



BOARD OF DIRECTORS MEETING

NOTICE IS HEREBY GIVEN
that the Mound Basin Groundwater Sustainability Agency's ("Agency")
Board of Directors ("Directors")
will hold a **BOARD MEETING at 1:30 P.M. on Thursday, October 18, 2018**
at the **County of Ventura's Public Works Agency's Saticoy Operations Yard**
Conference Room B located at
11251-A Riverbank Dr, Ventura, CA 93004

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY BOARD OF DIRECTORS

AGENDA

Thursday, October 18, 2018

CALL TO ORDER

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. **EXECUTIVE DIRECTOR UPDATE**

6. **DIRECTORS UPDATES**

7. **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)

7a. **Approval of MINUTES**

The Board will consider approving the Draft Minutes from the Board of Directors Meeting of August 16, 2018 and the Special Meeting/Public Hearing of August 23, 2018.

7b. **Monthly Financial Reports**

The Board will receive monthly financial reports from UWCD's accounting staff.

7c. Invoices for payment approval (outstanding invoices \$42,529.11)

The Board will consider approving invoices for payment, as follows:

1. insureCAL Insurance Agency (General Liability Policy) \$1,995.24
2. Klein Denatale Goldner Cooper Rosenlieb & Kimball (legal services) \$8,861.57
(encompasses invoices for legal services for May, June, July, August and September)
3. Bondy Groundwater Consulting (GSP Grant application) \$16,585.61
4. Bondy Groundwater Consulting (GSP \$6,365; Admin \$1,987.21) \$8,352.21
(encompasses invoices for GSP tasks and GSA administration for July and August)
5. County of Ventura IT Services (Website and hosting) \$1,774.68
6. Michael Mobley (expense reimbursement) \$100.00
7. Bondy Groundwater Consulting (GSP\$3752.50; Admin \$1,151.45) \$4,903.95

8. ACTION ITEMS

8a. Approval of Stakeholder Engagement Plan

Motion

The Board will consider approving the proposed Stakeholder Engagement Plan.

8b. Approval of Grant Agreement

Motion

The Board will consider approving the DWR Prop 1 Grant Agreement.

8c. Approval of Waiver of Late Fees and Penalties relating to Groundwater Extraction Fees

Motion

The Board will consider approving a one-time waiver of Late Fees and Penalties relating to Groundwater Extraction Fees for all customers.

8d. FY 2018-19 Budget Amendment

Motion

The Board will consider amending the FY 2018-19 budget to account for revenue projections on an accrual basis.

9. INFORMATION ITEMS

9a. GSP Development Options

Informational Item

Executive Director Bryan Bondy will lead the Directors in a discussion of the various options relating to the development of the Agency's Groundwater Sustainability Plan.

9b. Ventura's WaterPure Project Presentation

Informational Item

Ventura Water will provide an overview of its WaterPure project.

10. FUTURE AGENDA ITEMS

ADJOURNMENT

Mound Basin Groundwater Sustainability Agency
Board of Directors Meeting Agenda for
October 18, 2018
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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) 524-1500. 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) **October 15, 2018** (time) **9a.m.** (attest) **Kris Sofley**
At: <https://www.moundbasingsa.org>

Posted: (date) **October 15, 2018** (time) **9:15a.m.** (attest) **Kris Sofley**
At: <https://www.facebook.com/moundbasingsa/>

Posted: (date) **October 15, 2018** (time) **9a.m.** (attest) **Kris Sofley**
At: **United Water Conservation District, 106 N 8th Street, Santa Paula CA 93060**

Posted: (date) **October 15, 2018** (time) **1:30p.m.** (attest) **Debra Martinez**
At: **Ventura City Hall, 501 Poli Street, Ventura, California 93001**

Posted: (date) **October 15, 2018** (time) **9a.m.** (attest) **Kris Sofley**
At: **County of Ventura's Public Works Agency's Saticoy Operations Yard, 11251-A Riverbank Dr, Ventura, CA 93004**

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 5

DATE: October 18, 2018

TO: Board of Directors

SUBJECT: Executive Director Update

a) Basin Boundary Modification Update

b) Website Update

c) Extraction Fee Update

d) GSP Grant Update

e) Miscellaneous Updates



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

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY BOARD OF DIRECTORS
REGULAR BOARD MEETING, 1:00 P.M., Thursday, August 16, 2018
Ventura City Hall, Room 223 (Santa Cruz Room)
501 Poli Street, Ventura, California 93001
MINUTES

DIRECTORS IN ATTENDANCE:

Mike Mobley, Chair
Kevin Brown, Vice Chair/Secretary
Glenn Shephard, Treasurer
Jim Chambers

DIRECTORS ABSENT:

Conner Everts

STAFF IN ATTENDANCE:

Kris Sofley, Clerk of the Board

PUBLIC IN ATTENDANCE:

Dan Detmer, UWCD
Ryan Kristensen, GHD
Dante Tello, Bank of Sierra
Jennifer Tribo, Ventura Water

CALL TO ORDER 1:10p.m.

1. PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chair Mobley asked for public comments. None were offered.

3. ROLL CALL

Chair Mobley, Vice Chair/Secretary Brown, Treasurer Glenn Shephard, Director Jim Chambers all present. Director Everts is absent.

4. APPROVAL OF AGENDA

Motion

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

5. CONSENT CALENDAR

Director Shephard asked to pull Consent Calendar item 5.b for discussion, then made a motion to approve Consent Calendar item 5.a Minutes; Second, Director Chambers. Roll call vote: four ayes (Brown, Chambers, Mobley, Shephard); none opposed, one absent (Everts). Consent Calendar 5A motion to approve carries unanimously 4/0/1.

5a Approval of Minutes from July 26, 2018 Mound Basin GSA Board meeting

5b Approval of Invoices to County of Ventura and City of Ventura

Ventura County/Watershed Protection District (\$50,000); City of Ventura/Ventura Water (\$55,000)

Director Shephard reported that the County of Ventura was revising documentation for the cash advance (loan) agreement between the County and the Mound Basin GSA. He said that the invoice prepared by the Mound Basin GSA was okay, and that Legal Counsel Joe Hughes was involved, but a letter of intent needed to go before the County Board of Supervisors for its approval. He also requested that the repayment deadline in Article 1 Advance and Repayment, Section B. Repayment be changed to December 31, 2021.

Director Brown reported that the invoice and agreement looked fine and would be sent to the City's attorney Miles Hogan for review.

Motion to approve and submit invoices to the County of Ventura – Watershed Protection District in the amount of \$50,000 and the City of Ventura – Ventura Water in the amount of \$55,000, for authority funding contributions to the Mound Basin GSA activities which will be repaid with accrued interest at the LAIF rate and authorize Board Chair to work with the County and City to finalize the cash advance and repayment agreements' language and invoicing, Director Brown; Second, Director Shephard. Voice vote: four ayes (Brown, Chambers, Mobley, Shephard); none opposed; one absent (Everts). Motion carries unanimously 4/0/1.

6. BOARD MEMBER ANNOUNCEMENTS

No announcements were made.

7. ACTION ITEMS

7a. Nomination and Appointment of Environmental Stakeholder Director

Motion to approve the Santa Clara River Environmental Groundwater Committee's nomination of Connor Everts for a second one-year term as Environmental Stakeholder Director, Director Brown; Second, Director Shephard. Voice vote: four ayes (Brown, Chambers, Mobley, Shephard); none opposed; one absent (Everts). Motion carries unanimously 4/0/1.

7b. Nomination and Appointment of Agricultural Stakeholder Director

Motion to approve the Mound Basin Agricultural Water Group (MBAWG) nomination of Jim Chambers for a second one-year term as Agricultural Stakeholder Director for the Mound Basin GSA, Director Brown; Second, Director Shephard. Voice vote: four ayes (Brown, Chambers, Mobley, Shephard); none opposed; one absent (Everts). Motion carries unanimously 4/0/1.

7c. Review and Planning for Public Hearing on Establishment of the Agency's Groundwater Extraction Fee Assessments and Proposed Mound Basin Boundary Modifications

Chair Mobley reviewed the numbers in the long term and FY 2018-19 budget, including a \$25,000 reserve balance and the removal of the \$50,000 in in-kind services from UWCD as revenue and shown as reduction in labor expenses instead. He reported that the prior version of the Budget had an extra six-month period of revenue that will not be received during the budget period (extractions and extraction fee revenue is shifted in time to reflect the fact that revenue is received during the six-month period after the pumping occurs).

Director Chambers asked about the volume dropping off and Chair Mobley explained that January through June extraction volumes were revised downward based on further review of historical records and input from UWCD's CFO Tina Rivera and Ventura. Director Brown asked if those figures had been confirmed with United Water and Chair Mobley said the numbers would be finalized by the end of the month but that these were good estimates. Chair Mobley, Director Brown and Director Chambers continued to discuss the pumping and extraction estimates. Director Chambers expressed concern over the \$40 per acre foot rate to cover the decrease in estimated usage. Ms. Tribo said she spoke with Bryan Bondy regarding the numbers and, over the next six months, it may be possible to adjust the rate if more extraction occurs. Ms. Tribo reiterated that the pumping reported for the period of January through June of 2018 is billed in July 2018, and Mr. Bondy was looking to secure more revenue upfront. Director Chambers asked how much agriculture was being charged in contrast to M&I. Director Brown said the rate was the same, no differential in rates for each group.

He also said that GSP Chapter 2 expenses of \$52,000 was added to make the budget consistent with the grant schedule after Mr. Bondy's meeting with DWR's Eddie Pech.

Chair Mobley addressed the Basin Boundary Modification, and Mr. Detmer of UWCD added that the latest revision is a more accurate depiction of geologic conditions.

Chair Mobley said minor (non –substantive) edits were made to the proposed Resolution. Including keeping language to indicate that extraction fees should apply to all pumped water whether it is native ground or augmented water. Director Brown took issue with this and asked that the language in the Resolution be changed to omit "or augmented water." He said that what Ventura put into the basin should not be charged to be taken out, and that only an administrative fee should apply not a pump fee.

Director Brown said that Ventura was looking to bring in direct potable reuse (DPR) as part of its aquifer storage and recovery project as well as indirect potable reuse (IPR) from its recycled water project as well as State Water to be stored in the Mound Basin. He said that Ventura would have to negotiate with the Mound Basin GSA before any of this occurs, of course, but adding an extraction fee on top of administrative costs doesn't seem appropriate.

Motion to approve the adjustments made to the proposed groundwater extraction fee assessments in the Agency's Long Term Budget worksheet and FY 2019-19 Budget; and approve the publishing of the DRAFT Resolution adopting the proposed groundwater extraction fee assessment and FY 2018-19 Budget as amended for public review, Director Shephard; Second, Director Brown. Voice vote: four ayes (Brown, Chambers, Mobley, Shephard); none opposed; one absent (Everts). Motion carries unanimously 4/0/1.

7d. Proposed Bylaws

Motion to approve the proposed Bylaws as amended by legal counsel based on Board direction, Director Shephard; Second, Director Chambers. Voice vote: four ayes (Brown, Chambers, Mobley, Shephard); none opposed; one absent (Everts). Motion carries unanimously 4/0/1.

9. FUTURE AGENDA ITEMS

None were offered.

ADJOURNED 2:05pm

The Board adjourned at 2:05p.m. to the next **Regular Board Meeting** on Thursday, **September 20, 2018** 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 August 16, 2018.

ATTEST: _____
Kevin Brown, Board Secretary

ATTEST: _____
Kris Sofley, Clerk of the Board



MOUND BASIN GSA BOARD OF DIRECTORS MEETING AUGUST 16, 2018

Name: Jim Chambers

Organization: AG DIRECTOR

Phone: 858-2047680

E-mail: _____

Name: Den Detmer

Organization: United WCD

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: Ryan Kristensen

Organization: GHD

Phone: (661) 313-5041

E-mail: ryan.kristensen@ghd.com

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____



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

**MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY SPECIAL BOARD OF
DIRECTORS MEETING AND PUBLIC HEARING**

Thursday, August 23, 2018, 1p.m.

**Ventura City Hall, Community Meeting Room (Room No. 202)
501 Poli Street, Ventura, California 93001**

MINUTES

DIRECTORS IN ATTENDANCE:

Kevin Brown, Vice Chair
Jim Chambers
Mike Mobley, Chair
Glenn Shephard, Treasurer

DIRECTORS ABSENT:

Conner Everts

STAFF IN ATTENDANCE:

Bryan Bondy, Executive Director
Joe Hughes, Legal Counsel
Kris Sofley, Clerk of the Board

PUBLIC IN ATTENDANCE:

Kathy Bremer, resident
Dan Detmer, UWCD
Neal Maguire, Ferguson Case Orr Paterson LLP
Debra Martinez, Ventura Water
Tony Morgan, DBS&A
Jennifer Tribo, Ventura Water

CALL TO ORDER 1:03 p.m.

1. PLEDGE OF ALLEGIANCE

2. PUBLIC HEARING

Resolution 2018-04 A Resolution of the Board of Directors of Mound Basin Groundwater Sustainability Agency Determining and Establishing Groundwater Extraction Charges against All Persons Operating Groundwater Extraction Facilities within the Mound Basin

Board Chair opened the Public Hearing regarding the Agency's establishing a fee pursuant to Water Code Section 10730 et seq., to offset anticipated administrative and operational costs of the GSA, GSP development costs, and other efforts required for compliance with SGMA. The Agency anticipates assessing a groundwater extraction fee on pumpers within the Basin and is seeking feedback from stakeholders.

Chair Mobley stated that Director Everts was not in attendance and asked Executive Director Bondy to go through the PowerPoint presentation, after which time he would take comments from the public.

Mr. Bondy thanked the Chair and provided background information on the formation of the Agency, the need to set a groundwater extraction fee and how that fee will be scaled to meet the scope of work and time frame or schedule of work in developing a Groundwater Sustainability Plan for the Mound Basin by the deadline established by the Department of Water Resources. Mr. Bondy explained that in addition to the revenue generated by the groundwater extraction assessment, the County of Ventura and the City of Ventura had also agreed to provide a cash advance to the Agency, which would be paid back by the Agency in 2021 and 2022, accordingly. He also stated that there was a third revenue source, the Prop 1 Grant award, but that the way grants pay out, you have to spend the money to complete various sections of the work and then the grant funder reimburses the Agency for a portion of that expense. This is why, as shown in the long term budget spreadsheet, the groundwater extraction fee reduces over time, to the point of \$19 per acre foot by 2021, after the Groundwater Sustainability Plan (GSP) is submitted. Mr. Bondy also explained that the amount of staff time required will be greater in the beginning, and administrative costs are expected to drop as most of the work is completed and the Agency transitions to implementing the GSP. He added that after the GSP is submitted, 2022 and 2023 on the spreadsheet, the Board has proposed maintaining a \$25,000 cash reserve.

The Draft Resolution regarding the groundwater extraction fee is in keeping with the Sustainable Groundwater Management Act (SGMA) and the duties of the Groundwater Sustainability Agency (GSA), including the noticing that is required by SGMA. The groundwater extraction fee will be billed by the Agency on a semi-annual basis, January through June and July through December, and that revenue is not to exceed the costs of GSP development and administrative services required to support that development.

Chair Mobley asked if there were any public comments at this time.

Director Brown said that he had asked for the removal of the term "or an augmented supply" from the second page of the Resolution, under item 1 during the August 16, 2018 Board of Directors meeting. He continued that Ventura Water would have to have a separate agreement with the GSA regarding storing its indirect potable reuse (IPR) water, so that it would not incur an additional extraction charge for water it had put into the basin.

Neal Maguire said that at last week's meeting, there was no mention on the agenda of a possible modification to the Resolution and that it would be in violation of the Brown Act to do so. He said he wanted to make sure that everyone was paying their fair share for groundwater, and that he wanted to make sure that water that is stored in the basin is charged at the same rate as native groundwater. The GSA's role doesn't differentiate between augmented or native water supply, he said.

Chair Mobley stated that the Resolution had been agendized properly, Mr. Maguire contended that it was listed as a planning discussion and should not have been changed.

Chair Mobley said that water is not treated differently in the form of extraction fees.

Director Brown said that agreements may be researched and the GSA can review injection and extraction. He said typically an administrative fee is charged in association with injection and/or extractions, as is the custom with Fox Canyon, but that Ventura Water wouldn't move forward without an agreement with the GSA in advance. Director Brown stated that stored water should be treated differently. Mr. Maguire said he disagrees with that premise.

Mr. Maguire said that native and augmented supply all require management through the GSA and it is only equitable to charge the City of Ventura for use of the basin for storage.

Director Brown said he disagreed one hundred percent.

Mr. Maguire said the Resolution should be kept as it is.

Director Brown said that Fox Canyon GMA and UWCD have the same type of agreements. Ventura Water would have to have a new agreement with the GSA to put new water into the Basin. He said he would look at rates for IPR storage/extraction with similar cities like San Diego, Monterey and Pismo.

Mr. Maguire said that if there's a shortage, the City cuts back first and that the status quo should be maintained. In three or four years, no one will recall this discussion. The Ag community thinks the City should pay the same for stored water and maintain the status quo.

The GSA's Legal Counsel Joe Hughes said that this is all part of the process in a public hearing. He said that regarding the area of the Mound Basin, and areas that Director Brown has looked at, the ability to "bleed over" into other areas of the aquifer, Fox Canyon and Oxnard's practices. Ventura's IPR may draw water from the Mound basin, but how do you control the inequity?

Mr. Bondy said a study of the basin could be done and the GSA Board could consider adjustments. He said monitoring and modeling could help the Board look at what options are available, and that the City's EIR and project rules should also be considered.

Chair Mobley said these are things that will be learned through the GSP process.

Tony Morgan asked if the cash advances from the County and City as listed in the long term budget spreadsheet are to be repaid with interest.

Director Shephard said that the financial agreements are not in place as yet. Ms. Sofley added that the loan repayments include accrued interest based on the LAIF interest rates for the loan period.

Mr. Morgan said that if the extraction rate is established today, next year it will need to be re-established or does the extraction rate carry over. He said the Resolution mentioned a period of rate.

Chair Mobley said the \$40 per acre foot extraction rate will exist until the Board changes it, as reflected in the long term budget worksheet.

Mr. Morgan asked if the public would have another shot at discussing the rate.

Chair Mobley replied that the rate could change every six months, and that the public will be asked for comment prior to each time the extraction rate changes.

Chair Mobley asked if there were any other comments. None were offered. Chair Mobley asked the Clerk of the Board if any written comments had been received from the public. She replied that no written comments had been received by the Agency.

Chair Mobley moved to close the Public Hearing portion of the meeting at 1:40p.m.

Chair Mobley then asked if the Directors had any comments to make.

Director Shephard asked Legal Counsel if he had reviewed the language in the Resolution. Mr. Hughes responded that he had read the proposed Resolution and that the document was fine. Director Shephard asked if the Resolution was to be amended or adopted. Mr. Hughes said that it could be amended and adopted.

Director Chambers said the changes in rate, which started with a low number and don't reflect the volume of pumping that United provided regarding a 10-year average, are now significantly higher. He said that basing the rate on the charts from United, and averaging over a 10 year period, seemed to be more equitable. The pumping number used seems arbitrary. And that he notices that Ag is responsible for 75 percent and M&I is responsible for 25%, and he'd like the Board to look at that 10 year average comparison of Ag and M&I.

Director Brown said that the rate is based on the same pumping reports as United, and that the City is paying its fair share.

Chair Mobley said that July through December is always higher and that January through June is always lower but that the estimates for the rate are based on historical data. The City is pumping less from the basin now, but the GSA needs revenue and that puts Ag's percentage higher than normal.

Director Brown added that the City was also providing a cash advance to the Agency.

Director Chambers said that at the last discussion, he had asked for clarification on augmented pumping or augmented water, and other types of water resources and asked that regardless of the City's plan, the wording in the Resolution stay as it is.

Director Brown said that he did not agree.

Chair Mobley said that augmented was anything not natural and could come from State Water, recycled water recharge and so on.

Director Chambers said that surface water affects the basin, whether it is part of another supply, shouldn't matter as most of the Ventura River is not in the basin boundary but pressure there slows percolation above.

Mr. Bondy said that these questions will be addressed with the development of the GSP.

Chair Mobley said that the ag community is in favor of leaving the Resolution as it is, with the same fee for natural or native water pumping as for stored water pumping. But why would you pay over and over for the same water? Pay an extraction fee once and a small

administrative fee perhaps. Board needs to study that in depth and examine the benefit and costs associated with injecting or recharging the basin as a form of water storage and bring it back to the board when there is more information.

Director Brown said that the Board doesn't really have a choice, they have to analyze and reach an agreement just like in other basins.

Director Shephard asked Legal Counsel to start off with the language in the Resolution and deal with the City's issue as it comes up.

Mr. Morgan said that Item 1 on Page 2 states that the fee starts today, retroactive of the last six months.

Chair Mobley said the language is not explicit, just back to the January through June usage period for billing, actual usage.

Mr. Bondy said there is a footnote that explains that.

Mr. Morgan said \$40 per acre foot from January through June, but if the fee starts today, does that mean it's retroactive to last year. Is it clear to stakeholders who might just pick up this document with no knowledge of this discussion.

Mr. Hughes clarified that the fee started, and is applied to the pumping period and that the Resolution should be amended in item 2 to read "These groundwater extraction charges shall be billed semiannually with billing periods covering January through June and July through December, beginning with January through June, 2018 billing period" just to put a finer point on it. He instructed Chair Mobley that the motion should be to approve the Resolution as presented with the addition of the language amended in item 2.

Motion to adopt Resolution 2018-04, establishing a Groundwater Extraction Charge of \$40 per acre foot, with the additional language amending item number 2, to reflect the semiannual billing period begins January 1, 2018 through June 30, 2018, Director Chambers; Second, Director Shephard. Roll call vote: three ayes (Chambers, Mobley, Shephard); one no (Brown); one absent (Everts). Motion carries 3/1/1.

3. FY 2018-19 Budget

Motion

Chair Mobley asked if there was any public comments or Board questions on the amended FY 2018-19 Budget, none were offered.

Motion to approve the amended FY 2018-19 Budget as presented, Director Brown; Second, Director Shephard. Voice vote: four ayes (Brown, Chambers, Mobley, Shephard); none opposed; one absent (Everts). Motion carries 4/0/1.

4. Mound Basin Boundary Modification

Motion

Mr. Bondy explained that since the basin boundary modification deadline had been extended, it provided an opportunity for the Agency to make a minor scientific modification of the northern basin boundary, based on the most recent geologic mapping of the aquifer. He reported that there are no known wells in the area and that he did not believe there

would be any impact to well owners by making this change. He said that when the deadline was extended, he advised the Board to make this minor change and then all of the basin boundary modifications would be addressed at the same time.

Chair Mobley asked if there were any public comments or additional questions from the Board. None were offered.

Motion to approve the proposed boundary modifications and submit the boundary modifications as presented to the Department of Water Resources, Director Brown; Second, Director Chambers. Voice vote: four ayes (Brown, Chambers, Mobley, Shephard); none opposed; one absent (Everts). Motion carries 4/0/1.

ADJOURNED 2:10p.m.

The Board adjourned at 2:10 p.m. to the next **Regular Board Meeting** on Thursday, **September 20, 2018** 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 Special Meeting and Public Hearing of August 23, 2018.

ATTEST: _____
Kevin Brown, Board Secretary

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 SPECIAL MEETING AUGUST 23, 2018

Name: Neal Maguire

Organization: _____

Phone: _____

E-mail: _____

Name: Tony Morgan

Organization: DBSEA

Phone: 805 290 3062

E-mail: TMORGAN@GEO-LOGIC.COM

Name: Don Detmer

Organization: United WCD

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: Kathy Bremer

Organization: resident

Phone: _____

E-mail: kcbremer@gmail.com

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____

Name: _____

Organization: _____

Phone: _____

E-mail: _____



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

Special Meeting and Public Hearing regarding Establishing Groundwater Extraction Rate



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

Mound Basin GSA PUBLIC HEARING
August 23, 2018
Page 2

NOTICE IS HEREBY GIVEN that the Mound Basin Groundwater Sustainability Agency ("Agency") Board of Directors ("Directors") will hold a
SPECIAL MEETING AND PUBLIC HEARING at 1:00 P.M. on Thursday, August 23, 2018
at **Ventura City Hall, Community Meeting Room (Room No. 202)**
501 Polli Street, Ventura, California 93001

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY SPECIAL MEETING
Thursday, August 23, 2018

CALL TO ORDER

- PLEDGE OF ALLEGIANCE**
- PUBLIC HEARING**

Mound Basin Groundwater Sustainability Agency ("Agency") is designated as the Groundwater Sustainability Agency ("GSA") pursuant to the Sustainable Groundwater Management Act ("SGMA") for the Mound Groundwater Basin ("Basin"). As such, the Agency is required to develop a Groundwater Sustainability Plan ("GSP") no later than January 31, 2022.

Board Chair will open the Public Hearing regarding the Agency's establishing a fee pursuant to Water Code Section 10739 et seq., to offset anticipated administrative and operational costs of the GSA, GSP development costs, and other efforts required for compliance with SGMA. The Agency anticipates assessing a groundwater extraction fee on pumpers within the Basin and is seeking feedback from stakeholders.

Public comment will be accepted at this time.

Any interested person may present written testimony, oral testimony, or both at the Public Hearing. Written comments may be filed at any time prior to the conclusion of the Public Hearing and comments should be addressed to the attention of the Chairman at the following address: Mound Basin GSA, 501 Polli Street, Ventura, CA, 93001.

Any challenge to the decision of the Board of Directors on this matter may be limited to raising those issues you or someone else raised at the Public Hearing, or in written correspondence delivered to the Board of Directors at, or prior, to the Public Hearing.

Chair will close the Public Hearing

Resolution 2018-04 A Resolution of the Board of Directors of Mound Basin Groundwater Sustainability Agency Determining and Establishing Groundwater Extraction Charges against All Persons Operating Groundwater Extraction Facilities within the Mound Basin

Motion
Board will consider adopting **Resolution 2018-04**, establishing a Groundwater Extraction Charge.

- FY 2018-19 Budget**
Motion
Board will consider approving the amended FY 2018-19 Budget as presented.
- Mound Basin Boundary Modification**
Motion
Board will receive a presentation from staff concerning the proposed boundary modifications, receive comments from the public, and provide direction to staff.

ADJOURNMENT

Minutes, which are non-confidential public records and are provided to the Board of Directors to be used in consideration of the above agenda items, including any documents or related subsequent to the publishing of this agenda, are available for inspection at LMCCTV office at 108 North W 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: *Michael W. Mobley*
Board Chair Michael W. Mobley

- Posted: (date) August 22, 2018 (time) 9am (attest) Kris Sofley
At: <https://www.moundbasin.org>
- Posted: (date) August 22, 2018 (time) 9am (attest) Kris Sofley
At: <https://www.facebook.com/mountainbasin/>
- Posted: (date) August 22, 2018 (time) 9am (attest) Kris Sofley
At: United Water Conservation District, 106 N 8th Street, Santa Paula CA 93080
- Posted: (date) August 22, 2018 (time) 1pm (attest) Kris Sofley
At: Ventura City Hall, 501 Polli Street, Ventura, California 93001

DRAFT

Mound Basin GSA Estimated Budget

	FY2017-18		FY2018-19		FY2019-20		FY2020-21		FY2021-22		FY2022-23		FY2023-24		Total
	CY2017	CY2018	CY2018	CY2019	CY2019	CY2020	CY2021	CY2021	CY2022	CY2022	CY2023	CY2023	CY2024		
	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec		
Revenue															
GW Extractions, A7/6 months (1)			1,850	3,250	1,850	3,500	2,750	3,500	2,750	3,500	2,750	3,500	2,750	3,500	2,750
GW Extractions Fee, S/AF (1)			\$40	\$40	\$40	\$30	\$30	\$28	\$19	\$19	\$19	\$19	\$19	\$19	\$19
Revenue (1)			\$74,000	\$130,000	\$64,750	\$105,000	\$82,500	\$98,000	\$52,250	\$66,500	\$52,250	\$66,500	\$52,250	\$66,500	\$52,250
County of Ventura Loan			\$50,000												
City of Ventura Loan			\$55,000												
Grant Reimbursements				\$9,540	\$92,221	\$87,331	\$35,250	\$98,498	\$126,383	\$49,770	\$60,444				
Total Revenue			\$179,000	\$139,540	\$156,971	\$192,331	\$117,750	\$196,498	\$178,633	\$116,270	\$112,694	\$66,500	\$52,250	\$1,508,435	
Expenses															
GSA Administration (2)			\$13,500	\$12,877	\$68,378	\$68,378	\$70,087	\$71,839	\$71,839	\$73,635	\$55,687	\$37,738	\$37,738	\$38,681	\$680,463
Develop Numerical Groundwater Flow Model - UWCD															\$0
Geophysical Study - UWCD															\$0
Mound Basin Study - Ventura															\$0
Water Quality & Isotope Study					\$45,330										\$45,330
Construct One Multi-Level Monitoring Well															\$0
SGWP Grant Application			\$16,585												\$16,585
Basin Boundary Modification (3)					\$5,000										\$5,000
Organizational Activities				\$11,900											\$11,900
GSP Chapter 2: Plan Area and Basin Setting (3)					\$52,200	\$52,200									\$104,400
GSP Chapter 3: Sustainable Management Criteria						\$38,333	\$38,333								\$115,000
GSP Chapter 4: Projects and Management Actions							\$50,900	\$50,900							\$101,800
GSP Chapter 5: Plan Implementation							\$23,125	\$23,125							\$46,250
GSP Introduction, Executive Summary, References & Appendices							\$19,850	\$19,850							\$19,850
GSP Reviews and Approvals and Final Document Preparation							\$50,000	\$50,000	\$15,600						\$115,600
Project Administration (Grant Management) (4)															\$0
County of Ventura Loan Repayment									\$50,000						\$50,000
City of Ventura Loan Repayment										\$27,500	\$27,500				\$55,000
Annual Review										\$8,000	\$10,000				\$18,000
Annual Report to DWR											\$65,000				\$165,000
Budget Reserve				\$25,000											\$25,000
Total Expenses			\$70,085	\$12,877	\$110,378	\$165,008	\$160,620	\$108,420	\$184,107	\$215,714	\$178,635	\$98,787	\$138,238	\$37,738	\$80,681
6 Month Balance			(\$20,085)	(\$12,877)	\$48,723	(\$26,368)	(\$1,850)	\$83,910	(\$66,447)	(\$19,217)	\$4,997	\$17,483	(\$25,544)	\$28,762	(\$28,431)
Running Balance			(\$20,085)	(\$32,962)	\$15,761	\$9,393	\$5,743	\$89,654	\$23,207	\$3,990	\$8,987	\$26,471	\$926	\$29,688	\$1,257
Reserve Balance				\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

Notes:
 (1) Groundwater extraction fee revenue for a given semi-annual period is received during the subsequent semi-annual period. Extraction volumes shown are for the prior semi-annual period.
 (2) Admin costs assumed to increase by 2.5% each year. Costs in 2022 and 2023 ramp down to an assumed 50% level of effort compared to pre-GSP activities (less frequent meetings, etc. are assumed).
 (3) Costs reduced by in-kind labor contribution to be provided by UWCD. \$50,000 of total in-kind labor is assumed.
 (4) Project Administration (Grant Management) costs are included in GSA Administration.

**MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
 FISCAL YEAR BUDGET
 July 1, 2018 - June 30, 2019
 Draft Proposed Budget (\$23.1B)**

REVENUES

ACCOUNT NUMBER	REVENUES	BUDGET 2018/2019	Comments
1	Contributions from Member Agencies	\$105,000	\$50k from the City, \$50k from the County, both are loans
2	Revenue from Groundwater Extraction Fee	\$204,000	Twice per year billing
4	Reimbursement from DWR Grant	\$9,540	Estimated based on GSP tasks for FY 18-19, depends on cost-share spent by Agency
	TOTAL REVENUES	\$318,540	

OPERATING EXPENSES

ACCOUNT NUMBER	OPERATING EXPENSE	BUDGET 2018/2019	Comments
Administrative Costs			
1	Executive Director/Project Manager	\$50,000	
2	Clerk of the Board	\$20,000	Provided by United Water Conservation District via contract
3	Accounting Services	\$10,000	Provided by United Water Conservation District via contract
	Total Administrative Costs	\$80,000	
Professional Services			
4	Website Development	\$2,000	County of Ventura Information Technology Services
5	Website Maintenance	\$400	County of Ventura Information Technology Services
6	Audits	\$7,000	fees
7	Public Outreach/PR publications	\$1,500	
8	Liability Insurance	\$1,650	Insurance Cost Costs
9	Review Legal Counsel	\$32,400	\$750w - Agency review and attend meetings as necessary - One per month for July 2018 - June 2019.
10	Special Legal Services	\$10,000	
11	Annual Report	\$1,000	
12	DWR filing fee	\$500	
	Total Professional Services Cost	\$46,750	
GSP Activities			
13	Water Quality and Isotope Study	\$45,330	
14	Basin Boundary Modification	\$5,000	Cost assumes \$5,000 of UWCD in-kind labor.
15	Organizational Activities	\$11,900	
16	GSP Chapter 2: Plan Area and Basin Setting	\$52,200	Cost assumes \$22,900 of UWCD in-kind labor
17	Project Administration (Grant Management)	\$0	Costs are included in administration.
18	Funding for Reserves	\$25,000	
	Total GSP Activities	\$138,430	
	TOTAL EXPENSES	\$276,185	
	Expenses deferred from FY2017-18	\$32,962	
	TOTAL REVENUES EXCEEDING EXPENSES	\$9,393	

RESOLUTION NO. 2018-04
A RESOLUTION OF
THE BOARD OF DIRECTORS OF MOUND BASIN
GROUNDWATER SUSTAINABILITY AGENCY
DETERMINING AND ESTABLISHING
GROUNDWATER EXTRACTION CHARGES AGAINST ALL PERSONS
OPERATING GROUNDWATER EXTRACTION FACILITIES WITHIN
THE MOUND BASIN

WHEREAS, pursuant to the Sustainable Groundwater Management Act (SGMA), Groundwater Sustainability Agencies (GSA) are authorized to collect Regulatory Fees (Water Code Section 10730) and Extraction Fees (Water Code Section 10730.2); 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 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 August 2, 2018 and August 9, 2018;
2. By posting on the website of the GSA at www.moundbasinsga.org, on the Facebook page of the GSA at <https://www.facebook.com/moundbasinsga/>, and on the website of the City of Ventura at <https://www.cityofventura.ca.gov/1180/Mound-Basin-GSA>;
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 2018-19 budget, available to the public.

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

1. A groundwater extraction charge of \$40 per acre foot 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. The GSA does hereby ratify and affirm its levy and assessment of this groundwater extraction charges in compliance with law against all persons operating groundwater producing facilities within the GSA boundary commencing August 24, 2018.

2. These groundwater extraction charges shall be billed semiannually with billing periods covering January through June and July through December.

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:

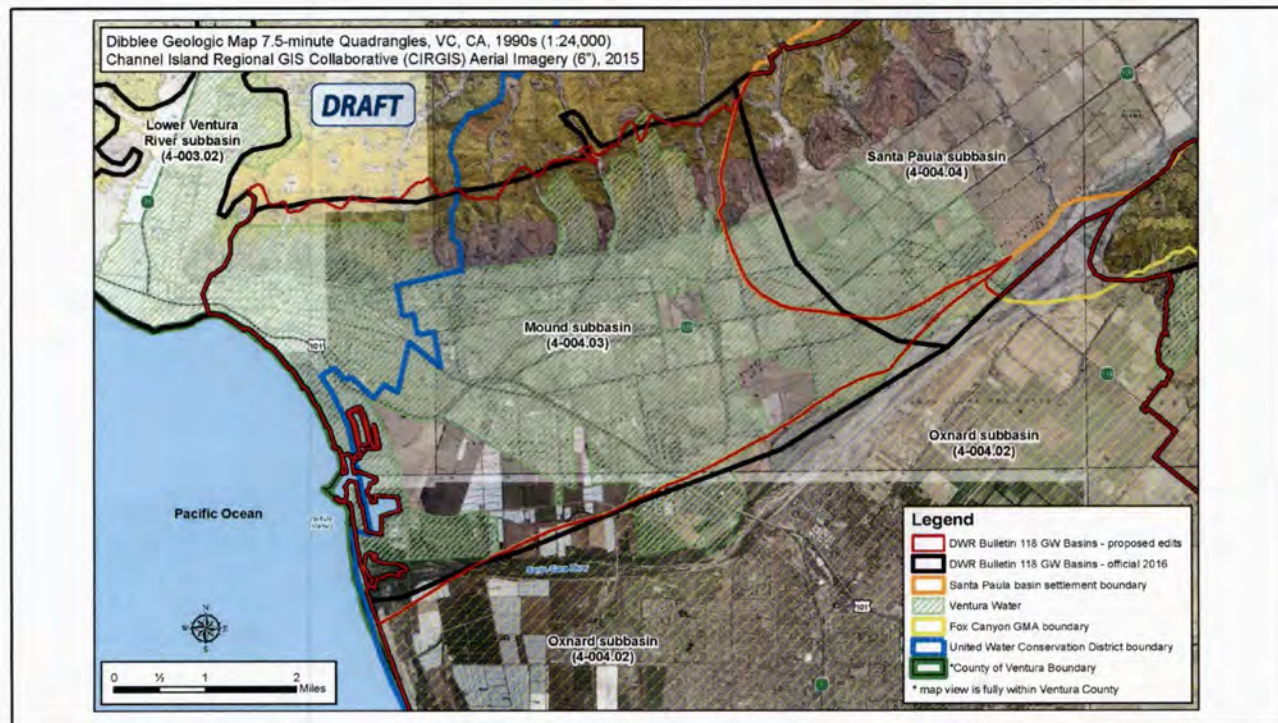
- (a) Revenues derived from the groundwater extraction charges will not exceed the funds required to provide for the Plan and related administrative services.
- (b) Revenues derived from the groundwater extraction charges shall not be used for any purpose other than that for which the groundwater charges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

PASSED, APPROVED, AND ADOPTED this 23rd day of August, 2018.

Michael Mobley Board Chair

ATTEST:

Bryan Bondy
Executive Director



MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 7(b)

DATE: October 18, 2018
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 various financial reports based on the Mound Basin GSA revenue and expenses for the month of September, 2018. Because this is the first time financial reports have been prepared for the GSA, staff has also provided a combined profit and loss statement covering FY 17-18 and FY 18-19.

BACKGROUND

FISCAL SUMMARY

Not applicable.

ATTACHMENTS

- A. September 2018 Profit/Loss Statement
- B. September 2018 Balance Sheet
- C. Profit & Loss Statement from July 2017 to September 2018

Mound Basin Groundwater Sustainability Agency
Profit and Loss Budget Performance
September 2018

	<u>Jul - Sep 2018</u>	<u>Annual Budget</u>	<u>% of Budget</u>
Income			
40001 · Groundwater Extraction Fees	0.00	204,000.00	0.0%
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>0.00</u>
Total Income	<u>0.00</u>	<u>213,540.00</u>	<u>0.0%</u>
Gross Profit	0.00	213,540.00	0.0%
Expense			
52200 · Professional Services			
52240 · Prof Svcs - IT Consulting	1,774.68	2,400.00	73.95%
52250 · Prof Svcs - Groundwater/GSP Pre		114,430.00	
52252 · Prof Svcs - GSP Consultant	10,117.50		
Total 52250 · Prof Svcs - Groundwater/GSP Pre	<u>10,117.50</u>	<u>114,430.00</u>	<u>8.84%</u>
52270 · Prof Svcs - Accounting	0.00	17,000.00	0.0%
52275 · Prof Svcs - Admin/Clerk of Bd	0.00	20,000.00	0.0%
52280 · Prof Svcs - Executive Director	3,138.66	50,000.00	6.28%
Total 52200 · Professional Services	<u>15,030.84</u>	<u>203,830.00</u>	<u>7.37%</u>
52500 · Legal Fees			
52501 · Legal Counsel	4,482.33	42,400.00	10.57%
Total 52500 · Legal Fees	<u>4,482.33</u>	<u>42,400.00</u>	<u>10.57%</u>
53000 · Office Expenses			
53010 · Public Information	0.00	1,500.00	0.0%
53020 · Office Supplies	0.00	1,000.00	0.0%
53070 · Licenses, Permits & Fees	0.00	500.00	0.0%
Total 53000 · Office Expenses	<u>0.00</u>	<u>3,000.00</u>	<u>0.0%</u>
53500 · Insurance			
53510 · Liability Insurance	0.00	1,955.00	0.0%
Total 53500 · Insurance	<u>0.00</u>	<u>1,955.00</u>	<u>0.0%</u>
Total Expense	<u>19,513.17</u>	<u>251,185.00</u>	<u>7.77%</u>
Net Income	<u><u>-19,513.17</u></u>	<u><u>-37,645.00</u></u>	<u><u>51.83%</u></u>

Mound Basin Groundwater Sustainability Agency

Balance Sheet

As of September 30, 2018

	<u>Sep 30, 2018</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 · Bank of the Sierra	13,416.40
Total Checking/Savings	<u>13,416.40</u>
Accounts Receivable	
11000 · Accounts Receivable	170,499.24
Total Accounts Receivable	<u>170,499.24</u>
Total Current Assets	<u>183,915.64</u>
TOTAL ASSETS	<u>183,915.64</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	40,477.91
Total Accounts Payable	<u>40,477.91</u>
Other Current Liabilities	
20001 · Advance from County of Ventura	55,000.00
20002 · Advance from VCWPD	50,000.00
20003 · Cash Advance to Open Account	100.00
Total Other Current Liabilities	<u>105,100.00</u>
Total Current Liabilities	<u>145,577.91</u>
Total Liabilities	145,577.91
Equity	
32000 · Retained Earnings	57,850.90
Net Income	<u>-19,513.17</u>
Total Equity	<u>38,337.73</u>
TOTAL LIABILITIES & EQUITY	<u>183,915.64</u>

Mound Basin Groundwater Sustainability Agency
Profit and Loss
July 2017 through September 2018

	<u>Jul 2017 - Sep 2018</u>
Income	
40001 · Groundwater Extraction Fees	78,815.64
Total Income	<u>78,815.64</u>
Gross Profit	78,815.64
Expense	
52200 · Professional Services	
52230 · Prof Svcs - Grant Solicitation	16,585.50
52240 · Prof Svcs - IT Consulting	1,774.68
52250 · Prof Svcs - Groundwater/GSP Pre	
52252 · Prof Svcs - GSP Consultant	10,117.50
Total 52250 · Prof Svcs - Groundwater/GSP Prep	10,117.50
52280 · Prof Svcs - Executive Director	3,138.66
Total 52200 · Professional Services	<u>31,616.34</u>
52500 · Legal Fees	
52501 · Legal Counsel	8,861.57
Total 52500 · Legal Fees	<u>8,861.57</u>
Total Expense	<u>40,477.91</u>
Net Income	<u><u>38,337.73</u></u>

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 7(c)

DATE: October 18, 2018
TO: Board of Directors and Executive Director
FROM: Erin Gorospe, UWCD
SUBJECT: Invoices for payment approval

SUMMARY

The Board will review and approve invoices for payment.

RECOMMENDED ACTION

The Board will consider which of the invoices it elects to pay at this time and which will be held over for payment at a later date.

BACKGROUND

The Mound Basin GSA has \$42,533.15 in outstanding invoices, as follows:

The Board will consider approving invoices for payment, as follows:

1. insureCAL Insurance Agency (General Liability Policy) \$1,995.24
2. Klein Denatale Goldner Cooper Rosenlieb & Kimball (legal services) \$8,861.57
(encompasses invoices for legal services for May, June, July, August and September)
3. Bondy Groundwater Consulting (GSP Grant application) \$16,585.61
4. Bondy Groundwater Consulting (GSP \$6,365; Admin \$1,987.21) \$8,352.21
(encompasses invoices for GSP tasks and GSA administration for July and August)
5. County of Ventura IT Services (Website and hosting) \$1,774.68
6. Michael Mobley (expense reimbursement) \$100.00
7. Bondy Groundwater Consulting (GSP\$3752.50; Admin \$1,151.45) \$4,903.95

There is currently a balance of \$50,824.40 in the Agency’s checking account. Accounting staff is asking for Board’s direction regarding which invoices to pay and which to hold over for payment at a later date.

FISCAL SUMMARY

The fiscal impact is a cash outflow of up to \$42,533.15. If all invoices are paid, the Bank of the Sierra checking account will have a balance of \$8,291.25.

ATTACHMENTS

- A. Check Detail Report
- B. Check Requests and Invoices as outlined in Background above

Action: _____

Motion: _____ 2nd: _____

K. Brown ___ M. Mobley ___ G. Shephard ___ J. Chambers ___ C. Everts ___

Mound Basin Groundwater Sustainability Agency

Check Detail

October 11, 2018

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Amount</u>
11251	10/11/2018	insureCAL Insurance Agency	-1,955.24
11252	10/11/2018	A.J. Klein, Inc T. Denatale, B. Goldner	-8,861.57
11253	10/11/2018	Bondy Groundwater Consulting, Inc	-16,585.50
11254	10/11/2018	Bondy Groundwater Consulting, Inc	-8,352.21
11255	10/11/2018	County of Ventura- IT Servces Department	-1,774.68
11256	10/11/2018	Michael Mobley	-100.00
11257	10/11/2018	Bondy Groundwater Consulting, Inc	-4,903.95
		TOTAL	-42,533.15

**MOUND BASIN
GROUNDWATER SUSTAINABILITY AGENCY**

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

CHECK REQUEST

Date required: _____ Date Requested: August 2, 2018

Pay to: insureCAL Insurance Agency

Address: 1065 Colorado Avenue, Suite 5

City, State, Zip: Turlock CA 95380

Amount \$1,955.24

Charge to Account(s): general liability insurance – one year expires 08-10-2019

Reason for Check/Petty Cash Request:

Requested by: Kris Sofley, Clerk of the Board

Approved by: _____
Board Secretary/Treasurer

Authorized by: _____
Board Chair

(Attach invoices/receipts/documentation for costs verification)

Mound Basin Groundwater Sustainability Agency
 501 Poli St
 Ventura, CA 93001

INVOICE
Invoice No: 201500217INV

Invoice Date: 10/05/2018				
Description	Policy Number	Eff Date	Line of Business	Due
Professional Liability Premium Amount 10/18/18 - 10/18/19			Professional Liability	\$1,955.24

Total: \$1,955.24

Detach and return this portion with your payment

Customer: Mound Basin Groundwater Sustainability Agency

Invoice No: 201500217INV

MAIL TO:

insureCAL Insurance Agency
 1065 Colorado Ave., Ste 5
 Turlock, CA 95380

Due Date: 10/18/2018	
Amount Due	Enclosed
\$1,955.24	

insureCAL

INSURANCE AGENCY

FARM/RANCH • BUSINESS • PERSONAL

05/16/2018

insureCAL Insurance Agency

1065 Colorado Ave Ste 5

Turlock, CA 95380

Office: 209.250.0269 - Fax: 209.633.5799

CA# 0K05980 | TX# 1985110 | NV# 3136704

OR# 100281464 | WA# BUS916989 | AZ# 1148551

General Liability Insurance Proposal

Thank you for the opportunity to present this proposal. Please let us know if you have any questions.

- Applicant Name: Mound Basin Groundwater Sustainability Agency
- Address: 501 Poli St Ventura CA 93001
- Policy Type: Professional Liability, Directors & Officers, EPL
- Requested Effective Date: 05/16/2018
- Expiration Date: 05/16/2019
- Presented By: Brandi LoForti

Coverage's:

\$1,000,000 - Policy Aggregate Limit

\$1,000,000 - Public Officials Management

\$ 50,000 - Defense Only Non Monetary Coverage

\$100,000 - Defense Only Non Monetary Coverage Aggregate

\$25,000 - Crisis Management

Premium = \$1955.24/year

No coverage is bound until accepted & approved by the insurance carrier. Rates are subject to change upon receipt of completed applications. Signatures on the applications and the Quotation are only good for 30 days. The terms & conditions offered may differ from what has been requested.

Signature

Date

Copyright © 2018 insureCAL Insurance Agency, All rights reserved.
1065 Colorado Ave., Ste 5, Turlock, CA 95380



**Professional
Governmental
Underwriters, Inc.**
The Authority.

**CLAIMS MADE PUBLIC OFFICIALS AND
EMPLOYMENT PRACTICES LIABILITY
INSURANCE APPLICATION**

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD. DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION AMOUNT.

I. GENERAL INFORMATION

Respond to the following inquiries. Use a separate sheet of paper for details that require further explanation.

1. Legal Name of Entity: Mound Basin Groundwater Sustainability Agency

Street Address: 501 Poli St.

City: Ventura State: CA Zip: 93001

County: Ventura Population: 109,592

Seasonal Increase: _____ FEIN Number: 82-3156443

Year Entity Established: 2017 Largest City Within 25 Miles: Oxnard

Human Resource Contact: (Name): Kris Sofley
 (Email): kriss@unitedwater.org
 (Phone Number): (805) 525-4431

2. Make up of economic base of the entity:
 Agricultural _____ % Industrial _____ % Commercial _____ % Residential _____ %

3. Do you have a risk manager? Yes No

4. Do you have a manager/administrator? Yes No
 If "yes", provide years of experience in such a position. _____

5. Within the last five (5) years, have any of the following taken place?
 a. Grand Jury investigations into activities of any official or employee. Yes No
 If "yes", provide details: _____

b. Indictment of any official or employee: Yes No
 If "yes", provide details: _____

6. Provide revenues and expenditures. *Provide an explanation for any deficit or large surplus.*

FISCAL YEAR	REVENUES	EXPENDITURES	SURPLUS (+) / DEFICIT (-)	ACCUMULATED SURPLUS/DEFICIT
2018-19	\$368,450	\$241,763	+\$93,725	even out fees in future years

7. a. Latest bond rating (Standard & Poor's or Moody's): NA Previous Rating: _____

b. Has the entity ever been in default on principal or interest of any bond? Yes No
 If "yes", provide details: _____

II. CLAIMS HISTORY

Provide currently valued company issued loss runs for the last four (4) policy years.

1. Check here if there have been no claims made against the public entity during the last four (4) policy periods.

2. Complete the following table for all claims made during the last four (4) policy periods. Attach a separate sheet of paper if more space is needed.

CLAIM	POLICY YEAR	OPEN/ CLOSED	LOSS INCURRED	DEFENSE INCURRED	TOTAL INCURRED	DESCRIPTION OF ALLEGATIONS
1.						
2.						
3.						
4.						
TOTALS						

3. Does any official or employee have knowledge of acts, errors, and/or omissions that might reasonably give rise to a claim or suit? Yes No

4. Have all known acts, errors, and/or omissions that might reasonably give rise to a claim been reported to the current insurer? Yes No

5. Check the boxes which generally describe the types of claims made against the public entity during the last four (4) policy years.

- | | | |
|--|--------------------------------------|--|
| <input type="checkbox"/> Zoning | <input type="checkbox"/> Termination | <input type="checkbox"/> Discrimination |
| <input type="checkbox"/> Permits Insurance | <input type="checkbox"/> Equal Pay | <input type="checkbox"/> Land Use |
| <input type="checkbox"/> Sex Harassment | <input type="checkbox"/> Suspension | <input type="checkbox"/> License Insurance |
| <input type="checkbox"/> Variances | <input type="checkbox"/> Promotion | <input type="checkbox"/> Demotion |
| <input type="checkbox"/> Hiring | <input type="checkbox"/> Segregation | |

III. PUBLIC OFFICIALS INFORMATION

Respond to the following inquiries. Use a separate sheet of paper for details that require further explanation.

1. Does the public entity administer any of the following operations?
For "yes" responses, complete the applicable questions.

A. Police Department Yes No

If no, who provides service?

B. Zoning Yes No

1. Approximate number of zoning variations granted during the preceding twelve (12) months:

2. Is there a formal procedure in place for granting of variances? Yes No

3. Is there a policy which prohibits zoning board members from voting on zoning action which might affect a business which they own, invest in, or be employed or retained by? Yes No

4. Is there a policy which requires persons to disclose such relationships? Yes No

5. Does the public entity's attorney attend all zoning board meetings? Yes No

6. Do you have a master plan for economic development? Yes No

C. Building Inspection Yes No

1. Do you have a formal process for application and approval of permits? Yes No

2. Any permit denials issued which have unusual circumstances?
If "yes", provide details:

D. Permit Issuance Yes No

1. Do you have a formal process for application and approval of permits? Yes No

2. Any permit denials issued which have unusual circumstances?
If "yes", provide details:

E. License Issuance Yes No

1. Do you have a formal process for application and approval of licenses? Yes No

2. Any permit denials issued which have unusual circumstances?
If "yes", provide details:

F. Tax Assessment / Collection Yes No

1. Do you reassess real property on a regular basis? Yes No

2. If so, how often?

3. If not, when was the last reassessment of all real property in entity's jurisdiction?

G. Water / Sewer Utility Yes No

Provide number of users: _____
Annual Revenues: \$ _____
Residential: _____
Commercial: _____
Industrial: _____

H. Electric Utility Yes No

Provide number of users: _____
Annual Revenues: \$ _____
Residential: _____
Commercial: _____
Industrial: _____

1. Does utility own or maintain distribution lines? Yes No

2. Are distribution lines buried? Yes No

3. Does the utility monitor electromagnetic fields? Yes No

4. Does the utility generate electricity? Yes No

I. Gas Utility Yes No

Provide number of users: _____
Annual Revenues: \$ _____
Residential: _____
Commercial: _____
Industrial: _____

J. Port Authority Yes No

Number of employees _____ River Ocean Lake

K. Airport Authority Yes No

1. Is Airport: Owned Operated Leased

2. Provide number of:
Aviation Shows or Exhibitions: _____

Commercial Flights per day: _____

3. Provide certificate of insurance as evidence that airport liability coverage is in force.

4. Is management of the airport contracted to a third party? Yes No

5. Have flight patterns changed in the last 180 days? Yes No

L. Housing Authority Yes No

1. Provide number of housing units operated: _____
Number of stories of tallest building: _____

2. Are buildings tested for lead paint? Yes No

3. If lead paint is present, do you have a remediation plan to correct the situation? Yes No

4. Is there a policy to house senior citizens and disabled persons on lower floors? Yes No

5. Is there a policy regarding fair housing opportunities? Yes No

6. Are monthly inspections of all locations performed? Yes No

M. Transit Authority Yes No

1. Provide number employees: _____

2. Type of vehicles operated: _____

N. Landfill Yes No

1. Is landfill: Open Closed Hazardous Waste

2. Any sites designated as superfund sites? Yes No

O. Hospital/Nursing Home Yes No

1. Is Hospital: Owned Operated Leased

2. Number of beds? _____

P. Daycare Yes No

1. Are services for: Children Adults

2. Provide details of services: _____

2. Which, if any, of the above operations are contracted?

IV. EMPLOYMENT PRACTICES INFORMATION

Respond to the following inquiries. Use a separate sheet of paper for details that require further explanation.

1. Total number of employees: Full time: 0 Part time: 0 Seasonal: 0

2. Number of employees in each category:

General Office	<u>0</u>	Police	<u>0</u>	Fire/Rescue	<u>0</u>
Road/Utilities	<u>0</u>	Attorneys	<u>0</u>	Architects	<u>0</u>
Engineers	<u>0</u>	Accountants	<u>0</u>	Other	<u>0</u>

3. Provide names of persons in the following positions:

Attorney:	<u>Joseph Hughes, Klein, DeNatale, and Goldner</u>	Employee	<input type="checkbox"/>	Contracted	<input checked="" type="checkbox"/>
Engineer:	<u>NA</u>	Employee	<input type="checkbox"/>	Contracted	<input type="checkbox"/>
Accountant:	<u>Tina Rivera, United Water Conservation District</u>	Employee	<input type="checkbox"/>	Contracted	<input checked="" type="checkbox"/>

4. Do you have a written personnel manual? Yes No

5. Date of latest update or revision. _____

6. Have employment applications and policies and procedures been reviewed by legal counsel? Yes No

7. Is the manual distributed to all personnel? Yes No

8. Is the manual reviewed with new employees as a part of employment orientation? Yes No

9. Does the personnel manual include policies and procedures for the following: Yes No

Provide an explanation for all "no" responses.

A. Hiring	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
B. Promotion	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
C. Demotion	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
D. Termination	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
E. Pre hire background checks	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
F. Suspension	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
G. Transfer	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
H. Sexual Harassment	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
I. Medical Leave	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
J. Unpaid Leave	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
K. Employee Grievance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
L. Education and Training	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
M. Drug Testing	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>
N. Administrative Hearings/Appeals	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<u>NA</u>

10. Have managers/department heads received training in all policies and procedures? Yes No

11. Are all employees provided with job descriptions? Yes No

12. Are all mandatory posters from EEOC and the state equivalent posted in a conspicuous place? Yes No

13. Have any of the following taken place during the last five (5) years?

- | | | | | |
|--|------------------------------|-----------------------------|------------------------|-------|
| A. Strike, slowdown or other disruption? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Provide # of Incidents | _____ |
| B. Layoff or reduction in staff? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Provide # of Incidents | _____ |
| C. Employee suspensions? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Provide # of Incidents | _____ |
| D. Employee transfers? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Provide # of Incidents | _____ |
| E. Non-renewal of employment contracts? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Provide # of Incidents | _____ |
| F. Employee terminations/dismissals? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Provide # of Incidents | _____ |
| G. Administrative appeals? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Provide # of Incidents | _____ |
| H. Formal Grievances? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Provide # of Incidents | _____ |

V. CURRENT INSURANCE INFORMATION

1. Please complete the table below.

COVERAGE	INSURER	EXPIRATION DATE	LIMITS	DEDUCTIBLE	PREMIUM
General Liability	NA				
Automobile	NA				
Public Officials	NA				
Police Professional	NA				

2. Does your current Public Official coverage include the features listed below?

- | | | | | |
|---|------------------------------|-----------------------------|------------------|-------|
| A. Personal Injury for employment practices claims? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | | |
| B. Coverage for specific award of back wages? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Submit | _____ |
| C. Defense of non-monetary employment claims? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Submit | _____ |
| D. Retroactive date? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Retroactive Date | _____ |

If "yes" provide a copy of the declarations or endorsement which shows the retroactive date.

VI. LIMITS AND DEDUCTIBLE REQUESTED

- Per claim limit and annual aggregate limit: \$ _____ Per claim \$ _____ Annual aggregate
- Deductible per claim: \$ _____

VII. IMPORTANT NOTICES; AUTHORIZED ENTITY REPRESENTATIVE

This application is for Claims-Made coverage. Upon receipt read the policy carefully.

THE UNDERSIGNED AUTHORIZED REPRESENTATIVE, PARTNER, DIRECTOR OR OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE THE APPLICATION IS EXECUTED AND THE TIME THE PROPOSED INSURANCE POLICY IS BOUND OR COVERAGE COMMENCES, THE NAMED INSURED WILL IMMEDIATELY NOTIFY THE INSURER IN WRITING OF SUCH CHANGES. THE INSURER RESERVES ITS RIGHTS TO MODIFY OR WITHDRAW ITS PROPOSAL.

THE UNDERSIGNED AUTHORIZED REPRESENTATIVE, REPRESENTS ON BEHALF OF THE NAMED INSURED AND ALL PERSONS OR ENTITIES FOR WHOM INSURANCE IS BEING SOUGHT THAT TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF AND AFTER DILIGENT INQUIRY, THE STATEMENTS SET FORTH IN THIS APPLICATION AND ANY ATTACHMENTS HERETO ARE TRUE AND ACCURATE. IT IS UNDERSTOOD THAT THE STATEMENTS IN THIS APPLICATION, INCLUDING MATERIALS SUBMITTED TO OR OBTAINED BY THE INSURER, ARE MATERIAL TO THE ACCEPTANCE OF THE RISK, AND RELIED UPON BY THE INSURER.

