

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
BOARD OF DIRECTORS MEETING
MINUTES

**Thursday, July 18, 2019
1:00 P.M.**

**Ventura City Hall, Santa Cruz Conference Room #223
501 Poli Street, Ventura, California 93001**

DIRECTORS PRESENT:

Director Michael W. Mobley, Chair
Director Susan Rungren
Director Glenn Shephard
Director Jim Chambers
Director Conner Everts (arrived at 1:15pm)

STAFF PRESENT:

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

PUBLIC PRESENT:

Kathleen Kuepper, UWCD
John Lindquist, UWCD
Margo McLaughlin, McLaughlin Ranch
Mark A. McLaughlin, McLaughlin Ranch
Kioran Moss, Moss & Associates
Eddie Pech, DWR
Jay Todd, Ivy Lawn

CALL TO ORDER 1:07 p.m.

Chair Mobley called the meeting to order at 1:07pm

1. PLEDGE OF ALLEGIANCE

Chair Mobley led the group in reciting the Pledge of Allegiance.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chair Mobley asked if there were any public comments, none were offered.

3. ROLL CALL

Clerk of the Board called roll, all Directors present with the exception of Director Everts. (Note that Director Everts arrived late at approximately 1:15pm.)

4. APPROVAL OF AGENDA

Motion

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

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.

Motion to approve the Consent Calendar items 5a-5c, Director Rungren; Second, Director Shephard. Roll call vote: four ayes (Chambers, Rungren, Shephard, Mobley); none opposed, one absent (Everts). Motion carries unanimously 4/0/1.

6. BOARD MEMBER ANNOUNCEMENTS

6a Director Shephard reported that the Fox Canyon Groundwater Management Agency (FC GMA) was considering releasing the draft GSPs next Wednesday, beginning the 60 day public comment period. He added that the GSPs would be available for review online.

6b Directors did not report any time spent on grant eligible activities since the previous regular Board meeting.

Director Everts arrives at approximately 1:15pm.

7. EXECUTIVE DIRECTOR UPDATE

Executive Director Bryan Bondy reported that work progresses on the preparation of the first grant progress report and invoice, which is due August 15. Executive Director Bondy said he was working on the grant documents with UWCD's Erin Gorospe and, once submitted, would receive comments from DWR regarding any changes in reporting/invoicing that may be required.

Executive Director Bondy discussed funding for the GSA's monitoring well, saying that DWR was focused on applications for critical overdraft basins, so getting information on support for drilling was a challenge, but said he was continuing to pursue funding for the drilling until it is determined whether or not the DWR drilling team had the capability to construct the monitoring well to the GSA's specifications.

Executive Director Bondy said that the isotope study would be addressed during a later agenda item, but that some samples are scheduled for collection and he appreciated UWCD's efforts in helping with the sampling coordination. He also stated that GSP data transfer to Intera began and he again appreciated UWCD's effort in providing information to both Intera and him.

Executive Director Bondy added that he, Intera and UWCD were planning a kick-off meeting in August or September to look at the broader plan for the GSP and to figure out who was filling in the gaps and how the three groups were going to collaborate going forward.

Regarding late fees/late payments, Executive Director Bondy reported that there is one unpaid invoice from the first round of invoicing; and that from the second billing cycle, which went out in April, five invoices remain unpaid, one of which is for the same pumper that has not paid the first invoice.

Director Chambers asked if it would be helpful for him to reach out to customers who are not paying, taking a light touch at first in trying to resolve the late payment through outreach. He said that perhaps the others who have not paid the second invoice yet are just late in paying since they already paid the first invoice. He asked if the pumping reports went to UWCD. Executive Director Bondy said that reporting wasn't the issue and welcomed assistance from Director Chambers for outreach concerning late payments.

