Grant revenue</b>	<b>0.00</b>	<b>9,540.00</b>	<b>0.0%</b>
47000 · Other Revenue			
47001 · Late Fees	488.75		
<b>Total 47000 · Other Revenue</b>	<b>488.75</b>		
<b>Total Income</b>	<b>168,139.19</b>	<b>213,540.00</b>	<b>78.74%</b>
<b>Gross Profit</b>	<b>168,139.19</b>	<b>213,540.00</b>	<b>78.74%</b>
<b>Expense</b>			
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	33,501.50		
52250 · Prof Svcs - Groundwater/GSP Pre - Other	0.00	114,430.00	0.0%
<b>Total 52250 · Prof Svcs - Groundwater/GSP Pre</b>	<b>33,501.50</b>	<b>114,430.00</b>	<b>29.28%</b>
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	21,721.90	50,000.00	43.44%
<b>Total 52200 · Professional Services</b>	<b>64,497.69</b>	<b>203,830.00</b>	<b>31.64%</b>
52500 · Legal Fees			
52501 · Legal Counsel	10,461.33	42,400.00	24.67%
<b>Total 52500 · Legal Fees</b>	<b>10,461.33</b>	<b>42,400.00</b>	<b>24.67%</b>
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	316.59		
<b>Total 53000 · Office Expenses</b>	<b>830.61</b>	<b>3,000.00</b>	<b>27.69%</b>
53500 · Insurance			
53510 · Liability Insurance	2,064.44	1,955.00	105.6%
<b>Total 53500 · Insurance</b>	<b>2,064.44</b>	<b>1,955.00</b>	<b>105.6%</b>
<b>Total Expense</b>	<b>77,854.07</b>	<b>251,185.00</b>	<b>30.99%</b>
<b>Net Income</b>	<b>90,285.12</b>	<b>-37,645.00</b>	<b>-239.83%</b>

**Mound Basin Groundwater Sustainability Agency**  
**Balance Sheet**

As of June 30, 2019 - Preliminary

	<u>Jun 30, 2019</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
10000 · Bank of the Sierra	188,566.97
<b>Total Checking/Savings</b>	<u>188,566.97</u>
<b>Accounts Receivable</b>	
11000 · Accounts Receivable	73,327.23
<b>Total Accounts Receivable</b>	<u>73,327.23</u>
<b>Total Current Assets</b>	<u>261,894.20</u>
<b>TOTAL ASSETS</b>	<u><u>261,894.20</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
20000 · Accounts Payable	8,758.18
<b>Total Accounts Payable</b>	<u>8,758.18</u>
<b>Other Current Liabilities</b>	
20001 · Advance from City of Ventura	55,000.00
20002 · Advance from County of Ventura	50,000.00
<b>Total Other Current Liabilities</b>	<u>105,000.00</u>
<b>Total Current Liabilities</b>	<u>113,758.18</u>
<b>Total Liabilities</b>	113,758.18
<b>Equity</b>	
32000 · Retained Earnings	57,850.90
Net Income	90,285.12
<b>Total Equity</b>	<u>148,136.02</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>261,894.20</u></u>



# MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

## *Motion Item No. 8a*

**DATE:** July 18, 2019  
**TO:** Board of Directors  
**FROM:** Executive Director  
**SUBJECT: PUBLIC HEARING**

Resolution 2019-03: A Resolution of the Board of Directors of the Mound Basin Groundwater Sustainability Agency Determining and Establishing Groundwater Extraction Fees Against All Persons Operating Groundwater Extraction Facilities Within the Mound Basin for the Third through Fifth Semiannual Billing Periods (January-June 2019, July-December 2019, and January-June 2020).

### **SUMMARY**

On August 23, 2018, the Agency adopted Resolution 2018-04, which levied a groundwater extraction fee of \$40 per acre foot on all groundwater extracted from within the GSA boundary. The basis for the initial groundwater extraction fee was the Agency's Fiscal Year 2018/2019 budget. The Agency has billed for two semi-annual periods of groundwater extraction. The first billing period was January-June of 2018 and the second billing period was July-December of 2018. Thus, an extraction fee must be established for additional billing periods.

On June 20, 2019, the Board of Directors reviewed the updated 5-year financial projection and adopted a budget for Fiscal Year 2019/2020 pursuant to the projections (Attachment A). The adopted Fiscal Year 2019/2020 budget and 5-year financial projection provide the basis for establishing extraction fees for upcoming billings.