FRAUD WARNINGS

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO KANSAS APPLICANTS: A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

NOTICE TO LOUISIANA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO PUERTO RICO APPLICANTS: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

NOTICE TO RHODE ISLAND APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO TENNESSEE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO VIRGINIA APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NOTICE TO WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO ALL OTHER STATES: Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

VIII. AUTHORIZED REPRESENTATIVE; APPLICANT'S SIGNATURE:

1. Provide the name and title of the individual designated to receive any and all notices from the insurer concerning any policy issued as a result of this application (please type or print).

Name: Michael Mobley

Title: Board Chair, Mound Basin Groundwater Sustainability Agency

2. Attestation: The authorized signer of this application attests to the best of his/her knowledge that statements set forth herein are true; that no fact, circumstance nor situation indicating the probability of a claim or action now known to any entity, official, or employee has not been declared; and it is agreed by all concerned that omission of such information shall exclude any such claim or action from coverage under the insurance being applied for. It is further acknowledged that the signing of this application does not bind the signer to purchase the insurance. However, it is agreed that this Application shall be the basis of the contract and any policy which might be issued.

Authorized Signatory of Entity

Date

Michael Mobley, Board Chair, Mound Basin GSA

(805)844-4451

Print Name and Title

Phone Number

IX. AGENCY INFORMATION

Agency Name: insureCAL Insurance Agency

Contact: Brandi LoForti

Address: 1065 Colorado Ave. Ste. 5

City: Turlock

State: CA

Zip: 95380

Phone: 209-648-1807

Fax: 209-633-5799

Will you make surplus lines filings if necessary?

Yes No

Provide your surplus lines license number: _____

**MOUND BASIN
GROUNDWATER SUSTAINABILITY AGENCY**

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

CHECK REQUEST

Date required: _____ Date Requested: October 18, 2018

Pay to: Klein, Denatale, Goldner, Cooper, Rosenlieb & Kimball, LLP

Address: P.O. Box 11172

City, State, Zip: Bakersfield, CA 93389-1172 2

Amount \$8,861.57

Charge to Account(s): Legal services May 4, 2018 through September 19, 2018

Reason for Check/Petty Cash Request: Mound Basin GSA legal counsel

Requested by: Kris Sofley, clerk of the board

Approved by: _____
Board Secretary/Treasurer

Authorized by: _____
Board Chair

(Attach invoices/receipts/documentation for costs verification)

**KLEIN, DENATALE, GOLDNER
COOPER, ROSENLIEB & KIMBALL, LLP**

4550 CALIFORNIA AVENUE
SECOND FLOOR
BAKERSFIELD, CA 93309

MAILING ADDRESS:
P.O. BOX 11172
BAKERSFIELD, CA 93389-1172
(661) 395-1000
FAX (661) 326-0418
E-MAIL accounting@kleinlaw.com

Ventura Water Received

JUN 05 2018

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
501 POLI ST.
VENTURA, CA 93001

May 30, 2018
Bill No. 23234-001-132171
JDH

Statement for Period through May 21, 2018

Re: 23234 - MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
001 GENERAL BUSINESS

Date		Services	Hours	Amount
05/04/18	JDH	TELEPHONE CONFERENCE WITH M. MOBLEY REGARDING INTENDED ASSESSMENT AND OTHER PENDING MATTERS.	0.40	108.00
05/09/18	RSP	REVIEWED VENTURA COUNTY CONFLICT OF INTEREST CODE ADOPTION RULES; CALLED VENTURA COUNTY CLERK REGARDING SAME; PREPARED E-MAIL MEMORANDUM TO J. HUGHES REGARDING SAME.	0.50	95.00
05/10/18	JDH	REVIEWED AND REVISED DRAFT AGENDA; REVIEWED SGMA PROCESS FOR IMPOSITION OF GROUNDWATER EXTRACTION FEE.	2.00	540.00
05/17/18	JDH	ATTENDED MAY REGULAR BOARD MEETING.	6.30	1,701.00
			Rate	Hours
JDH	HUGHES, JOSEPH		270.00	8.70
RSP	PATEL, RAVI		190.00	0.50
Total Fees				\$2,444.00

Costs and Expenses

Date	Expenses	Amount
05/17/18	TRAVEL EXPENSES 5/17 ROUND TRIP TRAVEL TO VENTURA FOR MAY BOARD MEETING - JOSEPH D. HUGHES	141.24
Total Costs and Expenses		\$141.24

PAYMENT DUE UPON RECEIPT
PLEASE REFER TO BILL NUMBER LOCATED BENEATH STATEMENT DATE WHEN SUBMITTING PAYMENT
TO ENSURE PROPER CREDIT.
A FINANCE CHARGE OF 1 1/2% PER MONTH (18% ANNUALLY) WILL BE CHARGED ON ALL BALANCES OVER 30 DAYS.
FEDERAL I.D. NO. 95-2298220

**KLEIN, DENATALE, GOLDNER,
COOPER, ROSENLIEB & KIMBALL, LLP**

Bill No. 23234-001-132171
Client Ref: 23234 - 001

May 30, 2018

Page 2

Current Charges	<u>\$2,585.24</u>
Prior Statement Balance	0.00
Payments/Adjustments Since Last Bill	-0.00
Pay This Amount	<u>\$2,585.24</u>

Any Payments Received After May 30, 2018 Will Appear on Your Next Statement

PAYMENT DUE UPON RECEIPT
PLEASE REFER TO BILL NUMBER LOCATED BENEATH STATEMENT DATE WHEN SUBMITTING PAYMENT
TO ENSURE PROPER CREDIT.
A FINANCE CHARGE OF 1 1/2% PER MONTH (18% ANNUALLY) WILL BE CHARGED ON ALL BALANCES OVER 30 DAYS.
FEDERAL I.D. NO. 95-2298220

**KLEIN, DENATALE, GOLDNER
COOPER, ROSENLIEB & KIMBALL, LLP**

4550 CALIFORNIA AVENUE
SECOND FLOOR
BAKERSFIELD, CA 93309

MAILING ADDRESS:
P.O. BOX 11172
BAKERSFIELD, CA 93389-1172
(661) 395-1000
FAX (661) 326-0418
E-MAIL accounting@kleinlaw.com

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
501 POLI ST.
VENTURA, CA 93001

June 29, 2018
Bill No. 23234-001-132436
JDH

Statement for Period through June 19, 2018

Re: 23234 - MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
001 GENERAL BUSINESS

Date		Services	Hours	Amount
05/24/18	GCL	REVIEWED AND REVISED NOTICE OF PUBLIC HEARING AND BUDGET AND FEE WORKSHOP FROM J. TRIBO.	1.00	150.00
05/25/18	GCL	OFFICE CONFERENCE WITH J. HUGHES REGARDING REVISIONS TO NOTICE OF PUBLIC HEARING.	0.20	30.00
05/25/18	GCL	DRAFTED BYLAWS FOR MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY.	1.90	285.00
05/29/18	GCL	FURTHER DRAFTED BYLAWS FOR AGENCY.	0.80	120.00
05/29/18	GCL	OFFICE CONFERENCE WITH J. HUGHES REGARDING MOUND BASIN BYLAWS.	0.30	45.00
06/12/18	GCL	DRAFTED MOUND BASIN BYLAWS.	1.80	270.00
06/15/18	JDH	TELEPHONE CONFERENCE WITH J. TRIBO REGARDING BYLAWS.	0.20	54.00
06/18/18	JDH	REVIEWED AND REVISED DRAFT BYLAWS AND STAFF MEMO FOR BOARD MEETING.	2.00	540.00
06/18/18	GCL	PREPARED RED LINED VERSION OF MOUND BASIN BYLAWS TO COMPARE TO APPROVED FILLMORE-PIRU BYLAWS.	2.00	300.00

		Rate	Hours	Amount
JDH	HUGHES, JOSEPH	270.00	2.20	594.00
GCL	LARRALDE, GABRIELA	150.00	8.00	1,200.00
Total Fees				\$1,794.00

PAYMENT DUE UPON RECEIPT
PLEASE REFER TO BILL NUMBER LOCATED BENEATH STATEMENT DATE WHEN SUBMITTING PAYMENT
TO ENSURE PROPER CREDIT.
A FINANCE CHARGE OF 1 1/2% PER MONTH (18% ANNUALLY) WILL BE CHARGED ON ALL BALANCES OVER 30 DAYS.
FEDERAL I.D. NO. 95-2298220

**KLEIN, DENATALE, GOLDNER,
COOPER, ROSENLIEB & KIMBALL, LLP**

Bill No. 23234-001-132436
Client Ref: 23234 - 001

June 29, 2018

Page 2

Current Charges	\$1,794.00
Prior Statement Balance	2,585.24
Payments/Adjustments Since Last Bill	-0.00
Pay This Amount	\$4,379.24

Any Payments Received After June 29, 2018 Will Appear on Your Next Statement

PAST DUE

PAYMENT DUE UPON RECEIPT
PLEASE REFER TO BILL NUMBER LOCATED BENEATH STATEMENT DATE WHEN SUBMITTING PAYMENT
TO ENSURE PROPER CREDIT.
A FINANCE CHARGE OF 1 1/2% PER MONTH (18% ANNUALLY) WILL BE CHARGED ON ALL BALANCES OVER 30 DAYS.
FEDERAL I.D. NO. 95-2298220

**KLEIN, DENATALE, GOLDNER
COOPER, ROSENLIEB & KIMBALL, LLP**

4550 CALIFORNIA AVENUE
SECOND FLOOR
BAKERSFIELD, CA 93309

MAILING ADDRESS:
P.O. BOX 11172
BAKERSFIELD, CA 93389-1172
(661) 395-1000
FAX (661) 326-0418
E-MAIL accounting@kleinlaw.com

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
501 POLI ST.
VENTURA, CA 93001

July 31, 2018
Bill No. 23234-001-134455
JDH

Statement for Period through July 19, 2018

Re: 23234 - MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
001 GENERAL BUSINESS

Date	Services	Hours	Amount
06/28/18	RSP LEGAL RESEARCH REGARDING FEE SETTING HEARING; PREPARED E-MAIL MEMORANDUM TO J. HUGHES REGARDING SAME.	3.60	684.00

	Rate	Hours	Amount
RSP PATEL, RAVI	190.00	3.60	684.00
Total Fees			\$684.00

Current Charges **\$684.00**

Prior Statement Balance 4,379.24

Payments/Adjustments Since Last Bill -0.00

Pay This Amount **\$5,063.24**

Any Payments Received After July 31, 2018 Will Appear on Your Next Statement

PAST DUE

PAYMENT DUE UPON RECEIPT
PLEASE REFER TO BILL NUMBER LOCATED BENEATH STATEMENT DATE WHEN SUBMITTING PAYMENT
TO ENSURE PROPER CREDIT.
A FINANCE CHARGE OF 1 1/2% PER MONTH (18% ANNUALLY) WILL BE CHARGED ON ALL BALANCES OVER 30 DAYS.
FEDERAL I.D. NO. 95-2298220

**KLEIN, DENATALE, GOLDNER
COOPER, ROSENLIEB & KIMBALL, LLP**

4550 CALIFORNIA AVENUE
SECOND FLOOR
BAKERSFIELD, CA 93309

MAILING ADDRESS:
P.O. BOX 11172
BAKERSFIELD, CA 93389-1172
(661) 395-1000
FAX (661) 326-0418
E-MAIL accounting@kleinlaw.com

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
501 POLI ST.
VENTURA, CA 93001

August 30, 2018
Bill No. 23234-001-135026
JDH

Statement for Period through August 20, 2018

Re: 23234 - MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
001 GENERAL BUSINESS

Date		Services	Hours	Amount
07/23/18	JDH	REVIEWED AND REVISED DRAFT BYLAWS AND RED-LINE.	1.20	324.00
07/26/18	JDH	REVIEWED AND REVISED DRAFT NOTICE OF PUBLIC HEARING; REVIEWED AND REPLIED TO E-MAILS REGARDING SAME.	1.30	351.00
07/27/18	JDH	REVIEWED AND REPLIED TO E-MAILS REGARDING FEE NOTICE; RESEARCHED SAME.	1.00	270.00
08/10/18	JDH	REVIEWED AND REPLIED TO E-MAILS REGARDING BYLAWS AND FEE RESOLUTION; CONFERENCES WITH R. PATEL AND S. HAYES REGARDING SAME.	0.50	135.00
08/10/18	RSP	PREPARED DRAFT RESOLUTION REGARDING ADOPTION OF PROPOSITION 26 FEES; VARIOUS E-MAIL CORRESPONDENCE WITH MOUND BASIN STAFF REGARDING SAME.	1.70	323.00
08/13/18	JDH	REVIEWED REVISIONS AND COMMENTS TO DRAFT FEE RESOLUTION; REVISED RESOLUTION AND E-MAILED SAME TO B. BONDY.	0.70	189.00
08/14/18	JDH	REVIEWED FUNDING ADVANCEMENT AGREEMENT DRAFT AND RELATED E-MAILS; E-MAILED STAFF REGARDING SAME.	0.50	135.00
08/15/18	JDH	TELEPHONE CONFERENCE WITH K. SOFLY; REVIEWED REVISED FUNDING ADVANCEMENT AGREEMENTS; E-MAILED K. SOFLY REGARDING SAME.	0.30	81.00
08/20/18	JDH	REVIEWED DRAFT NOTICE OF HEARING; E-MAILED K. SOFLY REGARDING SAME.	0.20	54.00

PAYMENT DUE UPON RECEIPT
PLEASE REFER TO BILL NUMBER LOCATED BENEATH STATEMENT DATE WHEN SUBMITTING PAYMENT TO ENSURE PROPER CREDIT.
A FINANCE CHARGE OF 1 1/2% PER MONTH (18% ANNUALLY) WILL BE CHARGED ON ALL BALANCES OVER 30 DAYS.
FEDERAL I.D. NO. 95-2298220

**KLEIN, DENATALE, GOLDNER,
COOPER, ROSENLIEB & KIMBALL, LLP**

Bill No. 23234-001-135026
Client Ref: 23234 - 001

August 30, 2018

Page 2

		Rate	Hours	Amount
JDH	HUGHES, JOSEPH	270.00	5.70	1,539.00
RSP	PATEL, RAVI	190.00	1.70	323.00
Total Fees				\$1,862.00

Current Charges \$1,862.00

Prior Statement Balance 5,063.24

Payments/Adjustments Since Last Bill -0.00

Pay This Amount \$6,925.24

Any Payments Received After August 30, 2018 Will Appear on Your Next Statement

PAST DUE

PAYMENT DUE UPON RECEIPT
PLEASE REFER TO BILL NUMBER LOCATED BENEATH STATEMENT DATE WHEN SUBMITTING PAYMENT
TO ENSURE PROPER CREDIT.
A FINANCE CHARGE OF 1 1/2% PER MONTH (18% ANNUALLY) WILL BE CHARGED ON ALL BALANCES OVER 30 DAYS.
FEDERAL I.D. NO. 95-2298220

**KLEIN, DENATALE, GOLDNER
COOPER, ROSENLIEB & KIMBALL, LLP**

4550 CALIFORNIA AVENUE
SECOND FLOOR
BAKERSFIELD, CA 93309

MAILING ADDRESS:
P.O. BOX 11172
BAKERSFIELD, CA 93389-1172
(661) 395-1000
FAX (661) 326-0418
E-MAIL accounting@kleinlaw.com

Ventura Water Received

OCT 01 2018

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
501 POLI ST.
VENTURA, CA 93001

September 28, 2018
Bill No. 23234-001-136446
JDH

Statement for Period through September 19, 2018

Re: 23234 - MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
001 GENERAL BUSINESS

Date		Services	Hours	Amount
08/21/18	JDH	TELEPHONE CONFERENCE WITH B. BONDY.	0.40	108.00
08/21/18	JDH	REVISED NOTICE OF SPECIAL MEETING E-MAILED SAME TO K. SOFLY.	0.30	81.00
08/23/18	JDH	ATTENDED SPECIAL MEETING REGARDING EXTRACTION FEE SETTING.	6.00	1,620.00
			Rate	Hours
JDH	HUGHES, JOSEPH		270.00	6.70
				<u>1,809.00</u>
Total Fees				\$1,809.00

Costs and Expenses

Date	Expenses	Amount
08/24/18	TRAVEL EXPENSES 8/23 ROUND TRIP TRAVEL TO VENTURA FOR SPECIAL BOARD MEETING - JOSEPH D. HUGHES	127.33
Total Costs and Expenses		<u>\$127.33</u>

Current Charges **\$1,936.33**

Prior Statement Balance 6,925.24

Payments/Adjustments Since Last Bill -0.00

Pay This Amount **\$8,861.57**

PAST DUE

Any Payments Received After September 28, 2018 Will Appear on Your Next Statement

PAYMENT DUE UPON RECEIPT
PLEASE REFER TO BILL NUMBER LOCATED BENEATH STATEMENT DATE WHEN SUBMITTING PAYMENT
TO ENSURE PROPER CREDIT.
A FINANCE CHARGE OF 1 1/2% PER MONTH (18% ANNUALLY) WILL BE CHARGED ON ALL BALANCES OVER 30 DAYS.
FEDERAL I.D. NO. 95-2298220

**MOUND BASIN
GROUNDWATER SUSTAINABILITY AGENCY**

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

CHECK REQUEST

Date required: _____ Date Requested: August 2, 2018

Pay to: Bondy Groundwater Consulting, Inc.

Address: 10488 Graham Court

City, State, Zip: Ventura, CA 93004

Amount \$ 16,585.50

Charge to Account(s): GSP Grant application

Reason for Check/Petty Cash Request:

Requested by: Kris Sofley, Clerk of the Board

Approved by: _____
Board Secretary/Treasurer

Authorized by: _____
Board Chair

(Attach invoices/receipts/documentation for costs verification)

**Bondy Groundwater Consulting, Inc.
Invoice for Professional Consulting Services**

**Mound Basin Groundwater Sustainability Agency
Sustainable Groundwater Planning Grant Program Application Preparation Services
Invoice Period: October 19 - November 13, 2017**

Bondy Groundwater Consulting, Inc.
10488 Graham Ct.
Ventura, CA 93004
(805) 212-0484
bryanbondy@gmail.com
Tax ID: 81-2577611

Client: Mound Basin GSA
501 Poli Street
Ventura, CA 93001
Project #: 034
Invoice #: 034-01
Invoice Date: 11/13/2017

Description of Services

Labor	Hours	Rate	Subtotal
Coordinate with JPA agencies re: info needed for grant application; develop preliminary grant scope/budget/schedule and meet w/ T. Morgan UWCD to discuss; refine grant scope/budget/schedule and deliverables; prepare background information and coordinate with Lorraine Walter re: grant application preparation; present draft budget to Board on 10/26; write technical need and scope of work sections for grant application; review and edit application drafts; coordinate with J. Tribo and review draft resolution; attend 11/2 Board meeting re: draft application; work with Lorriane Walter to finalize application	55.00	\$165.00	\$9,075.00
		Subtotal Labor:	\$9,075.00

Expenses

Date	Description	Units	Rate	Subtotal
10/20/17	Mileage RT Ventura - Santa Paula - mtg. w/ T. Morgan	17	\$0.535	\$9.10
10/26/17	Mileage RT in Ventura - Board meeting	20	\$0.535	\$10.70
11/02/17	Mileage RT in Ventura - Board meeting	20	\$0.535	\$10.70
11/13/2017	Lorraine Walter Invoice	1	\$7,480.00	\$7,480.00
11/13/2017	Markup on Lorraine Walter Invoice	1	\$0.00	\$0.00
			Subtotal Expenses:	\$7,510.50

Invoice Total (Please pay this amount): \$16,585.50

Budget Report

NTE Approval: \$17,997.10
Invoiced to Date: \$16,585.50
Budget Remaining: \$1,411.61

Thank you for your business. The opportunity to add value is appreciated!

Invoice Backup



WALTER

Consulting & Grant Writing
5755 Lucas Valley Road
Nicasio, CA 94946
805/218-9262

INVOICE

Invoice No.: 29
Invoice Date: November 13, 2017

To: Bryan Bondy, Bondy Groundwater Consulting Inc.
10488 Graham Ct.
Ventura, CA 93004

<u>Services</u>	<u>Hours</u>
Assist with the rush preparation of a Prop 1 Groundwater Sustainability Plan grant proposal for the Mound Basin Groundwater Sustainability Agency. Research, write and edit narrative; communicate with stakeholders to compile project facts and costs; assist with budget and schedule preparation; acquire maps; integrate graphics; manage project files and records; upload information to online grants platform.	88
Services provided Oct 26 to Nov 9, 2017.	

Total Due: \$7,480

Now due. Please make payable to **Lorraine Walter**.

Thank you!



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

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

CHECK REQUEST

Date required: _____ Date Requested: October 18, 2018

Pay to: Bondy Groundwater Consulting, Inc.

Address: 10488 Graham Court

City, State, Zip: Ventura, CA 93004

Amount \$ 8,352.21

Charge to Account(s): \$6,365 charged to GSP grant tasks; \$1,987.21 charged to GSA Ad-
ministration for July and August 2018.

Reason for Check/Petty Cash Request: payment for contracted services

Requested by: Kris Sofley, Clerk of the Board

Approved by: _____
Board Secretary/Treasurer

Authorized by: _____
Board Chair

(Attach invoices/receipts/documentation for costs verification)

**Bondy Groundwater Consulting, Inc.
 Invoice for Professional Consulting Services**

**Mound Basin GSA Groundwater Sustainability Plan Support Services
 Client Contract No. N/A
 Invoice Period: July 1-31, 2018**

Bondy Groundwater Consulting, Inc.
 10488 Graham Ct.
 Ventura, CA 93004
 (805) 212-0484
 bryan@bondygroundwater.com
 Tax ID: 81-2577611

Client: Mound Basin GSA
 501 Poli Street
 Ventura, CA 93001
 Project #: 043
 Invoice #: 043-01
 Invoice Date: 8/1/2018

Description of Services

Labor	Hours	Rate	Subtotal
<p><u>GSP Grant Task 1 Create the GSA</u> • 7/26 Board meeting discussion of bylaws and drug policy</p>	0.25	\$190.00	\$47.50
<p><u>GSP Grant Task 3.2 Basin Boundary Modification</u> • Review basin boundary modification initial notice and background info • Basin boundary modification coordination w/ Board Chair and UWCD (incl. separate mtgs. w/ UWCD staff and J. Tribo on 7/9/18) • Manage basin boundary modification tasks • Discussion w/ Directors at 7/26 Board meeting</p>	7.75	\$190.00	\$1,472.50
<p><u>GSP Grant Task 3.3 Organizational Activities</u> • Review website design and provide feedback • Develop draft long-term budget to support funding plan • 7/26 Board meeting discussion long-term budget for fee development and public workshop • Coordination and support for 8/26 GW Extraction Fee public hearing • Mtg. w/ UCWD GW Staff and Chair Mobley re: UWCD in-kind labor assumptions for long-term budget • Mtg. w/ UCWD Finance Dept. re: long-term budget review</p>	9.00	\$190.00	\$1,710.00
<p><u>Non-Grant Reimbursable Activities</u> <u>July 26 Board Meeting:</u> • Review draft meeting packet • Prep, travel, and attendance for non-grant items <u>Other:</u> • Travel time for meetings on 7/9, 7/23 & 7/31</p>	4.00	\$190.00	\$760.00
Subtotal Labor:			\$3,990.00

Expenses (Non-Grant Reimbursable)

Date	Description	Units	Rate	Subtotal
7/9/2018	Mileage RT Vent.-Santa P. Mtg. w/ UWCD staff re: bound. f	18	\$0.545	\$9.81
7/23/2018	Mileage RT in Ventura - mtg. re: long-term budget	22	\$0.545	\$11.99
7/26/2018	Mileage RT Ventura - 7/26 Board Meeting & Public Worksh	21	\$0.545	\$11.45
7/31/2018	Mileage RT Vent.-Santa P. Mtgs. w/ UWCD re: long-term bu	18	\$0.545	\$9.81
Subtotal Expenses:				\$43.06

Invoice Total (Please pay this amount): \$4,033.06

Thank you for your business. The opportunity to add value is appreciated!

**Bondy Groundwater Consulting, Inc.
Invoice for Professional Consulting Services**

**Mound Basin GSA Groundwater Sustainability Plan Support Services
Client Contract No. N/A
Invoice Period: August 1-31, 2018**

Bondy Groundwater Consulting, Inc.
10488 Graham Ct.
Ventura, CA 93004
(805) 212-0484
bryan@bondygroundwater.com
Tax ID: 81-2577611

Client: Mound Basin GSA
501 Poli Street
Ventura, CA 93001
Project #: 043
Invoice #: 043-02
Invoice Date: 9/1/2018

Description of Services

Labor	Hours	Rate	Subtotal
<u>GSP Grant Task 3.2 Basin Boundary Modification</u>	0.75	\$190.00	\$142.50
<ul style="list-style-type: none">• Basin boundary modification coordination w/ UWCD• Attend 8/23 Special Board Mtg. and Public Hearing re: basin boundary modification			
<u>GSP Grant Task 3.3 Organizational Activities</u>	8.75	\$190.00	\$1,662.50
<ul style="list-style-type: none">• Develop draft long-term budget to support extraction fee (funding plan)• Coordination re: extraction fee public hearing (funding plan)• Review staff report and draft resolution for extraction fee and loans for 8/16 mtg. (funding plan)• Review draft Agency website• Attend 8/23 Special Board Mtg. and Public Hearing re: extraction fee adoption			
<u>GSP Grant Task 10 Project Administration</u>	7.00	\$190.00	\$1,330.00
<ul style="list-style-type: none">• Receive info from DWR re: grant agreement• Prepare draft Exhibits A-C for grant agreement• Meeting with DWR POC re: grant agreement in Glendale (split time w/ UVRGA)• Request labor rates from member agencies for grant			
<u>Non-Grant Reimbursable Activities</u>	6.00	\$190.00	\$1,140.00
<u>August 16 and 23 Board Meetings:</u> <ul style="list-style-type: none">• Review draft meeting packets and minutes (non-grant eligible items)• Travel time for meeting on 8/23			
<u>Other:</u> <ul style="list-style-type: none">• Travel time for mtg. w/ DWR POC re grant in Glendale re: grant agreement (split w/ UVRGA)			
		Subtotal Labor:	\$4,275.00

Expenses (Non-Grant Reimbursable)

Date	Description	Units	Rate	Subtotal
8/10/2018	Mileage OW Vent.-Glendale Mtg. w/ DWR re: grant agreement (split w/ UVRGA)	60	\$0.545	\$32.70
8/23/2018	Mileage RT Ventura - 8/23 Sp. Board Meeting & Public Hea	21	\$0.545	\$11.45
Subtotal Expenses:				\$44.15

Invoice Total (Please pay this amount): \$4,319.15

Thank you for your business. The opportunity to add value is appreciated!



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

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

CHECK REQUEST

Date required: _____ Date Requested: 2018-10-18

Pay to: County of Ventura – IT Services Department

Address: 1957 Eastman Avenue, Suite A

City, State, Zip: Ventura, CA 93003-6489

Amount \$ 1,774.68

Charge to Account(s): \$50.68 domain registration; \$1533. designer labor; \$191 administration labor

Reason for Check/Petty Cash Request: website design, development and hosting services

Requested by: Kris Sofley, Clerk of the Board

Approved by: _____
Board Secretary/Treasurer

Authorized by: _____
Board Chair

(Attach invoices/receipts/documentation for costs verification)

COUNTY OF VENTURA

IT SERVICES DEPARTMENT

ISF BILLING INVOICE DETAILS

Mound Basin Grndwtr Sustainability Agency
 PO Box 3544
 Ventura, CA 93006-3544

T M Charge Period 08/01/18 - 08/31/18
Service Contract Charge Period 09/01/18 - 09/30/18
Billing Period AP02
Invoice Date 09/25/2018
Invoice Number INV0121677
PO Number
PO Note

Code MBGSA
Contact
Phone
Mail #

Activity GATV
Function GFUN
Program
Phase
Task

VOICE DATA ISF

Account#: 2032

LABOR

NAME	TICKET	CONTACT	DESCRIPTION	STANDBY		REGULAR		OVERTIME		AMOUNT
				RATE	HRS	RATE	HRS	RATE	HRS	
SOUND, JOE	SREQ301341	TRIBO, JENNIFER	MBGSA - MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY WEBSITE	0.00	0.00	95.50	6.00	0.00	0.00	573.00

LABOR SUBTOTAL: 6.00 573.00

TOTAL VOICE DATA ISF CHARGES: 573.00

ISF BILLING SUMMARY

ACT: GATV **FUNC:** GFUN **PGM:** **PHASE:** **TASK:**

DESCRIPTION	CURRENT INV. CHARGES	YTD CHARGES
VOICE DATA ISF ACCOUNT#: 2032		
LABOR - 9712	573.00	764.00
ACCOUNT #: 2032 SUBTOTAL	573.00	764.00
INFORMATION TECHNOLOGY		
ISF ACCOUNT#: 2202		
ADJUSTMENT - 9712	0.00	50.68
LABOR - 9712	0.00	960.00
ACCOUNT #: 2202 SUBTOTAL	0.00	1,010.68
TOTALS		YTD TOTAL: 1,774.68
INVOICE TOTAL	573.00	
BALANCE FWD	1201.68	
PLEASE PAY THIS AMOUNT	1,774.68	

Remit to: County of Ventura IT Services, 1957 Eastman Avenue Suite A, Ventura, CA 93003-6489

If you have any questions or concerns about this invoice, please contact the ITSD Service Desk at 658-4357, and open a Service Request with a category of "billing". The service request will automatically be routed to IT Services Fiscal Staff for action.