Executive Director Bondy then discussed the GSA's contracts with UWCD, of which there are two – one is for administrative and fiscal support and another for technical support. He said that UWCD bills at current labor rates for the fiscal year from July through June. The contracts with UWCD do not require approval of rate changes, but he just wanted the Board to be aware that the Senior Account Erin Gorospe had been promoted to Controller, so there was a notable increase (58 percent) in the billing rate for her services. He explained that the plan is for Ms. Gorospe to delegate more work to an Accountant I, but at the moment, staff is busy with year-end reporting but it is expected that by late summer, the work will be delegated to the more cost effective Accountant I staff member. Executive Director Bondy said the lower rate of Accountant I will work out so there is no net change, which he is comfortable with. He added that he holds Erin Gorospe in high regard and that they work well together so he is continuing as she has proposed.

Regarding the technical services contract with UWCD, Executive Director Bondy said that there is no provision for increased rates and the contract assumes a three percent increase per year for the UWCD technical staff. Erin Gorospe

informed Executive Director Bondy that due to the number of employees, the District had a .9 percent increase in rates due to Workers Compensation. Executive Director Bondy said that if the Board is not comfortable with rate increases at any point, he could speak with Dr. Maryam Bral to get clarification and possibly a contract amendment to clarify labor rate increases.

8. ACTION ITEMS

8a. PUBLIC HEARING

Chair Mobley then opened the Public Hearing on Extraction Fees for the third through fifth semiannual billing periods of January – June 2019, July – December 2019, and January- June 2020.

Staff proposed an extraction rate of \$35 an acre foot for the period of January through June 2019; then reducing the extraction rate to \$30 an acre foot for the periods of July through December 2019 and January through June 2020, as was projected in the approved 5-year budget.

Executive Director Bondy said that the proposed rates are consistent with the adopted long range budget and commitment of the Board of Directors to lower rates going forward. He also explained that initially, the GSA's budget was set up on a cash basis, but has since been changed to now an accrual basis. As a result the timing of budgeting, extraction fee adoption, and billing became misaligned. He explained that 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. He further explained that 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.

Chair Mobley confirmed the Board had approved the fiscal year annual budget and Executive Director Bondy cited page 2 of the cash flow projections which showed a \$68,000 balance at the end of the current fiscal period, based on estimates. He said that looking at the account receivables and expendables of funds, there was still a \$25,000 reserve.

Chair Mobley asked if there were any questions or comments regarding extraction fees.

One of the members of the public asked if the GSA was pursuing grants. Executive Director Bondy said that the GSA has received a Prop 1 Grant for the GSP. Chair Mobley said that was based on work done in multiple years. Executive Director Bondy explained that staff estimated when the work would be done, which was approved in the agreement with DWR. Chair Mobley added that without the DWR grant, extraction fees would be a lot higher.

With no other questions or comments offered, Chair Mobley closed the Public Hearing at 1:28p.m. Chair Mobley then asked for a motion.

Motion to adopt 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), Director Rungren; Second, Director Everts. Roll call vote: five ayes (Chambers, Everts, Rungren, Shephard, Mobley); none opposed; none abstaining. Motion carries unanimously 5/0/0.

Margie McLaughlin asked the Board if there was any recourse for those customers that did not pay their GSA invoices. Executive Director Bondy said that hasn't really been discussed with legal counsel yet but there are some options available to the GSA.

Chair Mobley said that the individuals are paying their United fees, just not the Mound Basin fees.

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

Motion

Executive Director Bondy addressed the Board saying that this motion was a simple contract amendment, revising the GSA's template contract language as the previous version did not include professional liability insurance requirements. He said the GSA definitely wants to have that language included in its contracts and that he spoke with both companies, who are amenable to the amendment to the agreement, copies of which were included in the Board packet for review. He pointed to section 12 and the addition of the new item "a" language.

Director Chambers asked if the insurance was state based and if the GSA had insurance companies selected.

Executive Director Bondy said the contract only required a rating of A or better, but didn't specify the insurance provider.