During its June 20, 2019 meeting, the Board of Directors discussed two options for setting groundwater extraction fees. One approach discussed would be to adopt fees based solely on the Fiscal Year 2019/2020 budget. The other approach would be to set extraction fees for the next five years (beginning with Fiscal Year 2019/2020) based on the full five-year projection. The second approach would give the Agency the flexibility to change the extraction fee each billing period to any amount less than or equal to the maximum fee shown in the five-year projection without having to annually perform the fee adoption process. Due to concerns about uncertainty in future groundwater extraction volumes, the Board decided against the multi-year approach.

Because the Agency initially budgeted on a cash basis and has since transitioned to an accrual basis, the timing of budgeting, extraction fee adoption, and billing have become misaligned. In other words, the extraction fee (and revenue) should be adopted (and recognized) in the

same accounting period as the period in which the budgeted expenses are recognized. Staff recommends aligning adoption of the Agency's extraction fee with adoption of its annual budget which would require adopting the new extraction fee for an odd number of billing periods so that the billing periods can "catch up" to the Agency's Fiscal Year budget cycle. Staff recommends adopting fees for the next three billing periods (January-June 2019, July-December 2019, and January-June 2020), which would allow the Agency to next adopt its extraction fee concurrently with the Fiscal Year 2020/2021 budget. That fee (and accrued revenue) would then cover the July-December 2020 and January-June 2021 billing periods, which would align with the expenses accrued in the Fiscal Year 2020/2021 budget.

Invoices for January-June 2019 groundwater extractions using the new fee will be mailed in August or September and will be based on extractions during that billing period. Invoices for July-December 2019 groundwater extractions using the new fee will be mailed shortly after the close of that billing period. The same will occur for the fifth billing period of January-June 2020.

### **RECOMMENDED ACTIONS**

1. Conduct a public hearing regarding the proposed resolution that would establish a groundwater extraction fee to fund the costs of a groundwater sustainability program.
2. Adopt Resolution 2019-03 determining and establishing groundwater extraction fees against all persons operating groundwater extraction facilities within the Mound Basin GSA for the third through fifth semi-annual billing periods (January-June 2019, July-December 2019, and January-June 2020).

### **BACKGROUND**

Please see summary.

### **FISCAL SUMMARY**

The updated 5-year financial projection and adopted Fiscal Year 2019/2020 budget are available on-line at <https://www.moundbasingsa.org/>. 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.

### **ATTACHMENTS**

- A. Adopted FY 19/20 Budget and 5-Year Financial Projection
- B. Resolution 2019-03 Establishing Groundwater Extraction Fees