COUNTY OF VENTURA

IT SERVICES DEPARTMENT

ISF BILLING INVOICE DETAILS

Mound Basin Grndwtr Sustainability Agency
 PO Box 3544
 Ventura, CA 93006-3544

T M Charge Period 07/01/18 - 07/31/18
Service Contract Charge Period 08/01/18 - 08/31/18
Billing Period AP01
Invoice Date 08/30/2018
Invoice Number INV0118557
PO Number
PO Note

Code MBGSA
Contact
Phone
Mail #

Activity GATV
Function GFUN
Program
Phase
Task

VOICE DATA ISF

Account#: 2032

LABOR

NAME	TICKET	CONTACT	DESCRIPTION	STANDBY		REGULAR		OVERTIME		AMOUNT
				RATE	HRS	RATE	HRS	RATE	HRS	
SOUND, JOE	SREQ301341	TRIBO, JENNIFER	MBGSA - MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY WEBSITE	0.00	0.00	95.50	2.00	0.00	0.00	191.00

LABOR SUBTOTAL: 2.00 191.00

TOTAL VOICE DATA ISF CHARGES: 191.00

INFORMATION TECHNOLOGY ISF

Account#: 2202

ADJUSTMENT

DESCRIPTION	RATE	QTY	AMOUNT
GODADDY RECEIPT 1322020406 DATED 6/12/18 DOMAINS MOUNDBASINGSA.COM/.ORG (SREQ301341).	0.00	0.00	50.68

ADJUSTMENT SUBTOTAL: 50.68

LABOR

NAME	TICKET	CONTACT	DESCRIPTION	STANDBY		REGULAR		OVERTIME		AMOUNT
				RATE	HRS	RATE	HRS	RATE	HRS	
HUYNH, BRANDON	SREQ301341	TRIBO, JENNIFER	MBGSA - MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY WEBSITE	0.00	0.00	80.00	12.00	0.00	0.00	960.00

LABOR SUBTOTAL: 12.00 960.00

TOTAL INFORMATION TECHNOLOGY ISF CHARGES: 1,010.68

ISF BILLING SUMMARY

ACT: GATV **FUNC:** GFUN **PGM:** **PHASE:** **TASK:**

DESCRIPTION	CURRENT INV. CHARGES	YTD CHARGES
VOICE DATA ISF		
ACCOUNT#: 2032		

LABOR - 9712		191.00	191.00
ACCOUNT #: 2032 SUBTOTAL		191.00	191.00
INFORMATION TECHNOLOGY	ACCOUNT#: 2202		
ISF			
ADJUSTMENT - 9712		50.68	50.68
LABOR - 9712		960.00	960.00
ACCOUNT #: 2202 SUBTOTAL		1,010.68	1,010.68
TOTALS			YTD TOTAL: 1,201.68
INVOICE TOTAL		1,201.68	
BALANCE FWD		0.00	
PLEASE PAY THIS AMOUNT		1,201.68	

Remit to: County of Ventura IT Services, 1957 Eastman Avenue Suite A, Ventura, CA 93003-6489

If you have any questions or concerns about this invoice, please contact the ITSD Service Desk at 658-4357, and open a Service Request with a category of "billing". The service request will automatically be routed to IT Services Fiscal Staff for action.

From: [De La Espriella, Bill](#)
To: [Tribo, Jennifer](#)
Subject: Proposal and Quote for the Mound Basin Groundwater Sustainability Agency website
Date: Wednesday, June 20, 2018 2:02:20 PM
Attachments: [image003.png](#)
[Mound Basin Groundwater Sustainability Agency Website - Proposal and Quote v2.pdf](#)

Hi Jennifer,

We are pleased to present IT's proposal & quote for the design and development of the Mound Basin Groundwater Sustainability Agency website. This proposal & quote includes all the design, development, testing, implementation and hosting costs. If you accept this proposal please sign the last page of this document, scan the signed page and email it back to me. Please note that I was not sure who else to include on the signature's page. Please feel free to add anyone else who needs to be included there.

If you have any questions or need any additional information please do not hesitate to contact me.

Thanks,
Bill

Bill De La Espriella
Deputy Chief Information Officer
Information Technology Services Department
County of Ventura
800 S. Victoria Ave L1100
Ventura, CA 93009
Office: (805) 654-7647
Email: bill.delaespriella@ventura.org



**INFORMATION
TECHNOLOGY
SERVICES**

June 20, 2018

Name: Jennifer Tribo
 Title: Management Analyst II
 Mound Basin Groundwater Sustainability Agency
 501 Poli Street
 Ventura, CA 93001

Re: Proposal for the design and development of the Mound Basin Groundwater Sustainability Agency website

Dear Jennifer,

This document is intended to communicate IT Services proposed costs associated with the design and development of the Mound Basin Groundwater Sustainability Agency website.

SCOPE OF SERVICES, COSTS AND PROFESSIONAL FEES

The scope of this project is to design and develop a new website for the Mound Basin Groundwater Sustainability Agency with a similar look and feel of the Fillmore and Piru Basins Groundwater Sustainability Agency website. The existing site (<https://fpbgsa.org/>) design will be used as a guideline to build the new Mound Basin Groundwater Sustainability Agency website. The following are items that you will need to keep in mind as this project progresses:

1. Any changes to the taxonomy of the website (other than the existing taxonomy of the Fillmore and Piru Basins Groundwater Sustainability Agency website) and any content will need to be provided to the Ventura County IT department by the Mound Basin Groundwater Sustainability Agency personnel.
2. IT personnel will work with resources at the Mound Basin Groundwater Sustainability Agency's office to obtain content, graphics and our web designer will work with your staff to design a new logo for the new website.

The new site will be developed utilizing the WordPress platform which will make it much easier for the end users to be able to maintain themselves which can be a significant cost savings. Additionally, the new website will be hosted by an external web hosting company. They provide excellent performance, support, uptime, security, and value.

One Time Cost Estimates

Description	Hours	Cost
Design	9	\$810.00
Development	9	\$810.00
Testing		
Quality Assurance	1	\$90.00
User Acceptance ¹	1	\$90.00
Post Implementation Support ²	0	\$0.00
Total:		\$1,800.00

¹ The hours listed above for User Acceptance Testing are IT personnel hours not End User hours.

² Post Implementation Support is provided for approximately 80 hours without any additional charges. Support includes fixes for any "bugs" that are discovered in the system or features that were not correctly implemented according to requirements that were provided by the users. Post Implementation Support DOES NOT include any additional features or functionality which would be out of scope and would require a separate proposal and quote.

RODNEY LANTHIER
 Assistant Chief Information Officer

TERRY THEOBALD
 Assistant Chief Information Officer
 Health Care Agency IT Director

ED ALTHOF
 Deputy Chief Information Officer
 Enterprise Services

ROBERT CONNALL
 Deputy Chief Information Officer
 Network Services

BILL DE LA ESPRIELLA
 Deputy Chief Information Officer
 Application Services

KIM PORTER
 Deputy Chief Information Officer
 Technical Services

RICK YOUNG
 Deputy Chief Information Officer
 Fiscal Officer

Monthly Re-occurring Costs

Description	Frequency	Cost
Web Application Host (WPHostingSpot.com)	Monthly*	\$40.00
*Billed annually	Annual Total:	\$480.00

The cost estimates listed above are based on your email request and from our review of the Fillmore and Piru Basins Groundwater Sustainability Agency's existing website. If new requirements are discovered during the course of this project, further discussions will be necessary to revise this estimate. Additional hours, if needed, have a cost range between \$90.00 per hour and up to \$108.75 per hour depending on the level and type of technical resource required.

OUT OF SCOPE

- Database Connectivity
- Reports

BENEFITS

Please be aware that we will only bill you for the hours that we actually work on the project. If we are able to complete this project ahead of schedule your costs will be lower than the amounts displayed above. The cost estimates listed above are based on your emails, from the documentation that you have provided, and from the discussions that we have had with your resources in meetings. If new requirements are discovered during the course of this project, further discussions will be necessary to revise this estimate. Additional hours, if needed, have a cost range between \$82.00 per hour and up to \$108.75 per hour depending on the level and type of technical resource required. IT Services can provide experienced, professional IT staff with able resources for the development of the Ventura County – Southern California Edison Green Button Initiative Web Application. IT Services has a proven track record of developing easy to use and highly capable applications and web and mobile solutions. We look forward to the opportunity of working with you and your staff.

PROJECT SCHEDULING

Once we have received the signed proposal/quote from you, we will add this project into our departmental project plan which will help us to determine an estimated start and completion date for your project. Please be advised that the Application Development team in IT Services has an ongoing queue of projects that we are currently working on and other projects that are pending. We will make every effort to try to deliver your project when you need it but there are many factors that need to be considered in order to determine when we can start and complete a project. We will work with you to try to accommodate your specific scheduling needs.

DEADLINES AND MILESTONES

The following are a list of milestones and their associated start and completion dates. These dates are based on our current staffing levels and project loads. We will do everything in our power to try to adhere to this schedule. If there are any changes to this schedule we will contact you as soon as possible and work with you to make the necessary adjustments to the project timeline:

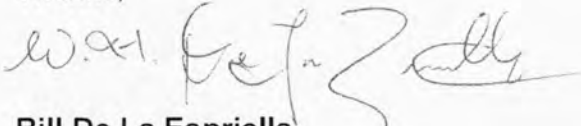
- ◆ Start of Project by: June 25 (Assuming project approval by 6/22/2018)
- ◆ Start Design by: June 25
- ◆ Completion of Design by: June 26
- ◆ Start of Development by: June 26
- ◆ Completion of Development by: June 28
- ◆ Start of Testing by: June 29
- ◆ Completion of Testing by: June 29
- ◆ Go Live on: July 2

PROJECT APPROVAL

If you accept this proposal please have the appropriate individuals sign the last page of this document and scan the signed page and email it back to me. Once I receive it back from you I will sign it and send you a copy with all the signatures. After all parties have approved and signed the project proposal document I will contact you with an approximate project start date and in addition I will be setting up a regularly recurring meeting to update you on project status.

If you have any questions or need any additional information please do not hesitate to contact me.

Thanks,



Bill De La Espriella

Deputy Chief Information Officer
Information Technology Services Department
County of Ventura
800 S. Victoria Ave L1100
Ventura, CA 93009
Office: (805) 654-7647
Email: bill.delaespriella@ventura.org



**INFORMATION
TECHNOLOGY
SERVICES**

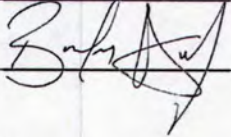
Proposal for the creation of the Mound Basin Groundwater Sustainability Agency website.

SIGNATURES

Project Lead:

Name: Joe Sound

Title: Web Developer

Signature: 

Date: 6/20/2018

Business Analysis:

Name: Stacy Van Der Zwaan

Title: Business Analyst

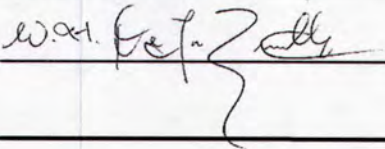
Signature: 

Date: 6/20/2018

Deputy CIO:

Name: Bill De La Espriella

Title: Deputy CIO

Signature: 

Date: 6/20/2018



Customer(s):

Name: Jennifer Tribo

Title: Interim Executive Director, MBGSA

Signature: 

Date: 6-25-2018

Name: _____

Title: _____

Signature: _____

Date: _____

Name: _____

Title: _____

Signature: _____

Date: _____



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

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

CHECK REQUEST

Date required: _____ Date Requested: September 12, 2018

Pay to: Michael Mobley

Address: 7221 Briarcliff Circle

City, State, Zip: Ventura, CA 93003-1401

Amount \$ 100.00

Charge to Account(s): _____

Reason for Check/Petty Cash Request: reimbursement of cash advance to establish
checking account

Requested by: Kris Sofley, Clerk of the Board

Approved by: _____
Board Secretary/Treasurer

Authorized by: _____
Board Chair

(Attach invoices/receipts/documentation for costs verification)



MoundBasin

GROUNDWATER SUSTAINABILITY AGENCY

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

CHECK REQUEST

Date required: _____ Date Requested: October 18, 2018

Pay to: Bondy Groundwater Consulting, Inc.

Address: 10488 Graham Ct.

City, State, Zip: Ventura, CA 93004

Amount \$ 4,903.95

Charge to Account(s): GSP Task 3.2=\$2,042.50; GSP Task 3.3= \$95.00; GSP Task 4=\$380.00;
GSP Task 10=\$1,235.00; Administrative (not Grant reimburseable)=\$1,140.00; mileage
reimbursement =\$11.45

Reason for Check/Petty Cash Request: Executive Director/GSP Consultant

Requested by: Kris Sofley, Clerk of the Board

Approved by: _____
Board Secretary/Treasurer

Authorized by: _____
Board Chair

(Attach invoices/receipts/documentation for costs verification)

**Bondy Groundwater Consulting, Inc.
Invoice for Professional Consulting Services**

**Mound Basin GSA Groundwater Sustainability Plan Support Services
Client Contract No. N/A
Invoice Period: September 1-30, 2018**

Bondy Groundwater Consulting, Inc.
10488 Graham Ct.
Ventura, CA 93004
(805) 212-0484
bryan@bondygroundwater.com
Tax ID: 81-2577611

Client: Mound Basin GSA
P.O. Box 3544
Ventura, CA 93006-3544
Project #: 043
Invoice #: 043-03
Invoice Date: 10/1/2018

Description of Services

Labor	Hours	Rate	Subtotal
<u>GSP Grant Task 3.2 Basin Boundary Modification</u> • Review admin portions of on-line submittal by JT and update • Compile technical info and fill out tech. portions of on-line submittal • Basin boundary modification final review and submittal	10.75	\$190.00	\$2,042.50
<u>GSP Grant Task 3.3 Organizational Activities</u> • GSP Initial Notification - coord. w/ clerk and review letter	0.50	\$190.00	\$95.00
<u>GSP Grant Task 4 GSP CH 2 Plan Area/Basin Setting</u> • Coord. w/ UWCD re: GSP Ch 2 development	2.00	\$190.00	\$380.00
<u>GSP Grant Task 10 Project Administration</u> • Negotiations with DWR re: grant agreement • Prepare draft Exhibits A-C for grant agreement • Resend requests for labor rates from member agencies for grant • Request DAC letter of support from City of Ventura	6.50	\$190.00	\$1,235.00
<u>Non-Grant Reimbursable Activities</u> • Meeting with Interim Exec. Dir. and Clerk of the Board re: transition of duties • Prepare DWR TSS request for monitoring well • Analysis and prepare inquiries to Agency Counsel re: fee issue	6.00	\$190.00	\$1,140.00
		Subtotal Labor:	\$4,892.50

Expenses (Non-Grant Reimbursable)

Date	Description	Units	Rate	Subtotal
9/4/2018	Mileage RT Ventura - Mtg. w/ Interim Exec. Dir. & Board	21	\$0.545	\$11.45
			Subtotal Expenses:	\$11.45

Invoice Total (Please pay this amount): \$4,903.95

Thank you for your business. The opportunity to add value is appreciated!

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 8(a)

DATE: October 18, 2018
TO: Board of Directors
FROM: Executive Director
SUBJECT: Approval of Stakeholder Engagement Plan

SUMMARY

The Board will consider approving a Stakeholder Engagement Plan

RECOMMENDED ACTION

Approve the Stakeholder Engagement Plan and direct the Clerk of the Board to post the plan on the Agency’s website.

BACKGROUND

The GSP Emergency Regulations require Groundwater Sustainability Plans (GPSs) to include a communication section that (1) explains the agency’s decision-making process; (2) identifies opportunities for public engagement and a discussion of how public input and response will be used; (3) describes how the agency encourages the active involvement of diverse social, cultural, and economic elements of the population within the basin; and (4) explains the method the agency will follow to inform the public about progress implementing the Plan. The reason for developing Stakeholder Engagement Plan early in the GSP development process is to encourage the active involvement of individual stakeholders, stakeholder organizations, and other interested parties in the development and implementation of the GSP, as required by SGMA.

The draft plan was adapted from the engagement plan developed for and adopted by the Upper Ventura River Groundwater Agency (UVRGA). It includes a component of “Additional Opportunities” to expand the plan, such as development of an advisory committee, if desired by the Board. The opportunities will be considered as the GSP development progresses and stakeholder interests evolve and become more specific. The attached draft was prepared by the Executive Director.

FISCAL SUMMARY

Not applicable.

ATTACHMENT

A. Draft Stakeholder Engagement Plan

Action: _____

Motion: _____ 2nd: _____

K. Brown ___ M. Mobley ___ G. Shephard ___ J. Chambers ___ C. Everts ___

DRAFT

STAKEHOLDER ENGAGEMENT PLAN

MOUND BASIN

(4-004.03) VENTURA COUNTY, CALIFORNIA

**SUSTAINABLE GROUNDWATER MANAGEMENT ACT
(SGMA) PROGRAM**

**PREPARED AND ADOPTED BY THE MOUND BASIN
GROUNDWATER SUSTAINABILITY AGENCY,
MONTH DAY, 2018**

DRAFT

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1 INTRODUCTION

This Stakeholder Engagement Plan (Engagement Plan) summarizes the strategies to educate and involve stakeholders (those individuals and representatives of organizations who have a direct stake in the outcome of the planning process) and other interested parties in the preparation and implementation of a Groundwater Sustainability Plan (GSP) for the Mound Basin – Department of Water Resources (DWR) Basin No. 4-004.03 (Figure 1). This GSP will be prepared in accordance with the Sustainable Groundwater Management Act (SGMA), which was signed by Governor Brown in September 2014 and became effective January 1, 2015.

SGMA provides a framework to regulate groundwater for the first time in California's history. SGMA's intent is to strengthen local management of specified groundwater basins that are most critical to the state's water needs by regulating groundwater and land use management activities. SGMA also aims to preserve the jurisdictional authorities of cities, counties and water agencies within groundwater basins while protecting existing surface water and groundwater rights.

The Mound Basin Groundwater Sustainability Agency (MBGSA or Agency), a Groundwater Sustainability Agency (GSA), was formed by three local agencies: County of Ventura (County), City of San Buenaventura (City), and United Water Conservation District (UWCD). There was extensive stakeholder engagement during that process. The governing board consists of one representative from each of those agencies plus two stakeholder directors representing environmental and agricultural interests. The GSA is responsible for developing a GSP for the Mound Basin to achieve long-term groundwater sustainability. Additionally, SGMA requires and directs GSAs to encourage active involvement of stakeholders and interested parties in the process to sustainability manage the basin.

2 PURPOSE

The purpose of the outreach activities described in this Engagement Plan is to encourage the active involvement of individual stakeholders and stakeholder organizations, and other interested parties in the development and implementation of the GSP for the Mound Basin. This GSP is required under SGMA to be completed no later than January 31, 2022. The projects and management actions necessary to implement the GSP could affect individuals and groups who have a stake in ensuring the basin is sustainably managed as required by SGMA.

In an effort to understand and involve stakeholders and their interests in the decision-making and activities, the MBGSA has prepared this Engagement Plan to encourage broad, enduring and productive involvement during the GSP development and implementation phases. This Engagement Plan will assist the MBGSA in providing timely information to stakeholders and receive input from interested parties during GSP development. This Engagement Plan will identify stakeholders who have an interest in groundwater in the Mound Basin, and recommend outreach, education and communication strategies for engaging those stakeholders during the development and implementation of the GSP. The plan also includes an approach for evaluating the overall success of stakeholder engagement and education of both stakeholders and the public. In consideration of the interests of all beneficial uses and users of groundwater in the basin, this Engagement Plan has been developed pursuant to California Water Code Section 10723.2. Additionally, this Engagement Plan has been developed to encourage the active involvement of diverse social, cultural, and economic elements of the population within the Mound Basin, in accordance with GSP Regulations Section 354.10.

3 GENERAL INFORMATION

The following personnel will serve as contacts for the public during GSA formation and GSP preparation.

3.1 Clerk of the Board

For general information about MBGSA and the GSP status, contact:

Kris Sofley, Clerk of the Board, (805) 525-4431, email kriss@unitedwater.org.

3.2 Executive Director

MBGSA's Executive Director will be available for stakeholders and the public seeking specific detailed information about the GSP. Contact:

Bryan Bondy, Executive Director, (805) 212-0484, email bryan@bondygroundwater.com.

4 OUTREACH ACTIVITIES

MBGSA will implement the following outreach activities to maximize stakeholder involvement during the development of the GSP and throughout SGMA implementation.

4.1 Public Notices

To ensure that the general public is apprised of local activities and allow stakeholders to access information, SGMA specifies several public notice requirements for GSAs. Refer to Table 1 in Appendix A for a summary of statutory requirements. Three sections of the California Water Code require public notice before establishing a GSA, adopting (or amending) a GSP, or imposing or increasing fees:

- Section 10723(b). "Before electing to be a groundwater sustainability agency, and after publication of notice pursuant to Section 6066 of the Government Code, the local agency or agencies shall hold a public hearing in the county or counties overlying the basin." In accordance with California Water Code Section 10723(b), the following was noticed to the public: On June 22, 2017, the MBGSA held a public hearing to consider becoming a GSA for the Mound Basin. The public hearing was noticed in the *Ventura County Star* in accordance with Government Code Section 6066.
- Section 10728.4. "A groundwater sustainability agency may adopt or amend a groundwater sustainability plan after a public hearing, held at least 90 days after providing notice to a city or county within the area of the proposed plan or amendment. ..."
- Section 10730(b)(1). "Prior to imposing or increasing a fee, a groundwater sustainability agency shall hold at least one public meeting, at which oral or written presentations may be made as part of the meeting....(3) At least 10 days prior to the meeting, the groundwater sustainability agency shall make available to the public data upon which the proposed fee is based." In accordance with California Water Code Section 10730(b)(1), the following was noticed to the public: On August 23, 2018, the MBGSA held a public hearing to consider establishing a groundwater extraction fee. The public hearing was noticed in the *Ventura County Star* in accordance with Government Code Section 6066 and data upon which the fee is based was posted to the MBGSA website and mailed to all

entities on the interested parties list prior to the meeting.

- Future noticing will occur as required by SGMA.

4.2 Stakeholder Identification

Pursuant to Water Code Sections 10723.8(a)(4) and 10723.2, the Agency will consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing a GSP.

MBGSA has engaged stakeholders in the development of the Agency to serve as the GSA. For example, during development of the joint powers authority agreement (“JPA Agreement”) forming the Agency, the signatory members held numerous public meetings to discuss important terms to be included in the JPA Agreement. The signatory members also held multiple stakeholder outreach meetings to engage and educate stakeholders within the Mound Basin about the SGMA requirements the JPA Agreement, and the Agency’s intention to form a GSA for the Mound Basin. In addition to the Agency’s public outreach efforts, it also designated two seats on its five-seat Board of Directors for Stakeholder Directors: one seat is reserved for an Agricultural Stakeholder Director and one seat is reserved for an Environmental Stakeholder Director.

The Agency plans to continue its practice of seeking broad stakeholder engagement in management of the Mound Basin’s groundwater resources as it undertakes the process to develop and implement the Plan for the Mound Basin over the next several years.

SGMA mandates that a GSA establish and maintain a list of persons interested in receiving notices regarding plan preparation, meeting announcements, and availability of draft plans, maps, and other relevant documents. The MBGSA compiled a list of interested persons for this purpose that will be maintained throughout the GSA formation and GSP development phases. An initial list of stakeholders and interested parties include, but are not limited to, the following:

- a) Holders of overlying groundwater rights, including:
 - 1) Agricultural well owners - There are agricultural users of groundwater operating on land overlying the Basin. To account for these users’ interests, the Agency designated a seat on its five-member governing board to be filled by an Agricultural Stakeholder Director. The Agricultural Stakeholder Director will be appointed from nominations received by the Mound Basin Ag Water Group (MBAWG) or the Ventura County Farm Bureau. The Agricultural Stakeholder Director is responsible for engaging the Basin’s agricultural users of groundwater and representing their interests before the Agency.
 - 2) Domestic well owners - There are domestic wells overlying the Basin. It is believed that the majority of these domestic well owners are de minimus users, as defined by SGMA. The Agency anticipates that the Plan will address the collective interests of domestic users of groundwater wells and plans to engage in outreach to domestic well owners throughout the development of the Plan through inviting their participation in the Agency’s public meetings.
- b) Municipal Well Operators - The Agency is a joint powers authority created by three local public agencies. Two of the Agency’s signatory members—the City of San Buenaventura and the County of Ventura (irrigation)—operate wells within the Basin

and are represented on the Agency's Board of Directors..

c) Public water systems

1) Ventura Water (City of San Buenaventura)

The City of San Buenaventura is a signatory member to the JPA Agreement forming the Agency and is represented on the Agency's Board of Directors.

- d) Local land use planning agencies - Both the County of Ventura ("County") and the City of San Buenaventura have land use planning authority on land overlying the Basin. Both are signatory members to the JPA Agreement forming the Agency and are represented on the Agency's Board of Directors.
- e) Environmental - There are several environmental organizations dedicated to preserving and maintaining environmental values operating within the boundaries of the Basin. To account for these users' interests, the Agency designated a seat on its five-member governing board to be filled by an Environmental Stakeholder Director. The Environmental Stakeholder Director will be appointed from nominations received from local environmental nonprofit organizations supportive of the Basin's groundwater sustainability. The Environmental Stakeholder Director is responsible for engaging stakeholders within the Basin and representing environmental interests before the Agency.
- f) Surface water users, if there is a hydrologic connection between surface and groundwater. Not applicable.
- g) The federal government – No land overlying the Mound Basin is managed by the Federal Government.
- h) California Native American Tribes - The Agency will ensure that a representative of overlying California Native American tribes is on the Agency's interested parties list, in order to receive notices of all Agency meetings and other stakeholder involvement opportunities.
- i) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems. The City of San Buenaventura (City) serves the areas indicated by DWR as Disadvantaged Communities (DACs) and Severely Disadvantaged Communities (SDACs).
- j) Entities listed in Section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency. The County is the designated California Statewide Groundwater Elevation Monitoring ("CASGEM") entity for the Basin. The County is a signatory member to the JPA Agreement forming the Agency and represented on the Agency's Board of Directors.

MBGSA intends to work cooperatively with partner agencies, stakeholders, and interested parties to develop and implement the GSP for the Mound Basin and will maintain a list of stakeholders and interested parties to be included in the formation of the GSP. A person can be added to the interested parties list by submitting an inquiry via the MBGSA website:

<http://moundbasingsa.org/contact-us/> or by contacting the Clerk of the Board.

4.3 Integrated Regional Water Management

The Watershed Coalition of Ventura County (WCVC) prepared an Integrated Regional Water Management Plan in 2006 and has been updated multiple times since. The Santa Clara River Watershed Committee, a sub organization of WCVC, is actively involved in the community on a wide range of issues affecting the watershed, including the Mound Basin. Since this group provides a forum for the discussion of issues that are important to the community, it is important for this group to be well informed throughout GSP development. Representatives from the MBGSA attend Council meetings and provide up-to-date information and hear feedback from Council members.

4.4 Public Hearings/Meetings

4.4.1 Planning Commission

Periodic updates on SGMA implementation will be provided to the City of Ventura Planning Commission and the Ventura County Planning Commission and the public will be invited to listen.

4.4.2 Public Meetings

Comprehensive stakeholder involvement will include regularly scheduled public meetings to aid in developing and implementing the GSP. Each GSP chapter will be the subject of a public meeting to receive comments prior to approval. In addition to signing up to receive information about GSP development at the MBGSA webpage, interested parties may participate in the development and implementation of the GSP by attending and participating in public meetings (Water Code Section 10727.8(a)). Prior public meetings have generally been held at Ventura City Hall, 501 Poli Street, Ventura, California 93001. Future public meetings will generally be held at this location, although some meetings may be moved to other locations depending on meeting room availability. Each meeting will have a scheduled time for public comments. Information about upcoming meetings can be found on the MBGSA website:

<http://moundbasingsa.org/>.

4.4.3 Local Agency Meetings

To ensure their constituency is kept informed of the progress of GSP development and implementation, the Directors representing MBGSA member agencies, which consist of County of Ventura, City of San Buenaventura, and United Water Conservation District have committed to providing periodic updates during their regularly scheduled board meetings. These meetings offer a chance for the public to receive information and provide comment. Information about upcoming meetings is provided on the following agency websites, or by the means each agency currently meets its legal noticing requirements, whichever is appropriate:

<http://cityofventura.ca.gov>

<http://ventura.org> (Board of Supervisors)

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

4.5 Direct Mailings/Email

Public meetings and project information will be disseminated through email, from the Agency office, or direct mail under special circumstances if requested. This communication will provide information for the community, public agencies, and other interested persons/organizations about

milestones, meetings, and the progress of GSP development. Property owners with groundwater wells within the basin are notified via email and/or direct mailings about the establishment of an interested persons list and given the opportunity to receive future notices.

4.6 Newsletters/Columns

Periodic updates may be provided to the *Ventura County Star* newspapers to advise, educate, and inform the public on SGMA implementation.

4.7 MBGSA Website

Regular updates on the GSP development and implementation will be provided on the MBGSA website. This information will include maps, timelines, frequently asked questions, groundwater information, and schedules/agenda of upcoming meetings and milestones. This information will be accessible on the MBGSA website: <http://moundbasingsa.org/>. MBGSA staff will update the website regularly and invite users to request information or be added to the interested persons list. In addition, general information about SGMA and groundwater conditions will be available on UWCD's website.

4.8 Database

To distribute information about GSP development, an email list has been compiled into a database of interested persons and stakeholders. The database will be updated regularly to add names of attendees at public meetings along with those requesting information via email or the through the MBGSA website.

4.9 Tribal Engagement

Portions of the Barbareno-Ventureno Band of Chumash are located within the Mound Basin. Although the tribe is not subject to the requirements of SGMA, any federally recognized Indian tribe may voluntarily participate with GSAs in the preparation or administration of a GSP. MBGSA will inform the Tribal Elder, Julie Tumamait, throughout the GSP development process and GSP implementation.

4.10 Additional Opportunities

Additional opportunities for stakeholder participation (e.g., an advisory committee) will be considered as GSP development progresses and as stakeholder interests evolve.

5 EVALUATION

To determine the level of success of the Engagement Plan, the MBGSA will implement the following measures:

5.1 Attendance/Participation

A record of those attending public meetings will be maintained throughout the GSP development process. MBGSA will utilize sign-in sheets and request feedback from attendees to determine adequacy of public education and productive engagement in the GSP development and implementation process. Meeting minutes will also be prepared and will be provided on the MBGSA website once approved.

5.2 Adherence to Schedule

Public participation in developing projects and management actions for inclusion in the GSP is

instrumental to the success of the GSP. Keeping these tasks on schedule will be an important indicator of stakeholder involvement.

5.3 Plan Update

This Plan will be updated at least annually.