Motion to approve the amendments to Master Services Agreements with S.S. Papadopoulos & Associates, Inc., and Intera, Inc., to include professional liability insurance requirements, Director Everts; Second, Director Shephard. Roll call vote: five ayes (Chambers, Everts, Rungren, Shephard, Mobley); none opposed; none abstaining. Motion carries unanimously 5/0/0.

**9. INFORMATION ITEMS
NONE**

10. FUTURE AGENDA ITEMS

Director Everts asked if there were any plans to attend DWR's workshops on GSP submissions. Executive Director Bondy said he wasn't planning on attending the workshops and that he was learning from the Fox Canyon GMA process, such as details of web portal use. Director Everts said the DWR newsletter announced GSP alternative submissions, such as Ojai's, and a memo said the Ojai plan didn't meet criteria, as the focus was on sustainability criteria and Ojai was a new concept. Executive Director Bondy said he would be reviewing approved and disapproved alternative plans with the goal of learning more about what DWR may be expecting to see in the GSPs.

Director Chambers said he'd like to discuss stakeholder engagement and allocation at a future meeting, to which Director Shephard replied that allocation are still being developed. Chair Mobley said the allocations had not been approved and are generating a lot of controversy. Director Shephard added that there are two workshops in August, one on the 20th at the County's offices and another in Camarillo, during which time Dudek would be going through the GSPs with the public.

Director Chambers then asked if there were any other GSAs that Mound Basin could align with regarding updates or issues. Executive Director Bondy said there are lessons to be learned from other agencies going before Mound Basin and there are technical advisory committees too.

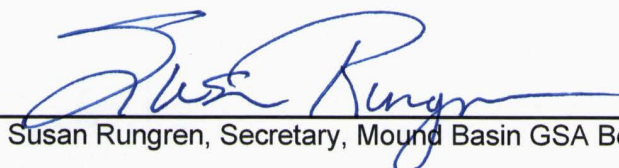
Director Shephard said that Fox Canyon GMA has to submit GSPs for Oxnard, Pleasant Valley and Los Posas by January 2020, which was just a few short months away. He said the Cuyama Basin is also working on the same timeline, with submission required by January 2020. And that Carpentaria's priority ranking changed to the 2022 cycle. Executive Director Bondy said that Carpentaria also has problems with seawater intrusion and some other issues and had five years to do GSP once priority changes.

ADJOURNMENT 1:43p.m.

Chair Mobley adjourned the meeting at 1:43p.m., (reminding the Board of the 2pm start of the Special Board meeting), to the next **Regular Board Meeting** on Thursday, **August 15, 2019**, or call of the Chair.

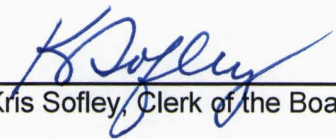
I certify that the above is a true and correct copy of the minutes of the Mound Basin Groundwater Sustainability Agency's Board of Directors meeting of July 18, 2019.

ATTEST:


Susan Rungren, Secretary, Mound Basin GSA Board of Directors

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Attest:


Kris Sofley, Clerk of the Board



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

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

MOUND BASIN GSA BOARD OF DIRECTORS MEETING and PUBLIC HEARING

July 18, 2019

Name: John Lindquist

Organization: United WCD

Phone: _____

E-mail: _____

Name: Kieran Moss

Organization: Moss Assoc

Phone: 805 339 0613

E-mail: Kdmvenc@earthlink.net

Name: Margo McLaughlin Ferris

Organization: McLaughlin Ranch

Phone: 714 231 7024

E-mail: margoferris@gmail.com

Name: MARK A. McLaughlin

Organization: McLaughlin Ranch

Phone: 805 264 2416

E-mail: mykk@msn.com

Name: Jay Todd

Organization: Jay Lawton

Phone: 805 482-0179

E-mail: pvhbilla@gmail.com

Name: Kathleen Kuepper

Organization: United WCD

Phone: _____

E-mail: _____

Name: Eddie Pech

Organization: DWR

Phone: _____

E-mail: eduardo.pech@water.ca.gov

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

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