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_

J. Chambers \_\_\_ C. Everts \_\_\_ S. Rungren \_\_\_ G. Shephard \_\_\_ M. Mobley \_\_\_



**Mound Basin Groundwater Sustainability Agency**

**5-Year Financial Projection and Adopted FY 19/20 Budget (adopted June 20, 2019)**

	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 <b>Projected</b> )	\$1,970	4,191 / <b>1,850</b>	<b>3,500 / 2,750</b>	<b>3,500 / 2,750</b>	<b>3,500 / 2,750</b>	<b>3,500 / 2,750</b>	<b>3,500 / 2,750</b>
Groundwater Extraction Fees (\$/AF) (Actual or <b>Projected</b> )	40	40 / <b>35</b>	<b>30</b>	<b>28 / 19</b>	<b>19 / 19</b>	<b>19 / 17</b>	<b>17 / 17</b>
<b>Income</b>							
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	-	-
<b>Total 41000 · Grant Revenue</b>	<b>-</b>	<b>11,428</b>	<b>153,778</b>	<b>383,310</b>	<b>209,582</b>	<b>-</b>	<b>-</b>
47000 · Other Revenue							
47001 · Late Fees	-	489	-	-	-	-	-
<b>Total 47000 · Other Revenue</b>	<b>-</b>	<b>489</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
50000 · In-Kind Revenue							
50001 · In-Kind Services	-	-	43,500	-	-	-	-
<b>Total 50000 · In-Kind Revenue</b>	<b>-</b>	<b>-</b>	<b>43,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Income</b>	<b>78,816</b>	<b>244,317</b>	<b>384,778</b>	<b>533,560</b>	<b>328,332</b>	<b>113,250</b>	<b>106,250</b>
<b>Gross Profit</b>	<b>78,816</b>	<b>244,317</b>	<b>384,778</b>	<b>533,560</b>	<b>328,332</b>	<b>113,250</b>	<b>106,250</b>
<b>Expense</b>							
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	269,830	425,900	148,636	73,000	42,000
52252 · Prof Svcs - In-Kind GSP Services	-	-	43,500	-	-	-	-
<b>Total 52250 · Prof Svcs - Groundwater/GSP Pre</b>	<b>-</b>	<b>37,698</b>	<b>313,330</b>	<b>425,900</b>	<b>148,636</b>	<b>73,000</b>	<b>42,000</b>
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
<b>Total 52200 · Professional Services</b>	<b>16,586</b>	<b>77,098</b>	<b>402,783</b>	<b>509,220</b>	<b>222,358</b>	<b>130,416</b>	<b>88,005</b>
52500 · Legal Fees							
52501 · Legal Counsel	4,379	10,000	21,600	33,000	29,200	14,350	10,000
<b>Total 52500 · Legal Fees</b>	<b>4,379</b>	<b>10,000</b>	<b>21,600</b>	<b>33,000</b>	<b>29,200</b>	<b>14,350</b>	<b>10,000</b>
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	-	-	-	-	-
<b>Total 53000 · Office Expenses</b>	<b>-</b>	<b>753</b>	<b>1,117</b>	<b>1,151</b>	<b>1,185</b>	<b>1,221</b>	<b>1,257</b>
53500 · Insurance							
53510 · Liability Insurance	-	2,064	2,126	2,190	2,255	2,323	-
<b>Total 53500 · Insurance</b>	<b>-</b>	<b>2,064</b>	<b>2,126</b>	<b>2,190</b>	<b>2,255</b>	<b>2,323</b>	<b>-</b>
70000 · Interest & Debt Service							
70120 · Interest Expense	-	1,238	2,363	2,363	2,363	-	-
<b>Total Expense</b>	<b>20,965</b>	<b>91,153</b>	<b>429,989</b>	<b>547,923</b>	<b>257,361</b>	<b>148,309</b>	<b>99,262</b>
<b>Net Income</b>	<b>57,851</b>	<b>153,164</b>	<b>(45,211)</b>	<b>(14,363)</b>	<b>70,971</b>	<b>(35,059)</b>	<b>6,988</b>

## Mound Basin Groundwater Sustainability Agency

### 5-Year Financial Projection and Adopted FY 19/20 Budget (adopted June 20, 2019)

	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
<b>Projected Working Capital/Fund Balance</b>							
	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	270,805	256,442	249,913	187,353
Projected Surplus (Shortfall)	57,851	153,164	(45,211)	(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	270,805	256,442	249,913	187,353	194,341
Designated for Reserves	25,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Projected Net Available, June 30</b>	<b>32,851</b>	<b>291,015</b>	<b>245,805</b>	<b>231,442</b>	<b>224,913</b>	<b>162,353</b>	<b>169,341</b>
<b>Projected Cash Flow</b>							
	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	93,172	21,800	99,364	152,134
Projected Cash Inflows	-	291,650	296,568	476,613	411,385	228,782	106,250
Projected Cash Outflows	-	(109,617)	(385,429)	(547,985)	(333,821)	(176,012)	(99,262)
Projected Ending Cash Balance, June 30	-	182,033	93,172	21,800	99,364	152,134	159,122
Designated for Reserves	-	25,000	25,000	25,000	25,000	25,000	25,000
<b>Projected Net Available, June 30</b>	<b>-</b>	<b>157,033</b>	<b>68,172</b>	<b>(3,200)</b>	<b>74,364</b>	<b>127,134</b>	<b>134,122</b>



## **RESOLUTION 2019-03**

**A RESOLUTION OF  
THE BOARD OF DIRECTORS OF MOUND BASIN  
GROUNDWATER SUSTAINABILITY AGENCY  
DETERMINING AND ESTABLISHING  
GROUNDWATER EXTRACTION FEES AGAINST ALL PERSONS  
OPERATING GROUNDWATER EXTRACTION FACILITIES WITHIN  
THE MOUND BASIN FOR THE THIRD THROUGH FIFTH SEMIANNUAL  
BILLING PERIODS (JANUARY-JUNE 2019, JULY-DECEMBER 2019, AND  
JANUARY-JUNE 2020)**

**WHEREAS**, pursuant to the Sustainable Groundwater Management Act (SGMA), Groundwater Sustainability Agencies (GSA) are authorized to collect regulatory fees (Water Code Section 10730); and