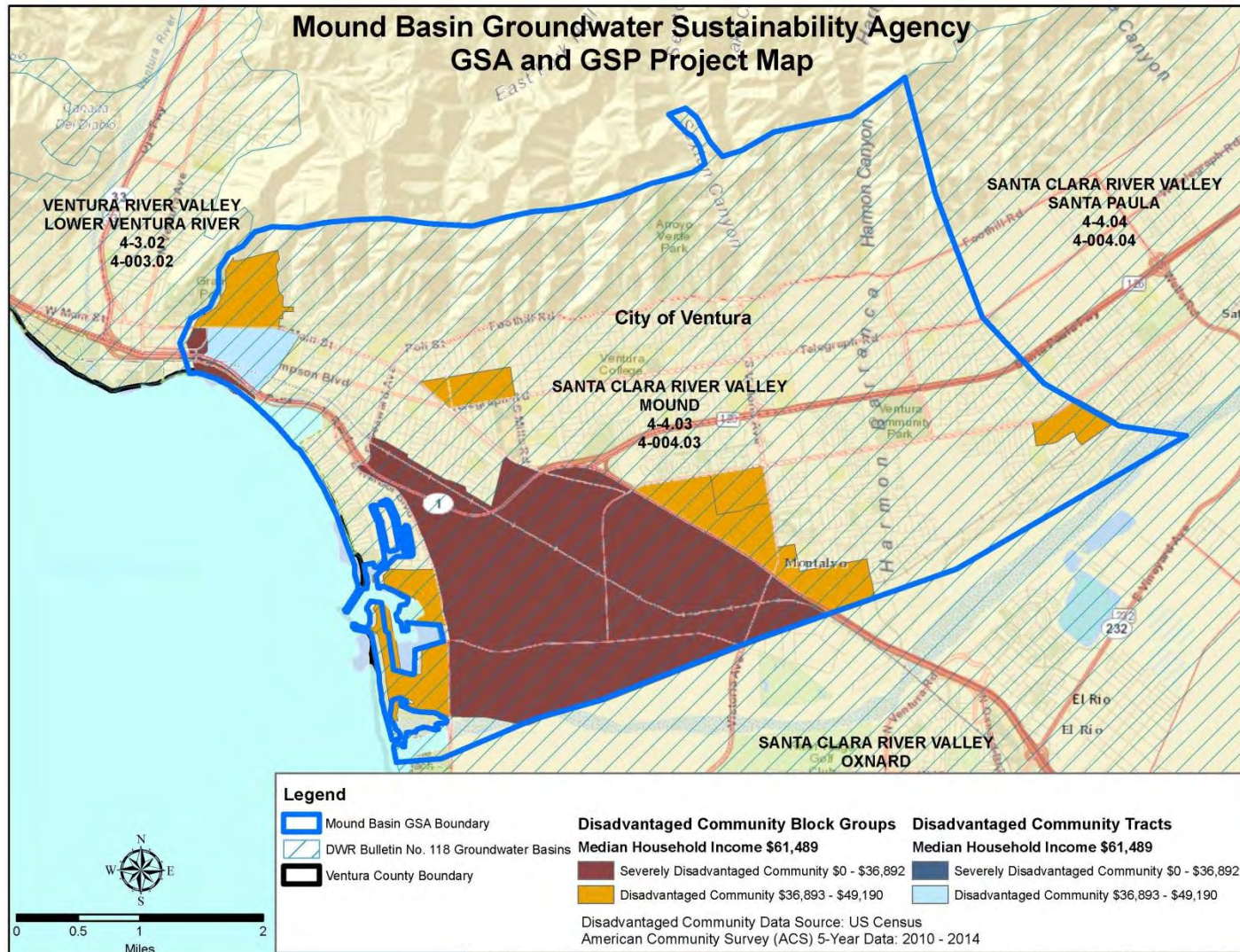
DRAFT

APPENDIX A

TABLE 1

<i>During GSA Formation:</i>	
“Before electing to be a groundwater sustainability agency... the local agency or agencies shall hold a public hearing.”	Water Code Sec. 10723 (b)
“A list of interested parties [shall be] developed [along with] an explanation of how their interests will be considered.”	Water Code Sec. 10723.8.(a)(4)
<i>During GSP Development and Implementation:</i>	
“A groundwater sustainability agency may adopt or amend a groundwater sustainability plan after a public hearing”.	Water Code Sec. 10728.4
“Prior to imposing or increasing a fee, a groundwater sustainability agency shall hold at least one public meeting”.	Water Code Sec. 10730(b)(1)
“The groundwater sustainability agency shall establish and maintain a list of persons interested in receiving notices regarding plan preparation, meeting announcements, and availability of draft plans, maps, and other relevant documents”.	Water Code Sec. 10723.4
“Any federally recognized Indian Tribe... may voluntarily agree to participate in the preparation or administration of a groundwater sustainability plan or groundwater management plan... A participating Tribe shall be eligible to participate fully in planning, financing, and management under this part”.	Water Code Sec. 10720.3(c)
“The groundwater sustainability agency shall make available to the public and the department a written statement describing the manner in which interested parties may participate in the development and implementation of the groundwater sustainability plan”.	Water Code Sec. 10727.8(a)
<i>Throughout SGMA Implementation:</i>	
“The groundwater sustainability agency shall consider the interests of all beneficial uses and users of groundwater”.	Water Code Sec. 10723.2
“The groundwater sustainability agency shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the groundwater basin”.	Water Code Sec. 10727.8(a)

FIGURE 1



MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 8(b)

DATE: October 18, 2018
TO: Board of Directors
FROM: Executive Director
SUBJECT: Approval of 2017 Prop 1 Sustainable Groundwater Planning (SGWP) Grant Agreement

SUMMARY

The Board will consider conditionally approving the Prop 1 SGWP Grant Agreement.

RECOMMENDED ACTION

It is recommended that the Board authorize the Board Chair to execute the agreement with DWR for the 2017 Prop 1 SGWP Grant, subject to non-substantive changes on the final version received from DWR Headquarters.

BACKGROUND

The GSP Project Manager has negotiated the attached grant agreement with the Department of Water Resources (DWR) Basin Point of Contact for an award of up to \$583,100. The grant agreement reflects a number of significant changes relative to the grant application. These changes are described below.

Pursuant to Board direction, the monitoring well proposed in the grant application has been removed from the grant work plan and budget. However, the Agency remains obligated to install the monitoring well in the future as part of the GSP implementation because it was listed in the grant application (this requirement is reflected in the grant agreement). The Executive Director has applied for DWR Technical Support Services, which, if approved, would cover much of the monitoring well costs.

Unfortunately, and contrary to prior information provided by DWR staff, DWR's legal counsel recently determined that costs for Groundwater Sustainable Agency (GSA) formation and the grant application cannot be included in the grant. These costs would have covered 23% of the cost share requirement. To remedy this late decision, DWR staff are pursuing a cost share reduction (from 50% to 25%) based on the presence of disadvantaged communities (DAC's) within the Basin. Neither of these changes impact the amount of grant proceeds the Agency will receive. Rather, these changes impact the amount of cost share the Agency must contribute to receive the grant proceeds. It now appears the cost share requirement will be \$204,873¹. Overall, the net effect of these changes does not significantly alter the overall financial picture of the grant.

¹ Includes \$50,000 of in-kind services to be provided by UWCD and approximately \$60,000 in Director in-kind labor.

DWR is now also requiring that the grant application tasks be collapsed into a smaller number of “budget categories” in the grant agreement. While this should simplify grant reporting and invoicing, it will, unfortunately, delay grant reimbursements for some budget categories. This is because cost share must be met for all tasks combined in a given budget category before reimbursement occurs (as opposed to receiving grant proceeds early for individual tasks that have low cost share thresholds). In light of this, the GSP PM negotiated changes to the cost share allocations between budget categories to frontload as much reimbursement as early as possible. Overall, the net effect of these changes is that the Agency can expect reimbursement to begin sooner for grant administration, but will have to wait somewhat longer for reimbursement to begin for GSP development activities.

Except for the work plan, budget, and schedule (key issues discussed above), all other agreement terms are non-negotiable.

In conclusion, staff believes the Agency has negotiated the best possible grant agreement terms, all factors considered.

FISCAL SUMMARY

Approving the grant agreement will result in up to \$583,100 in grant revenue over the life of the GSP development project.

ATTACHMENT

- A. Draft 2017 Prop 1 SGWP Grant Agreement

Action: _____

Motion: _____ 2nd: _____

K. Brown ___ M. Mobley ___ G. Shephard ___ J. Chambers ___ C. Everts ___

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA
(DEPARTMENT OF WATER RESOURCES) AND
MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY
AGREEMENT NUMBER 4600012692**

2017 PROPOSITION 1 SUSTAINABLE GROUNDWATER PLANNING (SGWP) GRANT

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and the Mound Basin Groundwater Sustainability Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

- 1) **PURPOSE.** The State shall provide funding from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) to assist the Grantee in financing the planning and/or selected project activities (Project) that will improve sustainable groundwater management, pursuant to Water Code Section 79700 et seq. The provision of State funds pursuant to this Agreement shall not be construed or interpreted to mean that the Groundwater Sustainability Plan (GSP), or any components of the GSP, implemented in accordance with the Work Plan as set forth in Exhibit A, will be: adopted by the applicable Groundwater Sustainability Agency (GSA); obtain the necessary desirable results of Sustainable Management Criteria; or, meet all of the evaluation and assessment criteria when submitted to the Department of Water Resources as required by the Sustainable Groundwater Management Act and implementing regulations.
- 2) **TERM OF GRANT AGREEMENT.** The term of this Grant Agreement begins on the date this Grant Agreement is executed by the State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Grant Agreement. However, all work shall be completed in accordance with the Schedule as set forth in Exhibit C.
- 3) **GRANT AMOUNT.** The maximum amount payable by the State under this Grant Agreement shall not exceed \$758,100.
- 4) **GRANTEE COST SHARE.** The Grantee is required to provide a Local Cost Share (non-State funds) of not less than 50 percent of the Total Project Cost. The cost share requirement for projects benefiting a Severely Disadvantaged Community (SDAC), Disadvantaged Community (DAC), or an Economically Distressed Areas (EDA) may be waived or reduced. The Grantee agrees to provide a Local Cost Share (non-State funds) for the amount as documented in Exhibit B (Budget). Local Cost Share may include Eligible Project Costs directly related to Exhibit A incurred after January 1, 2015.
- 5) **BASIC CONDITIONS.** The State shall have no obligation to disburse money for a project under this Grant Agreement until the Grantee has satisfied the following conditions (if applicable):
 1. Prior to execution of this Grant Agreement, selected applicants (Groundwater Sustainability Agency) for GSP Development projects must submit evidence of a notification to the public and DWR prior to initiating development of a GSP in compliance with California Code of Regulations, title 23, Section 350 et seq. (GSP Regulations) and Water Code Section 10727.8.
 2. The Grantee must demonstrate compliance with all relevant eligibility criteria as set forth on pages 7 and 8 of the 2015 Grant Program Guidelines for the SGWP Grant Program.
 3. For the term of this Grant Agreement, the Grantee submits timely reports and all other deliverables as required by Paragraph 16, "Submission of Reports" and Exhibit A.
- 6) **DISBURSEMENT OF FUNDS.** The State will disburse to the Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any

and all money disbursed to the Grantee under this Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs.

- 7) **ELIGIBLE PROJECT COST.** The Grantee shall apply State funds received only to eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, project construction, and/or any other scope of work efforts as described in Exhibit A. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after July 1, 2017, but before April 30, 2022 (end date), shall be eligible for reimbursement.

Costs that are not eligible for reimbursement with State funds cannot be counted as Cost Share. Costs that are not eligible for reimbursement include, but are not limited to, the following items:

1. Costs, other than those noted above, incurred prior to the award date of this Grant.
 2. Costs for preparing and filing a grant application belonging to another solicitation.
 3. Operation and maintenance costs, including post construction performance and monitoring costs.
 4. Purchase of equipment that is not an integral part of a project.
 5. Establishing a reserve fund.
 6. Purchase of water supply.
 7. Monitoring and assessment costs for efforts required after project construction is complete.
 8. Replacement of existing funding sources for ongoing programs.
 9. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
 10. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the execution date of this Grant Agreement.
 11. Overhead and indirect costs: "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Grantee; non-project-specific accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.
- 8) **METHOD OF PAYMENT FOR REIMBURSEMENT.** After the disbursement requirements in Paragraph 5 "Basic Conditions" are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee via U.S. mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 16, "Submission of Reports." Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. The State will notify the Grantee, in a timely manner, whenever, upon review of an Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to the State. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee fails to submit adequate documentation curing the deficiency(ies), the State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by the Grantee shall include the following information:

1. Costs incurred for work performed in implementing the project during the period identified in the particular invoice.
2. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
3. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:
 - a. Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - b. Invoices must be itemized based on the categories (i.e., tasks) specified in the Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - c. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - d. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount" and those costs that represent the Grantee's costs, as applicable, in Paragraph 4, "Grantee Cost Share."
 - e. Original signature and date (in ink) of the Grantee's Project Representative. Submit the original "wet signature" copy of the invoice form to the address listed in Paragraph 23, "Project Representative."

All invoices submitted shall be accurate and signed under penalty of perjury. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Exhibit D and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.)

- 9) **ADVANCED PAYMENT.** Water Code Section 10551 authorizes advance payment by the State for projects included and implemented in an applicable integrated regional water management plan, and when the project proponent is a nonprofit organization; a DAC; or the project benefits a DAC. If the project is awarded less than \$1,000,000 in grant funds, the project proponent may receive an advanced payment of up to 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears. Within ninety (90) calendar days of execution of the Grant Agreement, the Grantee may provide the State an Advanced Payment Request. Advanced Payment Requests received ninety-one (91) calendar days after execution of this Agreement, or later, will not be eligible to receive advance payment. The Advanced Payment Request must contain the following:
1. Documentation demonstrating that each Local Project Sponsor (if different from the Grantee, as listed in Exhibit I) was notified about their eligibility to receive an advanced payment and a response from the Local Project Sponsor stating whether it wishes to receive the advanced payment or not.
 2. If the Local Project Sponsor is requesting the advanced payment, the request must include:
 - a. A funding plan which shows how the advanced funds will be expended within 18 months of this Grant Agreement's execution (i.e., for what, how much, and when).

- b. A discussion of the Local Project Sponsor's financial capacity to complete the project once the advance funds have been expended, and include an "Audited Financial Statement Summary Form" specific to the DAC.
 3. If a Local Project Sponsor is requesting advanced payment, the Grantee shall also submit a single Advance Payment Form Invoice, containing the request for each qualified project, to the State Project Manager with "wet signature" and date of the Grantee's Project Representative, as indicated in Paragraph 23, "Project Representative." The Grantee shall be responsible for the timely distribution of the advanced funds to the respective Local Project Sponsor(s). Within sixty (60) calendar days of receiving the Advanced Payment Form Invoice and subject to the availability of funds, the State will authorize payment of the advanced funds sought of up to 50% of the grant award for the qualified project(s). The Advanced Payment Form Invoice shall be submitted on forms provided by the State and shall meet the following format requirements:
 - a. Invoice must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - b. Invoice must be itemized based on the categories (i.e., tasks) specified in Exhibit B.
 - c. The State Project Manager will notify the Grantee, in a timely manner, when, upon review of an Advance Payment Form Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). After the distribution requirements in Paragraph 5, "Basic Conditions" are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee via US mail or Express mail delivery of a "wet signature" invoice for costs incurred, including Cost Share, and timely Progress Reports as required by Paragraph 16, "Submission of Reports."
 4. On a quarterly basis, the Grantee will submit an Accountability Report to the State that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:
 - a. An itemization of how advanced funds have been expended to-date (Expenditure Summary), including documentation that supports the expenditures (e.g., contractor invoices, receipts, personnel hours, etc.). Invoices must be itemized based on the budget categories (i.e., tasks) specified in Exhibit B.
 - b. A funding plan which shows how the remaining advanced funds will be expended.
 - c. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
 - d. The State Project Manager will notify the Grantee, in a timely manner, when, upon review of the Expenditure Summary, the State determines that any portion of the expenditures claimed are not eligible costs. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit B, the State will reject the claim and remove them from the Expenditure Summary.
 5. Once the Grantee has expended all advanced funds, then the method of payment will revert to the reimbursement process specified in Paragraph 8, "Method of Payment for Reimbursement.", and any remaining requirements of Paragraph 5, "Basic Conditions."
- 10) **REPAYMENT OF ADVANCES.** The State may demand repayment from the Grantee of all or any portion of the advanced State funding along with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by the State, and take any other action that it deems necessary to protect its interests for the following conditions:

1. A project is not being implemented in accordance with the provisions of the Grant Agreement.
2. The Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction.
3. Repayment amounts may also include:
 - a. Advance funds which have not been expended within 18 months of the Grant Agreement's execution.
 - b. Actual costs incurred are not consistent with the activities presented in Exhibit A, not supported, or are ineligible.
 - c. At the completion of the project, the funds have not been expended.

For conditions 10) 3.a. and 10) 3.b., repayment may consist of deducting the amount from future reimbursement invoices. The State may consider the Grantee's refusal to repay the requested advanced amount a substantial breach of this Grant Agreement subject to the default provisions in Paragraph 12, "Default Provisions." If the State notifies the Grantee of its decision to demand repayment or withhold the entire funding amount from the Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

- 11) WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that the Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and the State notifies the Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 13, "Continuing Eligibility," the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the State notifies the Grantee, as directed by the State. The State may consider the Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 12, "Default Provisions." If the State notifies the Grantee of its decision to withhold the entire funding amount from the Grantee pursuant to this paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.
- 12) DEFAULT PROVISIONS. The Grantee will be in default under this Grant Agreement if any of the following occur:
1. Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations;
 2. Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement;
 3. Failure to operate or maintain project in accordance with this Grant Agreement.
 4. Failure to make any remittance required by this Grant Agreement.
 5. Failure to comply with Labor Compliance Plan requirements.
 6. Failure to submit timely progress reports.
 7. Failure to routinely invoice the State.
 8. Failure to meet any of the requirements set forth in Paragraph 13, "Continuing Eligibility."

Should an event of default occur, the State shall provide a notice of default to the Grantee and shall give the Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, the State may do any of the following:

9. Declare the funding be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of the default.
10. Terminate any obligation to make future payments to the Grantee.
11. Terminate the Grant Agreement.
12. Take any other action that it deems necessary to protect its interests.

In the event the State finds it necessary to enforce this provision of this Grant Agreement in the manner provided by law, the Grantee agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

13) CONTINUING ELIGIBILITY. The Grantee must meet the following ongoing requirement(s) to remain eligible to receive State funds:

1. An urban water supplier that receives grant funds pursuant to this Grant Agreement must maintain compliance with the Urban Water Management Planning Act (UWMP; Wat. Code, § 10610 et seq.) and Sustainable Water Use and Demand Reduction (Wat. Code, § 10608 et seq.) by doing the following:
 - a. Have submitted their 2015 UWMP and had it deemed consistent by DWR. If the 2015 UWMP has not been submitted to DWR funding disbursements to the urban water supplier will cease until the 2015 UWMP is submitted. If the 2015 UWMP is deemed inconsistent by DWR, the urban water supplier will be ineligible to receive funding disbursements until the inconsistencies are addressed and DWR deems the UWMP consistent. For more information, visit the following website: <https://www.water.ca.gov/Programs/Water-Use-And-Efficiency/Urban-Water-Use-Efficiency/Urban-Water-Management-Plans>.
 - b. All urban water suppliers must submit documentation that demonstrates they are meeting the 2015 interim gallons per capita per day (GPCD) target. If not meeting the interim target, the Grantee must submit a schedule, financing plan, and budget for achieving the GPCD target, as required pursuant to Water Code Section 10608.24. Urban water suppliers that did not meet their 2015 interim GPCD target must also submit annual reports that include a schedule, financing plan, and budget for achieving the GPCD target by June 30 of each year.
2. An agricultural water supplier receiving grant funding must:
 - a. Comply with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seq. Submit to the State a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code Section 10608.48.
 - b. Have their Agricultural Water Management Plan (AWMP) deemed consistent by DWR. To maintain eligibility and continue funding disbursements, an agricultural water supply must have their 2015 AWMP identified on the State's website. For more information, visit the following website: <https://www.water.ca.gov/Work-With-Us/Grants-And-Loans/Agriculture-Water-Use-Efficiency>.
3. The Grantee diverting surface water must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
4. If applicable, the Grantee must demonstrate compliance with the Groundwater Management Act set forth on pages 7 and 8 of the 2015 SGWP Grant Program Guidelines, dated October 2015.

5. Grantees that have been designated as monitoring entities under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program must maintain reporting compliance, as required by Water Code Section 10932 and the CASGEM Program.
- 14) PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. The Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project(s). The Grantee shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. The Grantee shall provide copies of permits and approvals to the State.
- 15) RELATIONSHIP OF PARTIES. If applicable, the Grantee is solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by the State is solely for the purpose of proper administration of funds by the State and shall not be deemed to relieve or restrict responsibilities of the Grantee under this Grant Agreement.
- 16) SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the State. All reports shall be submitted to the State's Project Manager, and shall be submitted via Department of Water Resources (DWR) "Grant Review and Tracking System" (GRanTS). If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State of a Project Completion Report is a requirement for the release of any funds retained for such project.
 1. Progress Reports: The Grantee shall submit Progress Reports to meet the State's requirement for disbursement of funds. Progress Reports shall be uploaded via GRanTS, and the State's Project Manager notified of upload. Progress Reports shall, in part, provide a brief description of the work performed, Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Progress Report should be submitted to the State no later than four (4) months after the execution of the agreement, with future reports then due on successive three-month increments based on the invoicing schedule and this date.
 2. Groundwater Sustainability Plan: The Grantee shall submit a Final Groundwater Sustainability Plan (GSP) to DWR by the date as specified per the Sustainable Groundwater Management Act (SGMA). The GSP shall be formatted, drafted, prepared, and completed as required by the GSP Regulations, and in accordance with any other regulations or requirements that are stipulated through SGMA.
 3. Coordination Agreement: The Grantee shall provide the State a copy of the executed Coordination Agreement, and all supporting documentation. This condition is only required in basins where GSAs develop multiple GSPs pursuant to Water Code Section 10727(b)(3). Refer to the GSP Regulations for necessary details and requirements to prepare and submit a Coordination Agreement.
 4. Accountability Report: The Grantee shall prepare and submit to the State an Accountability Report on a quarterly basis if the Grantee received an Advanced Payment, consistent with the provisions in Paragraph 9, "Advanced Payment."
 5. Completion Report: The Grantee shall prepare and submit to the State a separate Completion Report for each project or component included in Exhibit A. The Grantee shall submit a Completion Report within ninety (90) calendar days of project/component completion. Each Completion Report shall include, in part, a description of actual work done, any changes or amendments to each project, and a

final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. The Completion Report shall also include, if applicable for Implementation Project(s), certification of final project by a registered civil engineer, consistent with Exhibit D. A "Certification of Project Completion" form will be provided by the State.

6. Grant Completion Report: Upon completion of the Project included in Exhibit A, the Grantee shall submit to the State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Completion Report for the final component or project to be completed under this Grant Agreement. The Grant Completion Report shall include reimbursement status, a brief description of each component completed, and how those components will further the goals of the GSP and sustainable groundwater. Retention for the last component, or project, to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to be approved by the State.

- 17) OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects (pertinent to Implementation Projects) and in consideration of the funding made by the State, the Grantee agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. The Grantee or their successors may, with the written approval of the State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal by the Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of the State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 12, "Default Provisions."
- 18) STATEWIDE MONITORING REQUIREMENTS. The Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Wat. Code, § 10780 et seq.) and, where applicable, projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G for web links and information regarding other State monitoring and data reporting requirements.
- 19) NOTIFICATION OF STATE. The Grantee shall promptly notify the State, in writing, of the following items:
 1. Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
 2. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by the State's representatives. The Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
 3. Applicable to Implementation Projects only, Final inspection of the completed work on a project by a Registered Professional (Civil Engineer, Engineering Geologist, or other State approved certified/license Professional), in accordance with Exhibit D. The Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to

provide the State the opportunity to participate in the inspection.

20) NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:

1. By delivery in person.
2. By certified U.S. mail, return receipt requested, postage prepaid.
3. By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
4. By electronic means.
5. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U.S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses listed below. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

21) PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, the Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

22) PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

Department of Water Resources

Arthur Hinojosa
Chief, Division of Integrated Regional Water
Management
P.O. Box 942836
Sacramento, CA 94236-0001
Phone: (916) 653-4736
Email: Arthur.Hinojosa@water.ca.gov

Mound Basin Groundwater Sustainability Agency

Mike Mobley
Board Chair, Mound Basin GSA
P.O. Box 3544
Ventura, CA 93006
Phone: (805) 844-4451
Email: mikemobley@hotmail.com

Direct all inquiries to the Project Manager:

Department of Water Resources

Eddie Pech, P.E.
Engineer, Water Resources
770 Fairmont Avenue, Suite 102
Glendale, CA 91203-1035
Phone: (818) 549-2324
Email: Eduardo.Pech@water.ca.gov

Mound Basin Groundwater Sustainability Agency

Bryan Bondy
Executive Director
P.O. Box 3544
Ventura, CA 93006
Phone: (805) 212-0484
Email: Bryan@bindyGroundwater.com

Either party may change its Project Representative or Project Manager upon written notice to the other party.

23) STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

Exhibit A – Work Plan

Exhibit B – Budget

Exhibit C – Schedule

Exhibit D – Standard Conditions

Exhibit E – Authorizing Resolution Accepting Funds

Exhibit F – Report Formats and Requirements

Exhibit G – Requirements for Data Submittal

Exhibit H – State Audit Document Requirements and Cost Share Guidelines for Grantees

Exhibit I – Local Project Sponsors (Not Used)

Exhibit J – Project Location

DRAFT

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Mound Basin Groundwater Sustainability Agency

Arthur Hinojosa
Chief, Division of Integrated Regional Water
Management

Mike Mobley
Board Chair, Mound Basin GSA

Date _____

Date _____

Approved as to Legal Form and Sufficiency

Robin Brewer, Assistant Chief Counsel
Office of Chief Counsel

Date _____

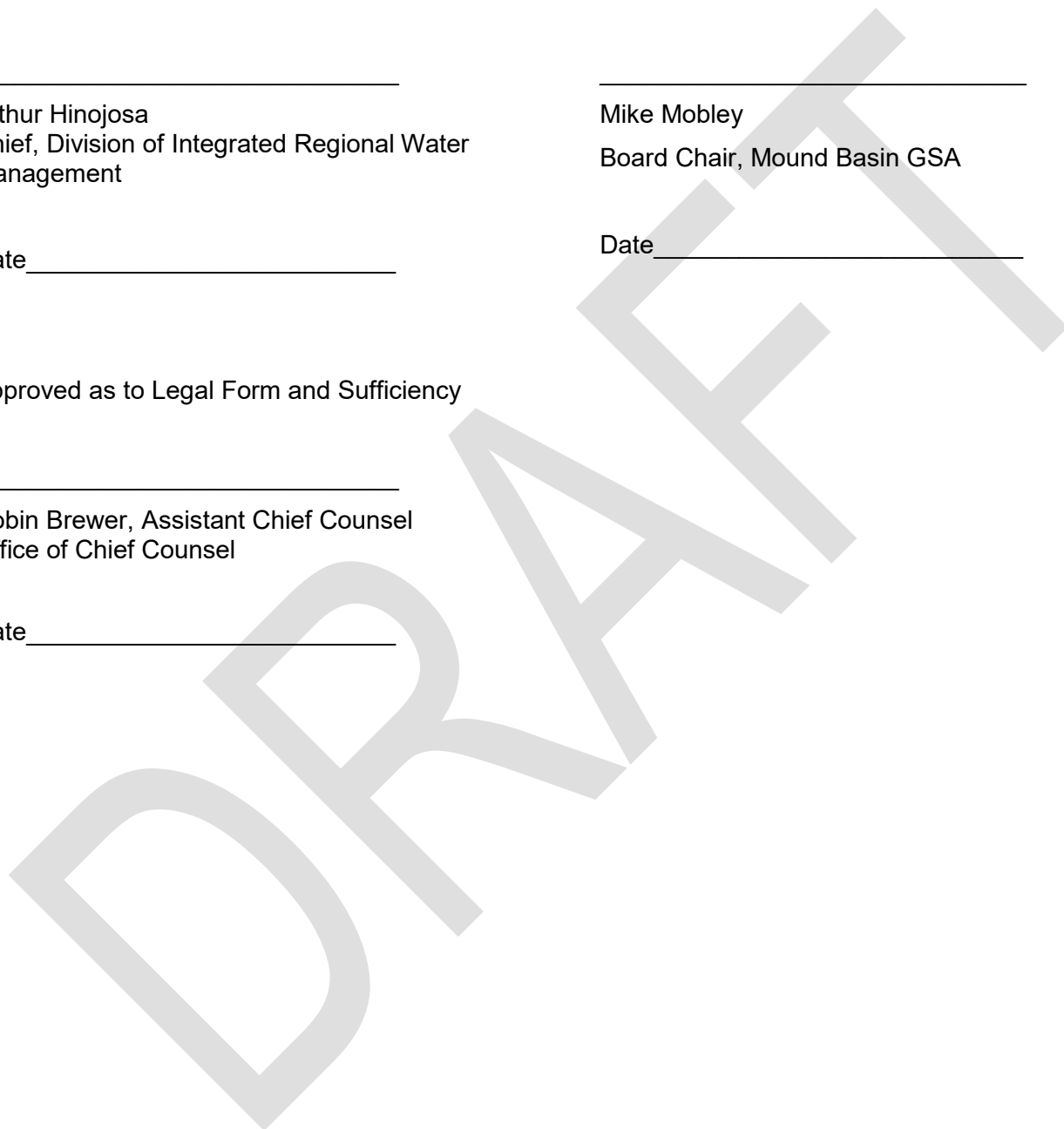


EXHIBIT A WORK PLAN

Project Title: Groundwater Sustainability Plan Development for the Mound Basin

Project Description: Mound Basin GSA's Project has one component, to prepare a Groundwater Sustainability Plan. The project includes basin boundary modification, technical studies to address data gaps, groundwater model development, foundational basin study, and GSP preparation.

Category (a): Grant Administration

Task 1: Administration

This task includes managing the Grant Agreement including Agreement execution and Amendment(s) (if necessary), communication with DWR on a timely basis, and maintenance of project files related to implementation of the grant agreement. In addition, preparing and submitting invoices to DWR, tracking task progress and schedule, and managing contracts and budgets associated with the Grant Agreement. Also, compiling progress reports for submittal to DWR, prepare and submit quarterly progress reports, and the Final Grant Completion Report.

- Deliverables
 - Invoices and associated backup documentation
 - Progress reports
 - Final Grant Completion Report

Category (b): Model and Studies

Task 2: Groundwater Model Development

A numerical groundwater flow model covering the basin was constructed and calibrated and is now available for use for GSP development. The model was prepared by a member agency (United Water Conservation District).

- Deliverables
 - Numerical Groundwater Flow Model Description and Documentation.

Task 3: Geophysical Study

A geophysical study was performed to evaluate geologic structures. Study was completed by a member agency (United Water Conservation District).

- Deliverables
 - Geophysical Study Report

Task 4: Mound Basin Study

Preparation of the "Mound Basin Study," which includes a hydrogeologic characterization of the Mound Basin. Study is being prepared by member agency (City of Ventura).

- Deliverables
 - Mound Basin Study Report

Task 5: Water Quality and Isotope Study

Perform a study consisting of groundwater sampling from selected discrete zones of selected nested/cluster monitoring wells in the basin, laboratory analysis of general minerals and selected isotopes, data analysis, and preparation of a technical memorandum.

- Deliverables
 - Isotope Technical Memorandum

Category (c): Planning Activities**Task 6: Basin Boundary Modification**

Submit a basin boundary modification request to address jurisdictional boundary conflicts with the Fox Canyon Groundwater Management Agency (FCGMA) to the south and the adjudicated Santa Paula Subbasin of the Santa Clara River Valley Basin to the east. The basin boundary modification will also address the aquifer outcrop on the northern edge of the basin, which currently does not align with local geologic mapping. The request will be submitted via DWR's Basin Boundary Modification Request System (BBMRS).

- Deliverables
 - Basin Boundary Modification Request (to be submitted via BBMRS).

Task 7: Organizational Activities

Develop a Stakeholder Engagement Plan that will address noticing, communicating with and incorporating input from stakeholders, public agencies, and other interested parties during the preparation of the GSP. Outreach strategies along with roles and responsibilities will also be identified in the plan. This task also includes submitting the GSP Initial Notification to DWR, retaining other expertise needed on the GSP preparation team, and assessment of the funding plan over the term of the project.

- Deliverables
 - Stakeholder Engagement Plan
 - GSP Initial Notification (to be submitted via the SGMA Portal).

Task 8: Stakeholder Outreach and Engagement

The Stakeholder Engagement Plan will be implemented, including noticing and soliciting input from the stakeholders and other interested parties during preparation of the GSP. This task covers staff and/or consultant time labor for outreach activities only. Labor for meeting attendance and addressing comments are embedded in the various GSP development tasks.

- Deliverables
 - Outreach materials
 - Meeting Notices and Agendas

Category (d): GSP Development**Task 9: GSP Development and Preparation**

Develop a Groundwater Sustainability Plan to include, at a minimum, the sections listed and described below.

1. Description of the Plan
Includes a summary of jurisdictional areas and other features, water resources monitoring and management programs as well as a summary of well permitting processes and a map illustrating current well density, land use elements or topical categories of applicable general plans, additional GSP elements, and notice and communication.
2. Basin Setting
Includes a hydrogeologic conceptual model, current and historical groundwater conditions as well as address the basin's groundwater elevation trends overtime, water budget information, and any proposed management areas.
3. Sustainable Management Criteria
Includes sustainability goal, measurable objectives, minimum thresholds, undesirable results, and monitoring network.
4. Project and Management Actions
Includes description of any specific project and management actions that will be implemented to address undesirable, results, minimum thresholds, and measurable objectives.
5. Plan Implementation
Includes description of the approach, schedule, and approximate costs of implementing the GSP. Will also propose a multi-level monitoring well to evaluate groundwater-surface interaction in the southwestern portion of the basin, if necessary, and describe the GSA's plan for annual reporting and process for completing periodic GSP evaluations.
6. GSP Introduction, Executive Summary References, and Appendices
Includes preparing the introductory chapter of the GSP, the executive summary, references section, and appendices.
 - Deliverables
 - Draft GSP

Task 10: GSP Reviews and Approvals and Final Document Preparation

Prepare a final GSP document. Comments on a preliminary final draft will be solicited from stakeholders during a 90-day comment period. After being updated in response to comments, an updated draft GSP will be presented to the MBGSA Board, at which time the Board may choose to adopt or issue another draft for public comment. After receiving approval from the Board, the final GSP will be submitted to DWR and posted on MBGSA's website.

- Deliverables
 - Proof of Final GSP submittal to DWR

**EXHIBIT B
BUDGET**

Project Budget					
Project Title: Groundwater Sustainability Plan Development for the Mound Basin					
Budget Category		Grant Amount	Required Cost Share (non-state source)*	Other Cost Share**	Total Cost
(a)	Grant Administration	\$80,000	\$0	\$0	\$80,000
(b)	Model and Studies	\$39,600	\$133,970	\$0	\$173,570
(c)	Planning Activities	\$10,600	\$12,500	\$0	\$23,100
(d)	GSP Development	\$452,900	\$58,403	\$157,797	\$669,100
TOTAL COSTS		\$583,100	\$204,873	\$157,797	\$945,770

NOTES:

*Grantee received a 50% Cost Share Waiver resulting from the needs of DACs and SDACs in the Subbasin.

**Other Cost Share will come extraction fees

**EXHIBIT C
SCHEDULE**

Project Schedule			
Project Title: Groundwater Sustainability Plan Development for the Mound Basin			
Budget Category		Start Date	End Date
(a)	Grant Administration	5/7/2018	6/30/2022
(b)	Model and Studies	1/1/2015	12/31/2020
(c)	Planning Activities	1/1/2017	1/31/2022
(d)	GSP Development	9/17/18	1/31/2022

EXHIBIT D
STANDARD CONDITIONS

D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

- a) **Separate Accounting of Funding Disbursements:** The Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. The Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grantee shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. The Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.
- b) **Disposition of Money Disbursed:** All money disbursed pursuant to this Grant Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.
- c) **Remittance of Unexpended Funds:** The Grantee shall remit to the State any unexpended funds that were disbursed to the Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from the State to the Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

D.2) ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: The Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Grant Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and through an agreement with the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

D.3) AMENDMENT: This Grant Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. The State shall have no obligation to agree to an amendment.

D.4) AMERICANS WITH DISABILITIES ACT: By signing this Grant Agreement, the Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5) AUDITS: The State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grantee to conduct a final audit to the State's specifications, at the Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may elect to pursue any remedies provided in Paragraph 12 or take any other action it deems necessary to protect its interests.

Pursuant to Government Code Section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Grant Agreement with respect of all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of the Grantee or its contractor or subcontractors shall

be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement. If an audit reveals any impropriety, the Bureau of State Audits or the State Controller's Office may conduct a full audit of any or all of the Funding Recipient's activities. (Wat. Code, § 79708, subd. (b).)

- D.6) **BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for this program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State to make any payments under this Grant Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement and the Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Grant Agreement with no liability occurring to the State, or offer a Grant Agreement amendment to the Grantee to reflect the reduced amount.
- D.7) **CEQA:** Activities funded under this Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Grant Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under the Grant Agreement subject to a CEQA document shall not proceed until and unless approved by the State Project Manager. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once the State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 12.
- D.8) **CHILD SUPPORT COMPLIANCE ACT:** The Grantee acknowledges in accordance with Public Contract Code Section 7110, that:
- a) The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code Section 5200 et seq.; and
 - b) The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.9) **CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. The State and the Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.10) **COMPETITIVE BIDDING AND PROCUREMENTS:** The Grantee shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in the Grantee's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by the State under this Grant Agreement.
- D.11) **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

- D.12) **CONFLICT OF INTEREST:** All participants are subject to state and federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code Section 1090 and Public Contract Code Sections 10410 and 10411, for State conflict of interest requirements.
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - b) **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - c) **Employees of the Grantee:** Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - d) **Employees and Consultants to the Grantee:** Individuals working on behalf of the Grantee may be required by DWR to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.13) **DELIVERY OF INFORMATION, REPORTS, AND DATA:** The Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.14) **DISPOSITION OF EQUIPMENT:** The Grantee shall provide to the State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by the State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory the State shall provide the Grantee with a list of the items on the inventory that the State will take title to. All other items shall become the property of the Grantee. The State shall arrange for delivery from the Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by the State.
- D.15) **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Grant Agreement, the Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code Section 8355.
 - b) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355 to inform employees, contractors, or subcontractors about all of the following:

- i) The dangers of drug abuse in the workplace,
 - ii) The Grantee's policy of maintaining a drug-free workplace,
 - iii) Any available counseling, rehabilitation, and employee assistance programs, and
 - iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide, as required by Government Code Section 8355, that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
- i) Will receive a copy of the Grantee's drug-free policy statement, and
 - ii) Will agree to abide by terms of the Grantee's condition of employment, contract or subcontract.

D.16) **EASEMENTS:** Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Grant Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.

Failure to provide an easement acceptable to the State can result in termination of this Agreement.

D.17) **FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL:** Upon completion of the Project, the Grantee shall provide for a final inspection and certification by a California Registered Professional (i.e., Professional Civil Engineer, Engineering Geologist, that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement.

D.18) **GRANTEE'S RESPONSIBILITY.** The Grantee and its representatives shall:

- a) Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A and in accordance with Project Exhibit B and Exhibit C.
- b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
- c) Comply with all applicable California, federal, and local laws and regulations.
- d) Implement the Project in accordance with applicable provisions of the law.
- e) Fulfill its obligations under the Grant Agreement and be responsible for the performance of the Project.
- f) Obtain any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. The Grantee shall provide copies of permits and approvals to the State.
- g) Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by the State is solely for the purpose of proper administration of funds by the State and shall not be deemed to relieve or restrict responsibilities of the Grantee under this Agreement.

- h) Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Grant Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- D.19) GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.20) INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement.
- D.21) INDEMNIFICATION: The Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of this Project and any breach of this Agreement. The Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.22) INDEPENDENT CAPACITY: The Grantee, and the agents and employees of the Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.23) INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.
- D.24) INSPECTIONS OF PROJECT BY STATE: The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with the State.
- D.25) LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.26) MODIFICATION OF OVERALL WORK PLAN: At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibit A which concern the budget and schedule without formally amending this Grant Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the

amount of the State Grant Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Grant Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.

- D.27) NONDISCRIMINATION: During the performance of this Grant Agreement, the Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. The Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing the California Fair Employment and Housing Act are incorporated into this Agreement by reference. The Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.
- D.28) OPINIONS AND DETERMINATIONS: Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.29) PRIORITY HIRING CONSIDERATIONS: If this Grant Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Public Contract Code Section 10353.
- D.30) PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grantee's service of water, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee to meet its obligations under this Grant Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State.
- D.31) REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.32) RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final Project Completion Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
- D.33) RIGHTS IN DATA: The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov.

Code, § 6250 et seq.) The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.

- D.34) SEVERABILITY: Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.35) SUSPENSION OF PAYMENTS: This Grant Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- a) The Grantee, its contractors, or subcontractors have made a false certification, or
 - b) The Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.
- D.36) SUCCESSORS AND ASSIGNS: This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as the State may impose.
- D.37) TERMINATION BY GRANTEE: Subject to State approval which may be reasonably withheld, the Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, the Grantee must provide a reason(s) for termination. The Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.38) TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 12, the State may terminate this Grant Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 12.
- D.39) TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.40) THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.41) TIMELINESS: Time is of the essence in this Grant Agreement.
- D.42) TRAVEL – DAC, EDA, or SDAC PROJECT/COMPONENT: If a Project/Component obtains a DAC, EDA, or SDAC Cost Share Waiver, the Grantee may submit travel and per diem costs for eligible reimbursement with State funds. Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State. All travel approved expenses will be reimbursed at the percentage rate of the DAC, EDA, or SDAC Cost Share Waiver. For example, if the Grantee obtains a 100% Waiver, 100% of all approved travel expenses can be invoiced for reimbursement. If the Grantee obtains a 50% Waiver, only 50% of eligible travel expenses will be reimbursed by these grant funds.

- D.43) TRAVEL – NON-DAC, EDA, or SDAC PROJECT/COMPONENT: The Grantee agrees that travel and per diem costs shall NOT be eligible for reimbursement with State funds, unless the Grantee's service area is considered a DAC, EDA, or SDAC. The Grantee also agrees that travel and per diem costs shall NOT be eligible for computing Grantee Local Cost Share. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Grant Agreement.
- D.44) UNION ORGANIZING: The Grantee, by signing this Grant Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Grant Agreement. Furthermore, the Grantee, by signing this Grant Agreement, hereby certifies that:
- a) No State funds disbursed by this Grant Agreement will be used to assist, promote, or deter union organizing.
 - b) The Grantee shall account for State funds disbursed for a specific expenditure by this Grant Agreement to show those funds were allocated to that expenditure.
 - c) The Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - d) If the Grantee makes expenditures to assist, promote, or deter union organizing, the Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that the Grantee shall provide those records to the Attorney General upon request.
- D.45) VENUE: The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.46) WAIVER OF RIGHTS: None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

EXHIBIT E
AUTHORIZING RESOLUTION ACCEPTING FUNDS

BOARD OF DIRECTORS

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2017-2

**A RESOLUTION OF THE MOUND BASIN GROUNDWATER SUSTAINABILITY
AGENCY (AGENCY) AUTHORIZING APPLICATION TO THE CALIFORNIA
DEPARTMENT OF WATER RESOURCES (DWR) SUSTAINABLE GROUNDWATER
PLANNING GRANT PROGRAM**

WHEREAS, DWR released the final proposal solicitation package for groundwater sustainability plans and projects on September 8, 2017;

WHEREAS, the Mound Groundwater Basin qualifies for funding;

NOW, THEREFORE, the Board of Directors of the Mound Basin Groundwater Sustainability Agency does hereby resolve that application be made to the California Department of Water Resources to obtain a grant under the 2017 Sustainable Groundwater Planning Grant Program pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) (Water Code Section 79700 et seq.), and to enter into an agreement to receive a grant for the Mound Basin Groundwater Sustainability Agency and Groundwater Sustainability Plan. The Board Chair of the Mound Basin Groundwater Sustainability Agency is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement with California Department of Water Resources.

PASSED, APPROVED, AND ADOPTED this 2nd day of November, 2017.


Mike Mobley, Board Chair

ATTEST:


Jennifer Tribo
Interim Executive Director

EXHIBIT F

REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information. For the Project, or each component, discuss the following at the task level, as organized in Exhibit A:

- Percent complete estimate.
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Meetings held or attended.
- Scheduling concerns and issues encountered that may delay completion of the task.

For each project, discuss the following at the project level, as organized in Exhibit A:

- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any schedule or budget modifications approved by DWR during the reporting period.

COMPLETION REPORT

The Completion Report shall generally use the following format provided below for each Component or Project after completion.

Executive Summary

The Executive Summary should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original Grant application.
- Description of actual work completed and any deviations from Exhibit A. List any official amendments to this Grant Agreement, with a short description of the amendment.

Reports and/or Products

The following items should be provided, unless already submitted as a deliverable:

- A copy of the Groundwater Sustainability Plan (GSP) that meets all the requirements of the GSP Regulations (for GSP Development Projects), or verification (e.g., acceptance email, or other approved documentation from SGMA), that the GSP was submitted to DWR as required.
- A copy of any final technical report or study, produced for or utilized in this Project as described in the Work Plan
- Electronic copies of any data collected, not previously submitted
- Discussion of problems that occurred during the work and how those problems were resolved
- Final Component schedule showing actual progress versus planned progress

Additional information that may be applicable for Implementation Projects and/or Components includes the following:

- As-built drawings
- Final geodetic survey information
- Project or Component photos

Cost & Disposition of Funds

A list showing:

- Summary of Project costs including the following items:
 - Accounting of the cost of project expenditure
 - Include all internal and external costs not previously disclosed (i.e., additional cost share); and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original Project cost estimate.

Additional Information

- Benefits derived from the Component, with quantification of such benefits provided, applicable for Implementation Components.
- A final project schedule showing actual progress versus planned progress as shown in Exhibit C.
- Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate) that the project was conducted in accordance with the approved work plan and any approved modifications thereto.

GRANT COMPLETION REPORT

The Grant Completion Report shall generally use the following format. This format may be modified as necessary to effectively communicate information on the various projects in the SGWP Grant Program funded by this Grant Agreement, and includes the following:

Executive Summary

The Executive Summary consists of a maximum of ten (10) pages summarizing information for the grant as well as the individual components.

Reports and/or products

- Brief comparison of work proposed in the original 2017 SGWP Grant application and actual work done.
- Brief description of the Project or components completed and how they achieve either or both of the following:
 - Serve SDAC(s) and support groundwater sustainability planning and management in the basin (Implementation Projects); and/or
 - Support planning, development, and/or preparation of GSP(s) that will comply with and meet the requirements of the GSP Regulations (GSP Development Projects).
- Identify remaining work and mechanism for their implementation (Implementation Projects).
- If applicable (e.g., if a DAC, EDA, or SDAC Cost Share Waiver was approved), a discussion of the benefits to DAC, EDA, and/or SDAC as part of this Grant Agreement.

Cost & Disposition of Funds Information

- A summary of final funds disbursement for the Project, or each component.

EXHIBIT G

REQUIREMENTS FOR DATA SUBMITTAL

Surface and Groundwater Quality Data:

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit F.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. (CEDEN website: <http://www.ceden.org>).

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program Information on the GAMA Program can be obtained at: http://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: http://www.swrcb.ca.gov/water_issues/programs/gama/contact.shtml

Groundwater Level Data

The Grantee shall submit to DWR groundwater level data collected as part of this grant. Water level data must be submitted using the California Statewide Groundwater Elevation Monitoring (CASGEM) online data submission system. The Grantee should use their official CASGEM Monitoring Entity or Cooperating Agency status to gain access to the online submittal tool and submit data. If the data is from wells that are not part of the monitoring network, the water level measurements should be classified as voluntary measurements in the CASGEM system. If the Grantee is not a Monitoring Entity or Cooperating Agency, please contact your DWR grant project manager for further assistance with data submittal. The activity of data submittal should be documented in appropriate progress or final project reports, as described in Exhibit F. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/Programs/Groundwater-Management/Groundwater-Elevation-Monitoring--CASGEM>

EXHIBIT H

STATE AUDIT DOCUMENT REQUIREMENTS AND COST SHARE GUIDELINES FOR GRANTEES

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertains to both State funding and the Grantee's Cost Share and details the documents/records that State Auditors would need to review in the event of this Grant Agreement is audited. Grantees should ensure that such records are maintained for each funded project.

State Audit Document Requirements

Internal Controls

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the State funded Program/Project).
2. Written internal procedures and flowcharts for the following:
 - a) Receipts and deposits
 - b) Disbursements
 - c) State reimbursement requests
 - d) Expenditure tracking of State funds
 - e) Guidelines, policy, and procedures on State funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants, loans, or subventions received from the State.
3. A listing of all other funding sources for each Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related or partners documents, if applicable.
2. Contracts between the Agency and member agencies as related to the State funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for the Grantee's receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for Grant Agreement reimbursement.

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files:

1. All supporting documentation maintained in the project files.
2. All Grant Agreement related correspondence.

Cost Share Guidelines

Cost Share consists of non-State funds, including in-kind services. In-kind services are defined as work performed (i.e., dollar value of non-cash contributions) by the Grantee (and potentially other parties) directly related to the execution of the funded project. Examples include volunteer services, equipment use, and use of facilities. The cost of in-kind service can be counted as cost share in-lieu of actual funds (or revenue) provided by the Grantee. Other cost share and in-kind service eligibility conditions may apply. Provided below is guidance for documenting cost share with and without in-kind services.

1. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the Grantee for its own employees. Such documentation should include the following:
 - a. Detailed description of the contributed item(s) or service(s)
 - b. Purpose for which the contribution was made (tied to project work plan)
 - c. Name of contributing organization and date of contribution
 - d. Real or approximate value of contribution. Who valued the contribution and how was the value determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #2, below)
 - e. Person's name and the function of the contributing person
 - f. Number of hours contributed
 - g. If multiple sources exist, these should be summarized on a table with summed charges
 - h. Source of contribution if it was provided by, obtained with, or supported by government funds
2. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the Grantee's organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation.
3. Cost Share contribution (including in kind services) shall be for costs and services directly attributed to activities included in the Grant Agreement. These services, furnished by professional and technical

personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of the project funded by the Grant Agreement.

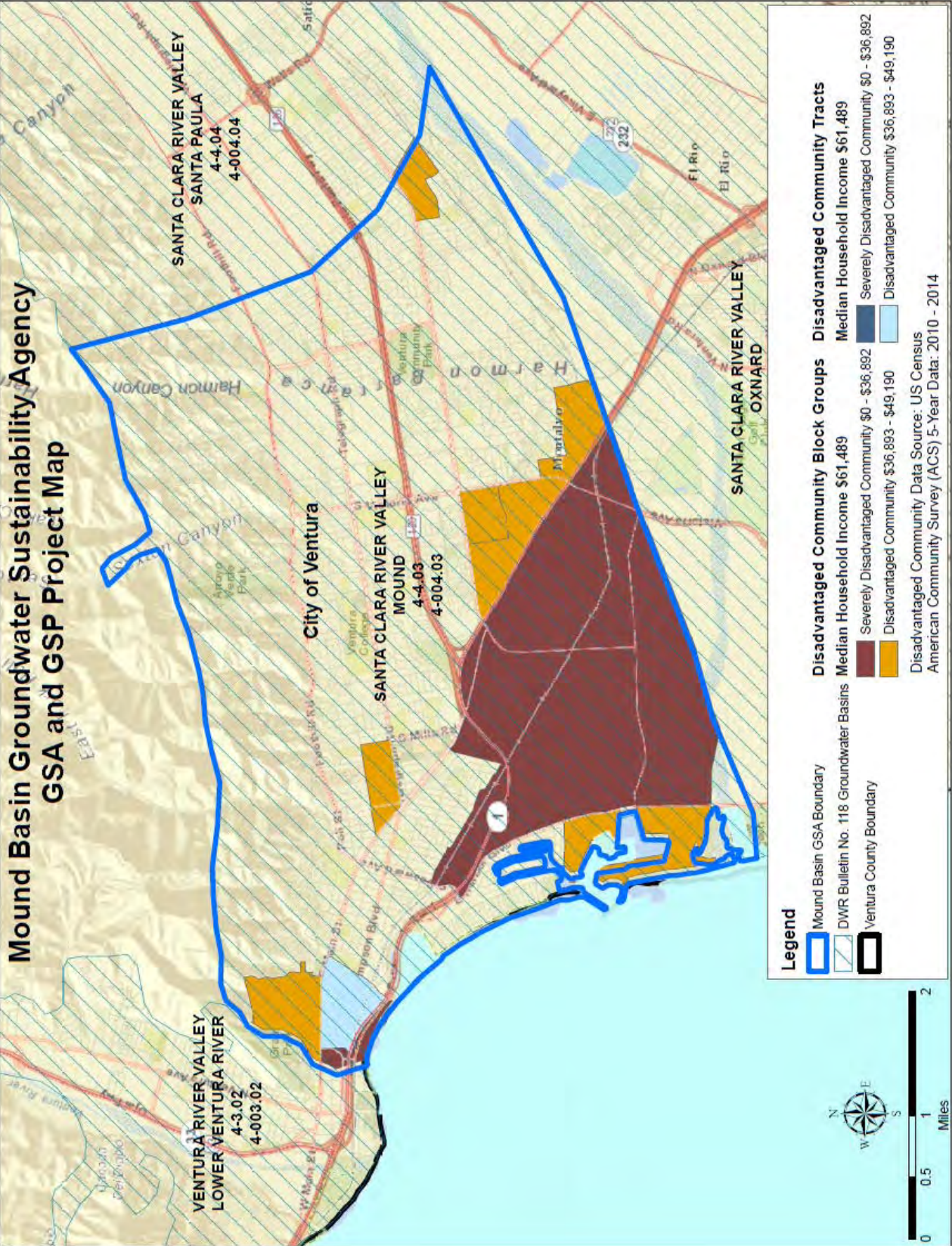
4. Cash contributions made to a project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the Grantee's accounting system.

DRAFT

EXHIBIT I
LOCAL PROJECT SPONSORS
(NOT USED)

DRAFT

**EXHIBIT J
 PROJECT LOCATION**



MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 8(c)

DATE: October 18, 2018
TO: Board of Directors
FROM: Erin Gorospe, UWCD
SUBJECT: Approval of Waiver of Late Fees and Penalties relating to Groundwater Extraction Fees

SUMMARY

The Board will consider approving a one-time Waiver of Late Fees and Penalties relating to Groundwater Extraction Fees for accounts that are paid before December 31, 2018.

RECOMMENDED ACTION

Approve the one-time Waiver of Late Fees and Penalties.

BACKGROUND

Per Article 10.1(a) of the bylaws, Owners or Operators who fail to pay their groundwater extraction fee within 30 days are subject to interest at the rate of one percent (1%) per month on the delinquent amount of the groundwater fee and a ten percent (10%) penalty. Article 10.1(f) authorizes the waiver of any interest payments, penalties or overdue fees by an affirmative vote of three (3) directors.

The first semiannual billing, covering the period of January 1 through June 30, 2018, was sent out to Owners and Operators on September 1, 2018 and due on October 1, 2018. As of October 9, 2018, \$34,758.84 is still outstanding while \$44,056.80 has been collected. These accounts are subject to penalties totaling \$3,475.88 and 1% interest per month of \$347.59. Because this is the first time Owners and Operators have received these invoices and may not have included funding for the payment of these invoices in their budgets, staff recommends waiving penalties and interest for accounts that are paid before December 31, 2018.

FISCAL SUMMARY

By approving the waiver of late fees, the Agency is forgoing up to \$3,475.88 in penalty revenue and up to \$1,042.77 in interest revenue which were not included in the FY 18-19 budget.

Action: _____

Motion: _____ 2nd: _____

K. Brown ___ M. Mobley ___ G. Shephard ___ J. Chambers ___ C. Everts ___

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 8(d)

DATE: October 18, 2018
TO: Board of Directors
FROM: Erin Gorospe, UWCD
SUBJECT: FY 2018-19 Budget Amendment

SUMMARY

The Board will amending the FY 2018-19 budget for accrual-basis accounting.

RECOMMENDED ACTION

Amend the FY 2018-19 budget to reflect budgeted groundwater extraction fees of \$194,750 and remove contributions from member agencies of \$105,000 from budgeted revenue.

BACKGROUND

The budget that was adopted at the August 23, 2018 meeting showed revenues on a cash basis. The use of accrual basis is required by the Governmental Accounting Standards Board Pronouncement 34 for operations that are considered to be enterprise funds. One of the criteria for designation as an enterprise fund is that the establishment of fees and charges designed to recover costs, which is the case with the Mound Basin GSA. Fox Canyon Groundwater Management Agency also is considered an enterprise fund and uses the accrual basis of accounting.

Groundwater extraction fee revenue for FY 2018-19 was originally budgeted at \$204,000 (\$74,000 for the period of January to June, 2018 and \$130,000 for July to December 2018). An accrual based-budget would total \$194,750 (\$130,000 for July to December 2018 and as \$64,750 for January to June 2019).

Additionally, the adopted budget included revenue of \$105,000 in contributions from member agencies. These contributions are loans and are recorded as liabilities rather than revenue. Staff recommends removing this item from budgeted revenue.

FISCAL SUMMARY

Changing from a cash to accrual-based budget for groundwater extraction fees will have no net effect, as it is simply a timing issue. Reclassifying the contributions from member agencies from revenues to liabilities will decrease budgeted fund balance by \$105,000. There is no cash effect.

Action: _____

Motion: _____ 2nd: _____

K. Brown ___ M. Mobley ___ G. Shephard ___ J. Chambers ___ C. Everts ___

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 9(a)

DATE: October 18, 2018
TO: Board of Directors
FROM: Executive Director
SUBJECT: GSP Development Options

SUMMARY

The Executive Director will lead the Directors in a discussion of the various options relating to the development of the Agency's Groundwater Sustainability Plan.

INFORMATIONAL ITEM

Board will receive information from the Executive Director concerning GSP Development options and provide feedback.

BACKGROUND

In July 2018, UWCD staff confirmed that the District will contribute \$50,000 of in-kind labor to MBGSA in the form of technical services. Approximately \$5,000 of the in-kind labor was allocated to the basin boundary modification and the remaining \$45,000 was allocated to the plan area and basin setting chapter of the GSP.

During subsequent discussions with the Executive Director, UWCD staff expressed a willingness to explore a larger role in the GSP development that would extend beyond the \$45,000 of in-kind technical services. Services provided beyond the in-kind limit would be provided for a fee to MBGSA.

UWCD technical staff support for developing significant portions of the GSP is an excellent potential opportunity for MBGSA. As demonstrated through completion of a basin study in 2012 and the regional groundwater model in 2018, UWCD staff clearly has significant relevant experience working in the Mound Basin. Using UWCD technical staff would also result in a significant GSP costs savings (UWCD technical staff fully burdened labor rates are approximately 1/2 to 2/3 of private consulting rates, depending on position).

UWCD staff has indicated that they would be comfortable working on technical aspects of the GSP, but would like the Executive Director (or other consultant) to take the lead on policy issues, such as development sustainable management criteria. Further discussion with UWCD would be needed to better delineate which specific tasks UWCD would be willing to perform.

The Executive Director's contract provides for technical services to assist with GSP development, if desired by the Board. The Executive Director will be involved at some level in all tasks anyways and could take the lead on tasks that UWCD is unwilling to lead

for a relatively small incremental cost to the Agency, as compared to hiring another consultant.

The above described GSP development approach is believed to be the most cost-effective and easily managed approach for preparing the GSP. However, there are several other approaches that could also be considered. One approach would be to retain a consulting firm to prepare the entire GSP. This is believed to be the most expensive approach and there would be a risk that costs might exceed the GSP budget. Another approach would be to assign the GSP development responsibility to the Executive Director. This approach is not feasible because the Executive Director does not have sufficient availability to complete the GSP on his own. Any number of hybrid approaches could be considered.