**WHEREAS**, SGMA gives a GSA the authority to impose fees to fund the cost of preparing its Groundwater Sustainability Plan (GSP), including the preparation and amendment of a sustainability plan, investigation of groundwater conditions, compliance assistance, enforcement and program administration; and

**WHEREAS**, the type of fees that can be imposed to fund the cost of preparing a GSP include permit fees, fees on groundwater extraction, and fees on other regulated activity; and

**WHEREAS**, any action to impose such fees must be taken by ordinance or resolution; and

**WHEREAS**, the GSA adopted Resolution 2018-04 on August 23, 2018, which levied a groundwater extraction fee of \$40 per acre foot on all groundwater extracted from within the GSA boundary; and

**WHEREAS**, the basis for the groundwater extraction fee adopted pursuant to Resolution 2018-04 was the GSA's Fiscal Year 2018-2019 budget and the GSA has billed for two semi-annual periods of groundwater extraction pursuant that annual budget (January-June of 2018 and July-December of 2018); and

**WHEREAS**, the GSA adopted a budget for Fiscal Year 2019-2020 and updated its 5-year financial projection; and

**WHEREAS**, the GSA desires to align the timing of adoption of its extraction fee with adoption of its annual budget approval process; and

**WHEREAS**, the GSA complied with all applicable notice requirements by noticing a public meeting concerning these fees as follows:

1. By publication pursuant to Government Code Section 6066 in the Ventura County Star on July 2, 2019 and July 9, 2019;
2. By posting on the website of the GSA at [www.moundbasingsa.org](http://www.moundbasingsa.org), and on the Facebook page of the GSA at <https://www.facebook.com/moundbasingsa/>;
3. By mailing to any interested party who filed a written request with the GSA for mailed notice of the public fee meeting.
4. The Notice included:
  - The time and place of the meeting,
  - A general explanation of the fee under consideration; and
  - A statement that the data required under SGMA is publicly available.
5. At least 20 days prior to the public meeting, the GSA made the data upon which the fee is based, the GSA's 2019-2020 fiscal year budget and five-year financial projection, available to the public.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Mound Basin Groundwater Sustainability Agency that groundwater extraction fees should be levied as follows:

1. The following groundwater extraction fees shall be levied on all groundwater extracted from within the GSA boundary, regardless of whether that groundwater is derived from the native or an augmented supply:

3<sup>rd</sup> Semi-Annual Billing Period (January-June 2019 extractions): \$35 per acre foot

4<sup>th</sup> Semi-Annual Billing Period (July-December 2019 extractions): \$30 per acre foot

5<sup>th</sup> Semi-Annual Billing Period (January-June 2020 extractions): \$30 per acre foot

The GSA does hereby ratify and affirm its levy and assessment of these groundwater extraction fees in compliance with law against all persons operating groundwater producing facilities within the GSA boundary commencing July 19, 2019.

2. These groundwater extraction fees shall be billed semiannually with billing periods covering January through June and July through December. Unless otherwise determined by the Board of Directors of Mound Basin Groundwater Sustainability Agency, the GSA shall endeavor to adopt groundwater extraction fees concurrently with its annual budgeting process.

3. The Board of Directors of Mound Basin Groundwater Sustainability Agency, makes the following findings, based upon the testimony and evidence

(including exhibits) presented at said meetings and public hearing:

- (a) Revenues derived from the groundwater extraction fees will not exceed the funds required to provide for the Plan and related administrative services.
- (b) Revenues derived from the groundwater extraction fees shall not be used for any purpose other than that for which the groundwater fees are imposed.

PASSED, APPROVED, AND ADOPTED this 18th day of July, 2019.

\_\_\_\_\_  
Michael Mobley Board Chair

ATTEST:

\_\_\_\_\_  
Bryan Bondy  
Executive Director



# MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

*Motion Item No. 8b*

**DATE:** July 18, 2019  
**TO:** Board of Directors  
**FROM:** Executive Director  
**SUBJECT:** Master Service Agreement Amendments for S.S. Papadopoulos & Associates, Inc. and Intera, Inc.

**SUMMARY**

While recently reviewing the Agency’s Master Services Agreement (MSA) template, the Executive Director noticed that professional liability (errors and omissions) insurance requirements are not addressed. It is recommended that the Board approve the attached amendments to the MSAs with S.S. Papadopoulos & Associates, Inc. and Intera, Inc. to include professional liability insurance requirements.

**RECOMMENDED ACTIONS**

1. Approve the attached First Amendment to Master Services Agreement Between Mound Basin Groundwater Sustainability Agency and S.S. Papadopoulos & Associates, Inc.
  