The Executive Director recommends exploring the opportunity with UWCD staff further, but is seeking Board and stakeholder feedback before taking further steps. The next steps would be to more precisely define UWCDs services, tasks to be led by the Executive Director, and any gaps that would need to be filled by others.

FISCAL SUMMARY

None.

ATTACHMENT

None.

MOUND BASIN GROUNDWATER SUSTAINABILITY AGENCY

Item No. 9(b)

DATE: October 18, 2018
TO: Board of Directors
FROM: Executive Director
SUBJECT: Ventura's WaterPure Project Presentation

SUMMARY

The Board will receive a presentation by City of San Buenaventura staff concerning the WaterPure Project.

INFORMATIONAL ITEM

Receive a presentation by City of San Buenaventura staff concerning the WaterPure Project.

BACKGROUND

The City's proposed WaterPure Project will divert up to 50 to 100 percent of tertiary-treated water from the Ventura Water Reclamation Facility (VWRF) currently discharged to the Santa Clara River Estuary for the potable reuse. The diversion is required pursuant to the Tertiary Treated Flows Consent Decree and Stipulated Dismissal with Heal the Bay and Wishtoyo Foundation/Ventura Coastkeeper, effective March 30, 2012 (Consent Decree). The potable reuse facilities will include construction of multiple components including an Advanced Water Purification Facility (AWPF), a product water conveyance system, groundwater injection and extraction system, concentrate discharge facility, and freshwater treatment wetlands.

The City is currently considering both direct potable and indirect potable reuse methods. Until regulations permitting direct potable reuse (DRP) are available, the project may utilize indirect potable reuse methods (IPR), which will involve injecting product water from the AWPF into an aquifer for a minimum period of time to satisfy regulatory response retention time requirements. Even after DPR regulations are available, the City may find it necessary to inject water into an aquifer to balance supply and demand. The City is currently evaluating potential well locations for IPR, including sites within the Mound Basin.

FISCAL SUMMARY

Not applicable.

ATTACHMENT

A. City Council Admin Report

ADMINISTRATIVE REPORT

Date: June 28, 2018

Agenda Item No.: 13

Council Action Date: July 9, 2018

To: Honorable Mayor and City Council

**From: Dan Paranick, Interim City Manager
Kevin Brown, Ventura Water General Manager**

Subject: Update on Implementation of the Tertiary Treated Flows Consent Decree, the Proposed Potable Reuse Project and the State Water Interconnection

RECOMMENDATION

It is recommended that City Council receive this report on Ventura's progress in implementing the Tertiary Treated Flows Consent Decree and in moving forward with Potable Reuse.

PREVIOUS COUNCIL ACTION

April 27, 2009 - City Council authorized an agreement with Carollo Engineers for Special Studies for the Santa Clara River Estuary.

December 12, 2011 - City Council approved the Tertiary Treated Flows Consent Decree and Stipulated Dismissal with Wishtoyo Foundation/Ventura Coastkeeper and Heal the Bay, Inc.

February 2012 - City Council approved a Bureau of Reclamation Grant Application for the Santa Clara River Estuary Studies in which Ventura Water was awarded \$150,000 in grant funding.

October 8, 2012 - City Council approved an extension of the term of Professional Services Agreement 2009-18 entitled "Special Studies of the Santa Clara River Estuary" to complete the Phase 2 scope of work.

In 2014 - City Council approved an agreement with Carollo Engineers to develop a work plan to implement Phase 3 Estuary Studies (February 2, 2014). City Council authorized the City Manager to execute a Letter of Agreement with the Water Research Foundation to participate in a collaborative research project to determine the feasibility of and the

blending requirements for potable reuse of the Ventura Water Reclamation Facility's treated water (August 4, 2014). City Council an agreement with Carollo Engineers for the Phase 3 Special Studies for the Santa Clara River Estuary, and an agreement with Aquatic Bioassay and Consulting Laboratories (ABC) for related water quality monitoring (September 15, 2014).

In 2016 - City Council approved an agreement with ENS Resources, Inc. for legislative lobbyist services and renewed the services on February 13, 2017 to seek funding opportunities for water recycling projects in accordance with the Consent Decree (January 25, 2016). City Council adopted the 2016-2022 Capital Improvement Plan which included pending capital projects for the VenturaWaterPure Advanced Treatment Potable Reuse Facility and associated infrastructure (April 21, 2016). City Council reviewed and approved the 2016 Comprehensive Water Resources Report, which discussed Potable Reuse as a potential additional future supply (June 13, 2016). City Council received and filed the VenturaWaterPure Demonstration Facility Preliminary Research Results Presentation from Ventura Water (.July 25, 2016).

In 2017 - City Council approved an agreement with Environmental Science Associates (ESA) for CEQA/NEPA Environmental Review Services of the VenturaWaterPure Advanced Treatment, Reuse and Diversion Infrastructure Project (March 20, 2017). City Council approved Professional Services Agreement with Bondy Groundwater Consulting Inc. for Mound Basin Aquifer Storage and Recovery Study and City Council approved an agreement with Environmental Science Associates (ESA) for the Conceptual Design of Treatment Wetlands (August 7, 2017).

March 19, 2018 - City Council approved an agreement with Carollo Engineers, Inc. for Concentrate Outfall and Desalination Intake Preliminary Feasibility Study for the VenturaWaterPure Advanced Treatment, Reuse, and Diversion Infrastructure Project.

March 26, 2018 - City Council adopted the 2018-2024 Capital Improvement Plan which included pending capital projects for the VenturaWaterPure Advanced Treatment Potable Reuse Facility and associated infrastructure.

DISCUSSION

Wastewater Discharge and the Tertiary Treated Flows Consent Decree

The Ventura Water Reclamation Facility (VWRF) generally provides approximately 7.5 million gallons per day (MGD) of tertiary treated wastewater from the City's service area. Approximately 7 percent of the water is used to irrigate local golf courses and landscaping. The treated water that is not reused is discharged into the Santa Clara River Estuary (SCRE). This discharge is regulated by the Los Angeles Regional Water Quality Control Board (LARWQCB) under the National Pollutant Discharge Elimination System (NPDES).

Under the Water Quality Control Policy for the Enclosed Bays and Estuaries of California, discharges of municipal wastewater to enclosed bays and estuaries are to be phased out except in circumstances where the discharge is shown to enhance the quality of receiving waters. While adopting the VWRF's NPDES permit in 1977, the LARWQCB determined that the discharge from the VWRF enhances the Estuary based on the Facilities Plan submitted by the City. In 2000, the NPDES permit also described effluent discharge as an enhancement and included extensive monitoring requirements and limits designed to protect wetlands, the SCRE, and the existing habitat.

Studies conducted between 2002 and 2007 by the City provided the LARWQCB additional information to verify enhancement of discharge. While considering the adoption of the 2008 NPDES permit, the LARWQCB received conflicting yet credible opinions from various resource agencies and experts who predicted harm to the endangered species, habitat, and recreation of the SCRE both with and without discharge. The LARWQCB determined that it did not have adequate information to determine if the discharge was harmful or not and could not determine what negative impacts if any would occur in the SCRE if discharge was prohibited. The LARWQCB also determined that they lacked the information needed to dispute the previous findings of enhancement. Therefore, the LARWQCB required the City to conduct the Phase 1 and Phase 2 Estuary Special Studies and an associated stakeholder process.

An administrative challenge and years of litigation followed the LARWQCB's adoption of the VWRF's 2008 NPDES Permit. These challenges were resolved when the City entered into the Tertiary Treated Flows Consent Decree and Stipulated Dismissal with Wishtoyo Foundation's Ventura Coastkeeper Program (Wishtoyo) and Heal the Bay, effective March 30, 2012 ("TTFs Consent Decree"). The settlement's aim was to resolve a long-standing debate about the impact of the tertiary treated water on the sensitive ecology of the SCRE, and it outlined common goals and a collaborative process which relies on the best available science to decide how to use the reclaimed water produced by the wastewater facility in the future (Attachment A).

The TTFs Consent Decree sets a goal to identify, select, plan, engineer, environmentally review, permit, and construct by 2025, infrastructure projects that have the capacity to:

- Eliminate up to 100% of average annual flow of discharges to the SCRE;
- Divert 50% to 100% of the average annual flow of discharges from the SCRE to other recycled and reclaimed water uses; and,
- If 100% of the diversion flow cannot be used for recycled or reclaimed water uses, diversion of the discharge would be to treatment wetlands for further nutrient removal.

The settlement agreement required the City to determine, through scientific analysis, the Maximum Ecologically Protective Diversion Volume (MEPDV). That MEPDV may be determined either by agreement from the City, Wishtoyo, and Heal the Bay, or by an

independent science review panel. After review and recommendation from all resource agencies (such as LARWQCB, the United States Fish and Wildlife Service, the National Marine Fisheries Service, the California Department of Fish and Wildlife, and the U.S. Army Corps of Engineers) the City may propose to construct the necessary facilities to achieve the MEPDV.

Thereafter, the VWRF's 2013 NPDES Permit required an additional study – the Phase 3 Estuary Special Studies. The purpose of these studies was to determine the impacts and/or benefits of the discharge of tertiary treated flows on the beneficial uses of the SCRE, especially those related to the endangered steelhead trout, tidewater goby, western snowy plover, and the California least tern, and the aquatic, marshland and wetland habitats provided by the SCRE. The LARWQCB allowed for this Phase 3 report to be used in determination of the MEPDV by providing sufficient and meaningful information to determine if the effluent discharge enhances the SCRE, and in turn the LARWQCB may use this study to evaluate the SCRE enhancement during the next NPDES Permit renewal, beginning in July of 2018.

In March 2017, the City, Wishtoyo, and Heal the Bay entered into a Memorandum of Agreement (MOA) to expedite the Scientific Review Panel (SRP) process that will determine the MEPDV. The SRP process needed to be expedited because the LARWQCB is requiring the City to include the SRP's findings in the VWRF's NPDES Permit renewal application that must be submitted at the beginning of July 2018. The overall goal of the MOA was to align the obligations of the TTFs Consent Decree with the requirements of the NPDES Permit, and to allow for discharge diversion alternatives to be evaluated by the City under the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) that would fit within the permitting cycles of the LARWQCB and account for necessary review timelines of other permitting agencies.

On February 20, 2018, the completed Phase 3 Study, which is available on Ventura Water's website, was submitted to the LARWQCB. The Study evaluated multiple VWRF diversion/continued discharge scenarios ("discharge scenarios") over a range from 0 percent diversion (i.e., continuation of current average flow rate) up to 100 percent diversion of the current discharges (i.e. zero continued discharge) to the SCRE. For the purposes of the MEPDV analysis within the Phase 3 Study, VWRF discharges during the critical current dry-weather, closed mouth conditions were determined to average 4.7 MGD. The Study evaluated the impacts on realization of SCRE designated beneficial uses and existing SCRE ecological resources, including sensitive aquatic wildlife species and their habitats listed for protection under the state and federal Endangered Species Acts, of 11 different discharge scenarios, each varying from the other by a 0.47 MGD flow increment. The Phase 3 Study found that an MEPDV of between 40-60 percent (1.9 – 2.8 MGD) of current flow in dry-weather closed mouth conditions would be protective of the ecological functions of the SCRE, including aquatic habitats supporting native fish species, nesting and foraging habitat for many native birds as well as other wildlife species. Diversion of 2.8 MGD of the current VWRF discharge would maintain discharge of 1.9 MGD to the SCRE during closed-mouth, dry weather conditions.

The Phase 3 Study is currently being reviewed by the SRP, and the SRP's report will be submitted to the LARWQCB and other Resources Agencies at the end of this month with the City's NPDES Permit renewal application. The SRP is indicating that their report will recommend an MEPDV of 90 percent of current discharge (4.2 MGD) and a continued discharge amount of 0.5 MGD.

The City has commenced the environmental review process and preparation of a Draft Environmental Impact Report (EIR) on diversion alternatives that will satisfy the need for expanding and diversifying the City's water supply, improving water quality, as well as meeting the obligations of the TTFs Consent Decree and VWRf NPDES Permit. A project description is being developed that will include agreed upon alternatives with Wishtoyo and Heal the Bay, including the implementation of an Advanced Water Purification Facility that will treat the diverted VWRf tertiary treated effluent to drinking water standards, making it available for potable water supply.

Potable Reuse

Ventura Water is responsible for the supply and delivery of potable water to its customers, with a supply portfolio that is comprised of several different local surface water and groundwater supplies. The local groundwater basins are experiencing decreased water levels and poor water quality. Heavy reliance on these supplies exacerbated by the on-going drought has resulted in declining water quality in the service area and has raised supply reliability concerns.

The Estuary Special Studies, the Recycled Water Market Study, and other related infrastructure reports have provided information about, and analyzed options for, diversion and reuse of the VWRf's treated water for urban, agricultural, groundwater and potable water benefits. Based on stakeholder input from 18 workshops held beginning in 2009, these studies evaluated options for reducing discharges of tertiary treated water to the SCRE, and diverting those flows to other uses, including wetlands habitat related uses and increased reuse options. Factors related to increasing recycled water use that have been analyzed include: 1) new locations and technical feasibility for creating wetlands with reclaimed water, 2) urban irrigation opportunities, 3) passive and active groundwater recharge opportunities at existing and new recharge facilities for both augmentation of water supply and control of seawater intrusion, 4) agricultural irrigation opportunities and requirements for desalting, 5) decentralized treatment and reuse, and 6) indirect and direct potable reuse. These alternatives were evaluated as to the economic costs and benefits, institutional and legal requirements, and potential environmental impacts. Potable reuse rose to the top of the alternatives for providing both diversion from the estuary as well as year-round water supply benefits. These studies and findings are aligned with the City's commitment to pursuing programs that promote economic, social, environmental, and water supply security and sustainability.

In June 2014, the City agreed to participate in a collaborative research project with the Water Reuse Foundation (now the Water Research Foundation) to determine the feasibility of potable reuse using the VWRf effluent and what blending requirements

would be in order to deliver this water to the community. A demonstration facility for VenturaWaterPure was placed at the VWRf and began producing pure water in July 2015. The pilot project ran for 9 months and contributed to several studies as well as provided outreach to the community, City officials, and local regulators. The pilot proved that the equipment of an advanced treatment process could effectively and consistently treat wastewater effluent to drinking water standards, even when placed under “stressed” situations. The water quality was tested and proven to meet all health standards, including those for constituents of emerging concern (CECs) that include things such as pesticides and pharmaceuticals. Additional testing helped to inform the industry that a fluorescent tracer could be used to prove membrane integrity. We learned from this demonstration that produced water will need to be stabilized prior to distribution and that the concentrate from the reverse osmosis process will require additional treatment to reduce toxicity prior to discharge.

Two surveys were conducted to gather information about acceptance of potable reuse, one conducted at the VenturaWaterPure Demonstration Facility and the other by the Bren School of Environmental Science and Management graduate program conducted out in the community. Overall, we saw a two-thirds acceptance of potable reuse and were able to gauge the public’s knowledge about the subject that will help us to fine tune outreach going forward. The Demonstration Facility held over 60 tours, providing educational outreach to over 444 residents and 600 school children. The tours were attended by City officials and the Water Commission as well as regulatory representatives from the LARWQCB, Senator Fran Pavely, Congresswoman Julia Brownley, and staff from Representative Das Williams’ office.

The City is in the preliminary design phase of an Advanced Water Purification Facility that would include those technologies demonstrated in the pilot of membrane ultrafiltration, reverse osmosis membranes, and ultraviolet disinfection with advanced oxidation. In the pilot we tested and evaluated pasteurization as an additional form of disinfection and barrier protection and even hypothesized that the use of pasteurization prior to the membranes would have a benefit of reducing biofouling of the membranes. While pasteurization is a proven method of disinfection and it had been piloted at the VWRf before, it did not provide the barrier protection that would increase removal acceptance. Ventura Water staff is proposing to move forward with using Ozone and a form of Biologically Activated Filtration (BAF) that is usually biologically activated carbon (BAC). When considering going direct we need to include additional disinfection and organics removal. Pasteurization only provides additional disinfection. Another factor that led staff to incorporating Ozone/BAF in the preliminary design is the recent studies that have shown a reduction in reverse osmosis concentrate toxicity after ozone/BAF treatment. The VenturaWaterPure pilot informed staff that toxicity was present in the reverse osmosis concentrate and some form of additional treatment would be required prior to concentrate discharge. The addition then of Ozone/BAF provides three additional benefits in comparison to pasteurization. The advanced treatment process would consist of tertiary treated wastewater effluent from the VWRf going through Ozone/BAF, ultrafiltration, reverse osmosis, and ultraviolet disinfection with advanced oxidation, then going to either a ground water basin or an engineered storage

buffer, that would be followed by additional ultrafiltration and disinfection at a water treatment facility.

Regulations for Potable Reuse have developed cautiously in California with varying degrees. Indirect Potable Reuse (IPR) is the planned use of recycled water to augment groundwater or surface water that is exposed to an environmental buffer in order to protect public health and does not specifically require advanced treatment. This form of Potable Reuse has approved regulation guidelines, and it is currently utilized by Orange County Water District. Not every community has the ability or desire to entirely use groundwater or surface water, so other forms of potable reuse have been defined and are being examined for regulation. The City is planning for indirect use to be limited and would prefer to rely on direct use in the long term. Direct Potable Reuse (DPR) is the delivery of purified water to a drinking water plant or a drinking water distribution system without an environmental buffer and requires advanced treatment with monitoring and engineered buffers. The State Water Resources Control Board has recently in 2018 released a proposed framework for regulating Direct Potable Reuse in California that has been informed by expert panel reports and guidelines.

Ventura Water staff has pursued many avenues in helping to provide insight, data, and assurance to the regulators that DPR is feasible, safe, and effective in both treating for water quality requirements as well as cost considerations for customers. Staff has joined a DPR Coalition through the National Water Research Institute (NWRI) to develop a paper on how the City's project along with others such as the City of Santa Barbara, City of San Francisco, Santa Clara Valley Water District, and the Los Angeles Department of Water and Power, will prove DPR feasibility. Ventura Water is also a member of several entities promoting Potable Reuse, including WaterReuse, the Water Research Foundation, California Association of Sanitation Agencies (CASA), California Water Environment Association (CWEA), American Water Works Association (AWWA), and Southwest Membrane Operators Association (SWMOA). Ventura Water has contributed to the development of the Advanced Operator Certification Program with CWEA-AWWA to provide training and administer testing for Advanced Operator Certification. The Environmental Compliance Team of Ventura Water's Wastewater Division will begin monitoring the sewer collection system using real time analyzers as part of a Water Research Foundation study on Real Time Monitoring of Raw Wastewater Source Control (paper WRF 17-30). There has been great emphasis on enhanced source control with permitting of Potable Reuse facilities and staff in this division has been increased from two inspectors under the Wastewater Maintenance Supervisor to a dedicated Environmental Compliance Supervisor with two inspectors.

To provide overall coordination, Ventura Water has retained a Ventura Water Supply Projects Program Manager who will be tracking the progress of studies and deadlines needed for the EIR and permit compliance processes. Staff is preparing to submit for the next NPDES Permit renewal that will be informed by the Phase 3 SCRE studies and by the SRP determination of the MEPDV. Ventura Water will be getting ready to continue with a rate study and keep up-to-date on funding opportunities that may be available for Potable Reuse projects.

STATE WATER INTERCONNECTION


In January 2017, City Council authorized a Professional Services Agreement between the City and Kennedy/Jenks Consultants for the State Water Interconnection Alignment Study (Interconnection). The Interconnection would convey water between the City and Calleguas through an area served by United Water Conservation District (UWCD) and would allow the City to receive delivery of its State Water Project allocation via the Calleguas distribution system. This Agreement also included the preparation of an Environmental Impact Report (EIR) of the preferred pipeline alignment. This project is a collaborative effort with Calleguas Municipal Water District, Casitas Municipal Water District, and United Water Conservation District.

The Alignment Study has been completed. The EIR of the preferred alignment is currently being prepared. The draft EIR is anticipated to be circulated for public review in November/December 2018. Near future work will include preparation of agreements with Metropolitan Water District, Calleguas Municipal Water District, Casitas Municipal Water District, and United Water Conservation District regarding the wheeling of water and ownership, operation, and maintenance of the pipeline.

FISCAL IMPACTS

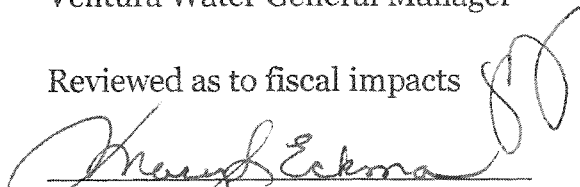
There is no fiscal impact to receive this report and update. To date, the City has committed approximately \$3.1 million toward the development of VenturaWaterPure Advanced Treatment Potable Reuse Facility that has been allocated toward conceptual designs, studies, and environmental review and has been funded from funds 71 and 72 in various Water and Wastewater Capital Improvement projects in the approved Capital Improvement Plan. .

Gina Dorrington, Wastewater Utility Manager for:



Kevin Brown
Ventura Water General Manager

Reviewed as to fiscal impacts



Mary Eckman
Interim Finance and Technology Director

Administrative Report

July 9, 2018

Page 9

FORWARDED TO THE CITY COUNCIL

A handwritten signature in black ink, appearing to read "Dan Paranic", written over a horizontal line.

Dan Paranic

Interim City Manager

ATTACHMENT

A – Administrative Report from December 12, 2011

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ATTACHMENT A
ADMINISTRATIVE REPORT
FROM DECEMBER 12, 2011

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CITY OF VENTURA

ADMINISTRATIVE REPORT

Date: December 7, 2011
Agenda Item No.: 15
Council Action Date: December 12, 2011

To: RICK COLE, CITY MANAGER
From: SHANA EPSTEIN, VENTURA WATER GENERAL MANAGER
Subject: SANTA CLARA RIVER ESTUARY SETTLEMENT AGREEMENT

RECOMMENDATION

Approve memorandum of settlement and direct City Manager to prepare and execute a Final Settlement Agreement and Consent Decree in substantial conformance with the Memorandum of Settlement for the Santa Clara River Estuary.

PREVIOUS COUNCIL ACTION

April 27, 2009 – Approved a professional services agreement with Carollo Engineers to conduct the Ventura Water Reclamation Facility's (VWRF) Special Studies for the Santa Clara River Estuary (Estuary), to be completed over three years, as required by the Wastewater Discharge Permit.

SUMMARY

After years of environmental challenges and controversy, Ventura stands at a crossroads over the issue of continued discharge of tertiary treated wastewater into the Santa Clara River Estuary. As a result of a lawsuit and administrative appeal of our State discharge permit, the City Council must choose whether to enter into a comprehensive long-term settlement that commits to eventually remove between 50-100% of the discharge or continue to assert our legal and administrative case for ongoing discharge into the Estuary.

Today, the City's sole wastewater treatment facility, located near the Ventura Harbor, cleans to tertiary treatment standards between 7-9 million gallons of water every day before releasing it into wildlife ponds and then to the Estuary. There has been a long-standing debate among stakeholders, including environmental groups, wildlife conservation groups, and state and federal regulatory agencies, about this highly

treated water's impact on the sensitive ecology of the Estuary. Based on their particular concerns for the long-term health of the Estuary, Heal the Bay and Wishtoyo Foundation's Ventura Coastkeeper Program pursued administrative challenges and legal actions to compel the City to discontinue releasing water to the Estuary.

To resolve these challenges and actions, the City entered into a preliminary Memorandum of Settlement (Attachment A) with Heal the Bay and Ventura Coastkeeper last August. The settlement sets a goal to reduce, by 2025, the amount of water entering the Estuary by 50-100% by diverting it to other uses. At the same time, however, the settlement obligates the City to reduce discharges to the Estuary only by that amount approved and permitted by state and federal regulatory agencies with jurisdiction over discharges, the Estuary, and the species and habitats it provides.

Innovative in its approach, the settlement outlines a defined process and time frames to determine how the diversion goal will be accomplished. While the project costs will not be known until the diversion infrastructure project(s) are selected, the settlement agreement caps the potential infrastructure expenses at \$55 million. An extensive public outreach effort has been conducted, and will be ongoing, to inform Ventura Water customers about the environmental and financial benefits and impacts of the settlement.

DISCUSSION

The City's permit to discharge water treated to tertiary standards by the Ventura Water Reclamation Facility to the Estuary is granted by the Los Angeles Regional Water Quality Control Board. During the permit re-issuance process in 2008, stakeholders continued to debate whether the treated water is harmful to, or supportive of the sensitive Estuary habitat. In its current condition, the Estuary, including the tertiary treated water discharged to the Estuary, is home to a substantial number of shoreline and wetland invertebrate, fish, avian and terrestrial species, including the Tidewater Goby, Southern California Steelhead and the Western Snowy Plover, which species and their habitats are protected by the Federal Endangered Species Act, and the California Least Tern, which is protected by the Federal and State Endangered Species Acts.

Estuary Special Studies

To provide more scientifically-based answers regarding environmental effects of water discharged to the Estuary, the Regional Board required the City to conduct special studies with stakeholder input and overview. The City hired the consulting team of Carollo Engineers and Stillwater Sciences to perform the studies, which included an Estuary Subwatershed Study; a Phase 1 Recycled Water Market Study; and a Treatment Wetlands Feasibility Study. These 3 studies have now been completed and

submitted to the Regional Board, and a series of five stakeholder workshops were held from 2009 to February 2011 to evaluate study methods and the results.

The Amended Final Report of the Estuary Subwatershed Study concludes that the current flows to the wildlife ponds and then to the Estuary provide better receiving water wildlife-related conditions and fuller realization of beneficial uses relative to those expected under a zero-discharge scenario. Fuller realization of wildlife related beneficial uses occurs with current levels of tertiary treated discharge (as compared to the absence of discharge) because, for example, the current discharge provides more critical habitat for Tidewater Goby and Southern California Steelhead in the Estuary, and provides all the breeding and foraging habitat in the wildlife ponds for a number of sensitive wildlife species, including the Snowy Plover and California Least Tern, none of which would be present under a zero-discharge scenario.

At the same time, however, the Amended Final Report of the Estuary Subwatershed Study concludes that an appreciable reduction in discharge to the Estuary, at least during dry-season closed-mouth conditions, would likely further improve and/or optimize wildlife related beneficial uses in the Estuary and its watershed, provided that the reduced discharge scenario incorporates additional treatment of discharges to reduce nutrients. Such a reduced discharge alternative would likely improve Estuary wildlife-related conditions and beneficial uses, for example, reducing certain periods of low dissolved oxygen in localized areas of the Estuary, as well as the frequency and duration of algal blooms within the Estuary, which together may benefit Steelhead over-summering in, and least Tern foraging within the Estuary.

Despite the fact that a robust and transparent stakeholder process was implemented in preparing the reports, including the Amended Final Report of the Estuary Subwatershed Study, not all stakeholders concur with the conclusions reached in the reports. By way of example, the National Marine Fisheries Service (the Federal Regulatory Agency with the duty and jurisdiction to protect the Steelhead) has indicated in comments that it continues to have serious concerns about adverse impacts to federally protected aquatic species and critical habitat that are likely to result from reductions in tertiary treated flows delivered to the Estuary. On the other hand, Heal the Bay and Ventura Coastkeeper continue to refute that discharge of some tertiary treated flow to the wildlife ponds and then the Estuary provides better wildlife related conditions and a fuller realization of beneficial uses within the Estuary and its watershed. As a result, the stakeholder debate over the ecological benefits of tertiary treated flows discharged to the Estuary, and associated administrative and legal challenges to those discharges and the permits allowing them, will inevitably continue indefinitely absent a progressive approach to proactively resolving the issues in dispute.

Agreement

The settlement is progressive in its approach in that all parties have agreed to;

- pursue a common goal for discharge reductions and diversions;
- use the best available science to determine the appropriate discharge reduction and diversion volumes;
- respect the legal authority of all state and federal agencies with the duty and jurisdiction to permit discharges and diversions, and related impacts on state and federally protected species;
- support and implement identified process steps by defined milestone dates to determine how to: accomplish the common goal, determine ecologically appropriate discharge reductions and diversions, obtain necessary permits and conduct environmental review as necessary to implement those discharge reductions and diversions, and build necessary infrastructure project(s) for that purpose when identified; and
- all without engaging in further or additional administrative or legal challenges to the City's discharges or discharge permits.

The scientific analysis, or the best available science, will be provided by additional Phase 2 and Phase 3 Special Studies, preliminarily identified in a Memorandum of Recommendations submitted to the Regional Board with the Final Amended Estuary Subwatershed Report, to determine how much tertiary treated water should be diverted, how much can or should continue to be released into the Estuary, and what types of diversion projects (e.g., diversions to urban irrigation, agricultural irrigation, groundwater recharge, or treatment wetlands) are feasible to implement.

Working Together

Collaboration is a critical element to arrive at the most responsible solution for the future. As a part of the settlement, all three parties have agreed to establish a close and integrated working relationship to move forward together for protection of the Estuary. Resource protection agencies, including the National Marine Fisheries Service, the U.S. Fish and Wildlife Service and the California Department of Fish and Game, as well as the Regional Water Quality Control Board, will continue to provide oversight and direction throughout their permitting processes. Local stakeholders, such as neighboring water purveyors and environmental organizations, will also continue to add their perspectives. In their role as environmental and financial stewards, Ventura Water customers have a responsibility to become informed and participate. As a major investment in our community's water future, the decisions made along the path must reflect the values of our community.

Expanded Water Recycling

In addition to protecting our natural environment, this settlement provides another important benefit by prioritizing expansion of the community's use of the readily-available water generated daily by the Ventura Water Reclamation Facility. Currently about 3% of this reclaimed water is used to irrigate nearby golf courses, Marina Park and commercial landscaping. Between 40-60% of our potable water, withdrawn from the Ventura River and groundwater aquifers and treated to high drinking water standards, is used for landscape irrigation. By prioritizing the substitution of reclaimed water for this potable water, water supply is conserved and more water remains in the natural environment where it will also be available to the human population during times of drought or other restrictions. Some of the other expanded reuses to be investigated include agriculture irrigation, groundwater recharge, or groundwater injection to combat seawater intrusion into our local aquifers.