2. Approve the attached First Amendment to Master Services Agreement Between Mound Basin Groundwater Sustainability Agency and Intera, Inc.

**BACKGROUND**

Please see summary.

**FISCAL SUMMARY**

None.

**ATTACHMENTS**

- A. First Amendment to Master Services Agreement Between Mound Basin Groundwater Sustainability Agency and S.S. Papadopoulos & Associates, Inc.
  
- B. First Amendment to Master Services Agreement Between Mound Basin Groundwater Sustainability Agency and Intera, Inc.

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_

J. Chambers \_\_\_ C. Everts \_\_\_ S. Rungren \_\_\_ G. Shephard \_\_\_ M. Mobley \_\_\_

FIRST AMENDMENT TO MASTER SERVICES AGREEMENT BETWEEN  
MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY AND INTERA, INC.

INTERA, Inc. (“Service Provider”) and Mound Basin Groundwater Sustainability Agency (MBGSA) entered into a certain master services agreement, dated effective April 9, 2019 (the “MSA”).

MBGSA now desires, and Service Provider agrees, to amend the terms of the Agreement as more particularly set forth below:

1. Section 12 of the MSA is hereby amended in its entirety to read as follows:

During the term of this MSA and for a period of three (3) years thereafter, you agree to keep and maintain, at its sole expense, additional insurance as follows:

- (a) Professional Liability (errors and omissions) Insurance of \$1,000,000 per claim and in the aggregate;
- (b) General Commercial Liability Insurance with combined bodily injury, property damage, product liability, completed operations, and contractual liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, which specifically covers this MSA, and names the other Party, its subsidiaries, and affiliated entities as additional insured Parties;
- (c) Automobile Liability Insurance, including coverage for hired, owned, or non-owned vehicles, in the amount of \$1,000,000 which specifically covers this MSA and names the other Party, its subsidiaries, and affiliated entities as additional insured Parties; and
- (d) You will furnish to us, upon request, an insurance certificate from a carrier with an A.M. Best rating of “A” or better satisfying the above requirements and containing a complete waiver of subrogation. Your insurance coverage may not be terminated or materially changed without thirty 30 days’ prior written notice to us.

2. Except as specifically modified and amended herein, all of the terms, provisions, requirements contained in the MSA remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed in Ventura County, California this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY:**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Mike Mobley, Board Chair

**SERVICE PROVIDER**

**INTERA, Inc.:**

By: \_\_\_\_\_ Date: \_\_\_\_\_

David Jordan, Vice President



FIRST AMENDMENT TO MASTER SERVICES AGREEMENT BETWEEN  
MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY AND  
S.S. PAPADOPULOS & ASSOCIATES, INC.

S.S. Papadopoulos & Associates, Inc. (“Service Provider”) and Mound Basin Groundwater Sustainability Agency (MBGSA) entered into a certain master services agreement dated effective January 28, 2019 (the “MSA”).

MBGSA now desires, and Service Provider agrees, to amend the terms of the Agreement as more particularly set forth below:

1. Section 12 of the MSA is hereby amended in its entirety to read as follows:

During the term of this MSA you agree to keep and maintain, at its sole expense, additional insurance as follows:

- (a) Professional Liability (errors and omissions) Insurance of \$1,000,000 per claim and in the aggregate;
- (b) General Commercial Liability Insurance with combined bodily injury, property damage, product liability, completed operations, and contractual liability coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, which specifically covers this MSA, and names the other Party, its subsidiaries, and affiliated entities as additional insured Parties;
- (c) Automobile Liability Insurance, including coverage for hired, owned, or non-owned vehicles, in the amount of \$1,000,000 which specifically covers this MSA and names the other Party, its subsidiaries, and affiliated entities as additional insured Parties; and
- (d) You will furnish to us, upon request, an insurance certificate from a carrier with an A.M. Best rating of “A” or better satisfying the above requirements and containing a complete waiver of subrogation. The certificate shall stipulate that should any of the above insurance policies be cancelled before the termination of this MSA, the issuing company will endeavor to provide 30 days’ prior written notice of such termination.

2. Except as specifically modified and amended herein, all of the terms, provisions, requirements contained in the MSA remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed in Ventura County, California this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY:**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Mike Mobley, Board Chair

**SERVICE PROVIDER**

S.S. PAPADOPULOS & ASSOCIATES, INC.:

By: \_\_\_\_\_ Date: \_\_\_\_\_

Matthew J. Tonkin, President