By using reclaimed water more widely, Ventura can delay or even avoid having to develop expensive new water supply sources, such as desalination or importing State water from Northern California. Integrated water management will help position Ventura as a leader and create a more sustainable water future for our community.

CITIZEN ADVISORY GROUP REVIEW

Not applicable.

PUBLIC COMMUNICATIONS / PUBLIC ENGAGEMENT

An extensive public outreach effort has been conducted since August (Attachment B) to inform our customers about the settlement. On November 10, a Town Hall Meeting was attended by nearly 50 residents and interested parties following an advertising and promotional campaign to publicize the event. The meeting included a 10-minute overview video; opening remarks from Deputy Mayor Mike Tracy, Kirsten James from Heal the Bay and Mati Waiya from Wishtoyo Foundation's Ventura Coastkeeper Program; a presentation of the settlement details; and a question and answer session.

Media efforts include newspaper articles in the Ventura County Star and the Ventura Breeze, frequent postings on Ventura Water's Facebook and Twitter, articles in Ventura Water's new E-Newsletter, Pipeline, E-Mail Blasts and updated postings on the City's website. The video titled "Ventura Water's Future", produced in cooperation with our partners, is available on Ventura Water's YouTube Channel, the City's website and CAPS-TV, Channel 15 and is intended to offer an on-demand explanation of the reasons for and the details of the settlement. In addition, staff has also presented

information at community meetings and will continue to do so as requested throughout the engagement process.

FISCAL IMPACTS

By terms of the settlement, the total project's cost is capped at \$55 million, increased as necessary to reflect inflation (as determined by the Engineering Record News Construction Cost Index), which could potentially cost an average household approximately \$3.50 per month until 2055. Options to fund this program will be evaluated by the nine-member citizen Cost of Service and Rate Design Advisory Committee within the next few months. Exact costs are not yet known and will ultimately be determined by diversion approach(es) selected through the process. However, grant funding will be aggressively pursued, and expenses long-term may also be offset from revenue generated by reclaimed water sales, particularly as water supplies become more limited and therefore more valuable.

ALTERNATIVES

The Council could choose to not approve the settlement. Given the hefty cost and complexity of the proposed commitments over the next decade, the City could choose to defend its continued discharge into the estuary. This alternative will result in the resumption of Heal the Bay's pending administrative challenge to the City's discharge permit, and of Ventura Coastkeeper's pending lawsuit challenging discharges to the Estuary for violating the Clean Water Act. This alternative is also extremely likely to result in the filing of new litigation against the City for improper discharges and/or discharge permits. Continuing current litigation and filing of future litigation will expose the City to substantial costs of defense, including legal and expert consulting fees.

In addition, absent a settlement (and while administrative and judicial litigation is pending against the City), the City must consider what action the Regional Board will take with respect to the City's NPDES Permit governing City discharges to the Estuary. The Regional Board might allow the City to continue to discharge under its existing NPDES Permit and conditions, which in turn would allow the City at perhaps as much as 2 years or more to conduct additional environmental and infrastructure studies, and to further engage Ventura Water customers more fully in the discussion to evaluate options and potential costs. However, absent a settlement, the Regional Board is more likely to act on its own authority between now and 2013 to change current NPDES Permit conditions governing discharge. Regional Board changes to the NPDES Permit could include new requirements to eliminate discharges to the Estuary, either fully or on a phased basis, on a timeline unilaterally determined by the Regional Board. If the Regional Board should act to change the NPDES Permit to require elimination of discharges to the Estuary on a more expedited timeline than the schedule established

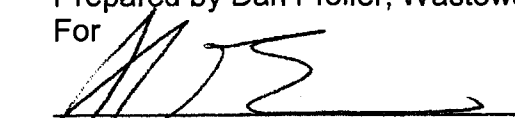
by the Memorandum of Settlement, the City would expect to incur substantial legal, consulting and staff costs to defend current NPDES Permit conditions, current discharge practices, the proposed Memorandum of Settlement schedule, in addition to substantial costs for designing, permitting and building infrastructure (that is not currently even fully planned) in order to divert discharges. In addition, the City might face substantial defense costs and penalties if it is unable to comply with any new Regional Board NPDES Permit requirements.

While successful legal and administrative defense of the City's continued practices is problematic, there are arguments for making that case. It may be argued that as a matter of principle, the City should continue to oppose efforts to curb what has up to now been a lawful practice sanctioned by available scientific evidence, cost-effectiveness and regulatory approvals. It may be argued that a vigorous defense buys time for a variety of possible alternative outcomes in the future (due to changes in State or Federal legislation; leverage for different terms of settlement; changes in the legal landscape that might improve our prospects; etc.) The short-term costs of mounting such a defense are much less than the long-term potential costs of the proposed settlement.

However, there are additional downside risks to that strategy as well. Just as external changes in the legislative and legal landscape might prove more favorable for the City's practices in the future, the opposite might prove true. It is simply impossible to predict the prospects for ever again coming to a satisfactory conclusion, let alone a more favorable one.

Another alternative is that the Council could delay approval, but under the Memorandum of Settlement, extending the City public process beyond 120 days requires agreement of Heal the Bay and Ventura Coastkeeper. While such agreement is unlikely, the potential for other resolutions is possible. A delay could allow time to conduct more public outreach and solicit community input. The delay will expose the City to additional costs. Again, the Regional Board may choose to act instead and change the discharge permit requirements with potentially negative consequences.

Prepared by Dan Pfeifer, Wastewater Utility Manager
For



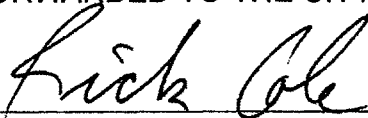
Shana Epstein, General Manager
Ventura Water

Reviewed as to fiscal impacts



Jay Panzica
Chief Financial Officer

FORWARDED TO THE CITY COUNCIL



Office of the City Manager

ATTACHMENTS

- A Confidential Federal Rule of Evidence 408 Communication – Memorandum of Agreement Regarding Settlement Terms
- B Santa Clara River Estuary Settlement Public Outreach

ATTACHMENT A
MEMORANDUM OF AGREEMENT REGARDING SETTLEMENT TERMS

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Confidential Federal Rule of Evidence 408 Communication

Memorandum of Agreement Regarding Settlement Terms

The following Memorandum of Agreement Regarding Settlement Terms ("Settlement Agreement") is entered into by and among Wishteyo Foundation/Ventura Coastkeeper, the City of San Buenaventura, and Heal the Bay. All capitalized terms used herein and not defined when first used are defined in Attachment "A" to this document, which is hereby incorporated into this Settlement Agreement by this reference.

Recitals

- A.** The Parties believe that to further their shared commitment to protecting the ecology of the Estuary and its watershed, and to proactively commence planning and implementation for environmentally protective, sustainable, and integrated water supply and wastewater discharge practices, the City needs to develop, over time, one or more yet-to-be identified infrastructure options for Ventura's reclamation and diversion of an ecologically appropriate volume of its Effluent.
- B.** Although the Construction Implementation Constraints and Operational Implementation Constraints are not yet fully identified, studied, documented, or resolved, the Parties agree that it is appropriate for the City to engage now in the process to identify, select, plan, design, engineer, environmentally review, permit, and, ultimately, construct one or more technically, financially, and regulatorily feasible reclamation and diversion infrastructure projects, including Treatment Wetlands, with the goal of achieving the cumulative capacity to divert and eliminate 100% of the Effluent from Direct Discharge to the Estuary (with a first priority for diversion to Water Reclamation Uses) so that the WRF can implement, by December 31, 2025, Effluent diversions that result in a discharge regime that is determined by the Resources Agencies to be most ecologically beneficial for the Estuary. The Parties acknowledge that even for the City in the future to best adaptively manage diversions from Direct Discharge, the City must strive to develop capacity to divert 100% of the Effluent from Direct Discharge and to reclaim the maximum feasible amount of this Effluent for beneficial reuse.
- C.** The Parties agree that, taking into account and subject to Construction Implementation Constraints, the reclamation and diversion infrastructure projects constructed on the Time Schedule shall consist of a combination of projects that have the capacity required by the Design Considerations, and can:
1. as a first priority, divert on an ongoing basis the Maximum Feasible Diversion Volume to broadly defined Water Reclamation Uses as a first and best use of the Effluent; and
 2. as a second priority, divert Effluent to Treatment Wetlands, in the event that 100% reclamation is infeasible due to Construction Implementation

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Memorandum of Agreement Regarding Settlement Terms

Constraints or Operational Implementation Constraints, and so long as such diversion remains consistent with the Approved Effluent Diversions as determined by the Resource Agencies.

- D. The Parties agree that, subject to Construction Implementation Constraints and Operational Implementation Constraints, upon the construction of the Diversion Infrastructure Project(s), the City shall implement the Approved Effluent Diversions by the expiration of the Time Schedule, so long as the Approved Effluent Diversions are not Financially Infeasible, Technically Infeasible, or Regulatorily Infeasible.

Settlement Terms

Accordingly, the Parties agree, without either the adjudication of any of the Parties' claims, or admission by the City of any alleged violation or other wrongdoing, on the following terms in settlement of all of HTB's currently pending administrative actions or claims, and all of VCK's currently pending litigation claims.

1.) City Goals and Obligations Regarding Design and Capacity of Diversion Infrastructure Projects; Construction Implementation Constraints.

- a. **The City's Infrastructure Design and Construction Goals.** The City's infrastructure design and construction goals shall be to identify, select, plan, design, engineer, environmentally review, permit, and construct on the Time Schedule Diversion Infrastructure Projects that have the capacity required by the Design Considerations, and that shall cumulatively have the capacity to:
- i. eliminate 100% of the average annual volume or flow of Direct Discharges; and
 - ii. divert a minimum of 50%, and up to 100%, of the average annual volume or flow of Effluent to Water Reclamation Uses.

The Parties acknowledge, however, that the City's infrastructure design and construction goals may not ultimately be achieved on the Time Schedule due to the Construction Implementation Constraints or an Event of Force Majeure.

- b. **The City's Infrastructure Construction Obligation.** The City shall, on the Time Schedule, identify, select, plan, design, engineer, environmentally review, permit, and construct reclamation and diversion infrastructure projects, including the Treatment Wetlands, that have the capacity required by the Design Considerations, and, unless and except to the extent

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Memorandum of Agreement Regarding Settlement Terms

precluded, prevented, or impeded by the Construction Implementation Constraints, that cumulatively have the capacity to:

- i. as a first priority, divert on an ongoing basis the Maximum Feasible Diversion Volume to Water Reclamation Uses; and
- ii. as a second priority, divert Effluent to the Treatment Wetlands, in the event that 100% diversion to Water Reclamation Uses is Technically Infeasible, Regulatorily Infeasible, or Financially Infeasible.

2.) **The City's Diversion Implementation Obligations.** Upon issuance of all Required Agency Permits, the City shall, by the expiration of the Time Schedule, operate the Diversion Infrastructure Projects that the City constructs to implement the Approved Effluent Diversions, subject to occurrence(s) of Operational Implementation Constraints. From and after the implementation of diversions, the Parties agree that the City may temporarily discharge Effluent to the Estuary, in the event of the occurrence of any Operational Implementation Constraints, subject to the limitations of this Settlement Agreement. Notwithstanding the foregoing, in the event that the terms and conditions of any Required Agency Permit are materially inconsistent with the terms and conditions of this Settlement Agreement (e.g., a Required Agency Permit makes a determination that the volume or flow of Approved Effluent Diversions will be materially less than the Maximum Ecologically Protective Diversion Volume, requires the City to perform before the expiration of the Time Schedule, or otherwise fails to take a Construction Implementation Constraint or an Operational Implementation Constraint into account), the Parties each reserve, and shall have the right to challenge and/or seek to remedy the terms and conditions of the Required Agency Permit as set forth in Paragraph 11.b.i. of this Settlement Agreement, and no Party shall be in violation of this Settlement Agreement or have any liability hereunder as a result of implementing any Required Agency Permits as issued by the applicable Agencies with Jurisdiction, or for exercising the Party's rights to challenge Required Agency Permits to make such permits consistent with the terms and conditions of this Settlement Agreement.

a. **Limitations Related To Scheduled Maintenance, Health and Safety Situations.** The City shall assure that all Scheduled Maintenance, Health and Safety Situations that the City plans and implements shall occur during the period between December 1 and April 1 of each year.

b. **Limitations on Treatment Wetlands Bypass.** If second priority diversions of Effluent to the Treatment Wetlands are constructed and implemented, then, after construction of the Treatment Wetlands, in the event that 1) Breakdown Situations, or 2) Maintenance, Health and Safety

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Situations occur that preclude the City from diverting Effluent from Direct Discharge to Water Reclamation Uses, but do not impact diversions to the Treatment Wetlands, the City shall first divert the Effluent to the Treatment Wetlands, and the City shall only allow a Direct Discharge if: (a) the Treatment Wetlands do not have the capacity to accept the additional Effluent despite being built in accordance with the Design Considerations, or (b) the Breakdown Situation or Maintenance, Health and Safety Situation precludes, prevents, or impedes diversions of Effluent to, or the capacity, treatment, or other operations of, the Treatment Wetlands.

- 3.) **Meet and Confer Obligations.** Upon a Notice under Paragraph 8 by the City that any Event of Force Majeure, Construction Implementation Constraints, or Operational Implementation Constraints preclude or impede timely implementation of the City's construction or diversion obligations under this Settlement Agreement, the Parties shall be required to meet and confer as set forth in Paragraph 8 below to evaluate and determine an appropriate way to address and resolve the City's claim made in such Notice, and the action to be taken to address such claim, which action may include, without limitation, extending the City's Time Schedule for completion of the City's goals and obligations under this Settlement Agreement. If the Parties are unable to reach agreement with respect to that action to be taken to address a claim of an Event of Force Majeure or occurrence of any Construction Implementation Constraints or Operational Implementation Constraints pursuant to the "meet and confer" provisions in Paragraph 8 of this Settlement Agreement, then any Party may seek formal dispute resolution as set forth in Paragraph 9 below to determine an appropriate way to address such claim.
- 4.) **Effect of Settlement Agreement.**
 - a. **Contractual Effect of Infeasibility.** In the event that any Construction Implementation Constraint or Event of Force Majeure occurs that impedes, prevents, or precludes completion of Diversion Infrastructure Projects by the Time Schedule, the City shall not be liable for breach of the Settlement Agreement. In addition, in the event that any Operational Implementation Constraint occurs that impedes, prevents, or precludes the City from achieving 100% of the Approved Effluent Diversions, the City shall not be liable for breach of the Settlement Agreement. At the same time, the occurrence of these events shall not relieve the City completely of its obligations under this Settlement Agreement to construct Diversion Infrastructure Projects and/or to implement Effluent diversions that are agreed to or determined to be appropriate for the City to implement pursuant to Paragraphs 8 and 9.

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b. Intent and Regulatory Effect of Settlement Agreement. The Parties agree that, so long as the City is implementing the terms and conditions of this Settlement Agreement and is not in violation hereof, it is the intent of this Settlement Agreement that the City will be in full compliance with, or exceed the requirements of the CWA, Porter-Cologne, and other applicable federal, state, and local laws, regulations, and permits issued thereunder. Notwithstanding the Parties' intent, nothing in this Settlement Agreement limits in any way the obligations of the City to comply with all federal, state, and local laws and regulations governing diversions or discharges of Effluent or any activities required by this Settlement Agreement, and all requirements and conditions of the Required Agency Permits. This Settlement Agreement is not a permit or modification of any existing permits under any federal, state, or local law, and in no way relieves the City of its responsibilities to obtain any Required Agency Permits and to comply with all applicable federal, state, and local laws and regulations. Nothing in this Settlement Agreement, and no City action pursuant to this Settlement Agreement, shall constitute evidence of, or be construed as a finding, adjudication, acknowledgement, or admission by the City of, or with respect to, any fact, finding, issue of law, legal defense, or violation of law, regulation, permit, or administrative order. This Settlement Agreement and/or any payment or other action pursuant to this Settlement may constitute evidence against the City only in actions seeking to enforce compliance with this Settlement Agreement.

5.) **Planning and Regulatory Permits and Proceedings.**

- a. Infrastructure Alternatives and Schedule.** By December 31, 2015, the City agrees to conduct all preliminary studies and complete such other tasks as are necessary to identify alternatives for the Diversion Infrastructure Projects that the City will study for implementation, and shall prepare a schedule for completing: (i) planning, engineering, and environmental review of the alternatives, (ii) selection of a preferred alternative, (iii) submission of applications for the Required Agency Permits necessary to implement the preferred alternative, (iv) project-level design and engineering work for the preferred alternative, and (v) construction of the preferred alternative.
- b. Permit Applications.** The City agrees to notify VCK and HTB in writing by no later than August 1, 2018 what Required Agency Permits they intend to apply for. The City shall submit draft applications for Required Agency Permits to VCK and HTB by August 1, 2018. VCK and HTB shall have until September 1, 2018 to submit their written comments on the draft applications to the City. The City then shall have until October 1, 2018 to respond to VCK and HTB's comments and/or provide an explanation of

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why it is addressing the comments in an alternative manner. Subject to any delays created by the exercise with respect to applications for Required Agency Permits by any Party of its rights under Paragraphs 8 and 9, the City agrees to complete and submit applications for Required Agency Permits needed for construction and operation of the Diversion Infrastructure Projects selected as the preferred alternative under Paragraph 5.a. by no later than January 1, 2019. The City's applications for Required Agency Permits from the Resources Agencies shall request issuance of those permits by a date no later than January 1, 2020, containing terms and conditions that are consistent with the terms and conditions of the Settlement Agreement, and permitting the following activities:

- i. Subject to the Construction Implementation Constraints and the Operational Implementation Constraints, and by expiration of the Time Schedule, development, construction, and operation of the Diversion Infrastructure Projects;
 - ii. Subject to the Construction Implementation Constraints and the Operational Implementation Constraints, and by expiration of the Time Schedule, authority to implement diversions and eliminate Direct Discharge of the Maximum Ecologically Protective Diversion Volume; and
 - iii. Subject to the Construction Implementation Constraints and the Operational Implementation Constraints, and by expiration of the Time Schedule, authority to commence diversions from Direct Discharge of the Maximum Ecologically Protective Diversion Volume, as a first priority, to Water Reclamation Uses and, as a second priority, to Treatment Wetlands.
- c. **Determination of the Maximum Ecologically Protective Diversion Volume.** By no later than January 1, 2018, the Parties agree to mutually determine, using the best available scientific information and as a part of the planning, design, engineering, and environmental review process, the Maximum Ecologically Protective Diversion Volume. In the event that the Parties are unable to reach mutual agreement regarding the Maximum Ecologically Protective Diversion Volume on or before January 1, 2018, then the Parties shall proceed with dispute resolution as set forth in Paragraphs 8 and 9(a) to reach a determination that is binding on the Parties regarding the Maximum Ecologically Protective Diversion Volume, which the City shall then include in its applications for Required Agency Permits as set forth in Paragraph 5.b.

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- d. **City Representations to Agencies with Jurisdiction.** In all its applications for the Required Agency Permits, the City agrees to inform and request that the Agencies with Jurisdiction approve, adopt, issue, and/or grant Required Agency Permits on all terms and conditions necessary for:
- i. the City to have the ability to achieve its goals for construction of Diversion Infrastructure Project capacity as set forth in Paragraph 1.a.;
 - ii. the City to fulfill its obligations for design and construction of Diversion Infrastructure Projects as set forth in Paragraph 1.b.; and
 - iii. the City to obtain all Required Agency Permits to implement and operate the Diversion Infrastructure Projects in accordance with its obligations in Paragraph 2 above, to the extent that resulting Approved Effluent Diversions are consistent with eliminating from Direct Discharge the Maximum Ecologically Protective Diversion Volume.
- e. **Cooperation.** The City, VCK, and HTB shall each, individually and jointly, cooperate to advocate and support the issuance of the Required Agency Permits containing terms and conditions that are consistent with this Settlement Agreement, including, without limitation, achievement, subject to the Construction Implementation Constraints and the Operational Construction Constraints, and by the expiration of the Time Schedule, of the Effluent diversion and reclamation goals and obligations of this Settlement Agreement.
- f. **Schedule for Obtaining Permits.** The City shall timely submit applications pursuant to Paragraph 5.b., and use all diligent and reasonable efforts to obtain the Required Agency Permits by January 1, 2020; provided however, that if any Required Agency Permits that are no longer subject to administrative or judicial invalidation are not available for the Diversion Infrastructure Projects and/or Effluent diversions by January 1, 2021, then the Parties shall meet and confer to determine if the unavailability of any certain and valid Required Agency Permit is likely to preclude, prevent, or impede the City's implementation of Diversion Infrastructure Projects and/or Effluent diversions by the expiration of the Time Schedule, in which case the City shall not be liable for breach of the Settlement Agreement due to Regulatory Infeasibility. At the same time, the failure to receive by January 1, 2021, a Required Agency Permit that is no longer subject to legal or administrative invalidation shall not relieve the City completely of its obligations to construct Diversion Infrastructure Projects and implement Effluent diversions as set forth in this Settlement Agreement, and the Parties

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shall meet and confer, as set forth in Paragraphs 8 and 9, to determine any extension of the Time Schedule required, and/or otherwise how best to respond to the unavailability of a certain and valid Required Agency Permit.

- 6.) **Sewer and/or Water Revenue Measures.** The City shall use all reasonable efforts to adopt required sewer and/or water revenue measures, including, without limitation, rate increases, as necessary to comply with its obligations set forth in this Settlement Agreement. In the event that, despite the City's reasonable efforts to adopt required sewer or water revenue measures as necessary to fund compliance with this Settlement Agreement, the ratepayers or other parties with standing prevail in a Rate Rejection, then the Parties shall meet and confer as set forth in Paragraphs 8 and 9 to address the Rate Rejection. In addition to the Parties' obligations under this Paragraph to meet and confer regarding any Rate Rejection, in the event of any Rate Rejection, the Parties acknowledge that VCK and HTB may also assert a legal challenge to, or otherwise contest, the Rate Rejection, and may seek a ruling from the Court invalidating the Rate Rejection on grounds that it is in conflict with federal law on the grounds that the installation, construction, implementation, and operation of the Diversion Infrastructure Projects and Effluent diversions required by this Settlement Agreement are undertaken to advance, improve, and serve the purposes of the City's compliance with the Federal Clean Water Act, *Bylinski v. City of Allen Park*, 8 F.Supp.2d 965, 969-70 (E.D. Mich. 1998), *aff'd Bylinski v. City of Allen Park*, 169 F.3d 1001 (6th Cir. 1999), *cert. denied*. The City shall not oppose challenges to Rate Rejections asserted by VCK or HTB.
- 7.) **Participation and Cooperation:** The Parties shall use all reasonable efforts to cooperate with one another in implementing the Settlement Agreement, and shall actively and diligently participate in, advocate, and use reasonable efforts to support the following proceedings as necessary for compliance with the Settlement Agreement:
- a. **City Public Process.** VCK and HTB shall cooperate with the City with respect to planning and implementing the City Public Process, including aiding in the preparation, review, determination of content and message, and dissemination of mutually acceptable and consistent: press releases, public notices and postings, press articles, written external communications, public reports, public comments and responses, and public oral presentations; and consistently participating in, and advocating the Settlement Agreement in public meetings, workshops, and hearings.
 - b. **Additional Documents and Instruments.** The Parties shall cooperate to jointly prepare, draft, and, by the close of the City Public Process, execute more detailed legally binding instruments that incorporate

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and implement all terms and conditions of this Settlement Agreement, and that are fully consistent with this Settlement Agreement and one another, consisting of: (i) for HTB and the City, a Final Settlement Agreement; and (ii) for VCK and the City, a fully executed Consent Decree.

- c. **Settlement Related Communications.** VCK and HTB shall cooperate with the City to jointly prepare, review, determine the content of, and disseminate all external public communications regarding the terms and conditions of this Settlement Agreement and the claims dismissed hereby, including, without limitation, any sewer and water revenue measures necessary to implement the terms and conditions of this Settlement Agreement. Without limiting the Parties' obligations to cooperate under this Paragraph, HTB and VCK each agree to provide the City, at least twenty-four (24) hours prior to release or response, the content of the following types of external written communications regarding the terms and conditions of this Settlement Agreement and the claims dismissed hereby: press releases, press articles, public notices and postings, external written communications, public reports, public comments and responses, requests for interviews, responses, or comments received from the media, and communications with Agencies with Jurisdiction.
- d. **Permitting.** The Parties shall cooperate with respect to initiation, implementation, and conclusion of all consultation, permitting, certification, and approval proceedings with the Agencies with Jurisdiction to obtain valid Required Agency Permits that are consistent with this Settlement Agreement on or before January 1, 2020, subject to any delays associated with any Party exercising its rights under Paragraphs 8 and 9.
- e. **Studies.** The Parties shall cooperate with respect to, and shall actively participate as stakeholders in, the preparation of the Estuary Subwatershed Study Report (Final Report) and the Phase 2 Recycled Water Market Study for submission to the RWQCB that are consistent with the terms and conditions of the Settlement Agreement, the WRF NPDES Permit requirements, and any additional requirements imposed by the RWQCB.
- f. **Infrastructure and Diversions.** The Parties shall cooperate with respect to, and shall actively participate as stakeholders in, the planning, design, environmental review and approval, permitting, construction, and operation of the Diversion Infrastructure Projects and Effluent diversions to eliminate Direct Discharge and to direct Effluent to Water

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Reclamation Uses (as a first priority) and the Treatment Wetlands (as a second priority), which are to be implemented by the City in compliance with this Settlement Agreement.

8.) Notice of Event of Force Majeure, or Event of Implementation Constraint, Disagreement, or Breach; Period to Cure and Meet and Confer.

- a. **Notice of Event of Force Majeure or Event of Implementation Constraint, Disagreement or Breach.** The Parties agree that, despite the City's reasonable efforts to identify, select, plan, design, engineer, environmentally review, permit, construct, and implement Diversion Infrastructure Projects and Effluent diversions, the City may be prevented by an Event of Force Majeure, the Construction Implementation Constraints, or Operational Implementation Constraints from implementing Diversion Infrastructure Projects and/or Effluent diversions by the expiration of the Time Schedule. In addition, from time to time during the term of this Settlement Agreement, any Party may believe that another Party has breached the Settlement Agreement, or the Parties may disagree as to the appropriate interpretation or implementation of this Settlement Agreement, or the status or adequacy of any Party's performance of its obligations hereunder. In the event that any Party reasonably believes that an Event of Force Majeure or Event of Implementation Constraint, Disagreement, or Breach has occurred, then such Party shall provide the other Parties written notice of the occurrence of such event.
- b. **Right to Cure; Meet and Confer.** Upon receipt of written Notice from any Party of an Event of Force Majeure or an Event of Implementation Constraint, Disagreement or Breach, the affected Party or Parties shall have at least thirty (30) calendar days after receipt of the Notice to cure any alleged breach of the Settlement Agreement, or to address the claims of the Notice, and to provide a written response to such claims. If, after such thirty (30) calendar days (or such longer period as the Parties may mutually agree to in writing) and provision of the written response to the Notice, any Party reasonably believes that the Event of Force Majeure or Event of Implementation Constraint, Disagreement, or Breach has not been adequately addressed or cured, the Parties shall meet and confer to determine how best to respond to the Event of Force Majeure or Event of Implementation Constraint, Disagreement, or Breach, which response may involve, without limitation, the Parties' mutual agreement to: (a) modify, change, revise, or substitute different Diversion Infrastructure Projects, or Diversion Infrastructure Project components from those previously planned; (b) identify, select, and pursue implementation of different Effluent diversion flow alternatives and requirements than previously

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planned; (c) adjust capital investment, costs, expenses, and financing arrangements; (d) revise, modify, or prepare new applications for, or request amendments to, Required Agency Permits; (e) revise, modify, and extend the Time Schedule; and/or (f) delete, revise, change, modify, or develop new and additional Settlement Agreement terms and conditions.

- c. **Right to Seek Formal Dispute Resolution.** If the Parties are unable to reach agreement with respect to addressing an Event of Force Majeure or Event of Implementation Constraint, Disagreement, or Breach pursuant to this "meet and confer" provision in Paragraph 8.b, within ninety (90) calendar days after the Notice (or such longer period as may be mutually agreed to in writing by the Parties), then any Party may seek formal dispute resolution as provided in Paragraph 9.

- 9.) **Formal Dispute Resolution.** Upon completion of all meet and confer proceedings and time periods set forth in Paragraph 8, if the Parties cannot reach mutual agreement regarding any Event of Force Majeure or Event of Implementation Constraint, Disagreement, or Breach then each Party shall have the right, upon seven (7) business days written Notice, to initiate formal dispute resolution proceedings as follows:

- a. **Dispute Regarding Maximum Ecologically Protective Diversion Volume.** In the event that the informal dispute resolution process set forth in Paragraph 8 does not fully resolve within ninety (90) calendar days (or such longer period as may be mutually agreed to in writing by the Parties) any dispute regarding the appropriate Maximum Ecologically Protective Diversion Volume, then any Party may invoke formal dispute resolution by giving seven (7) business days written Notice to all other Parties of such dispute, which dispute shall be resolved by a Scientific Review Panel in accordance with the following procedures. Within thirty (30) calendar days of receipt of the written Notice of scientific dispute, VCK and HTB shall mutually select one qualified scientific expert, and the City shall select one qualified scientific expert, to serve on a Scientific Review Panel, which shall review and resolve the scientific dispute. Within thirty (30) calendar days (or such longer period as may be agreed to in writing by the Parties) these two selected scientific experts shall select a third qualified scientific expert to serve on the Scientific Review Panel, at which point the Scientific Review Panel shall be deemed convened. Within fifteen (15) calendar days after the Scientific Review Panel is convened (or such longer period as may be agreed to in writing by the Parties), each Party shall submit to the Scientific Review Panel, with a copy to each of the other Parties, a written statement of its position regarding the Maximum Ecologically Protective Diversion Volume, together with any appropriate

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data and information in support of the Party's position. Within forty-five (45) calendar days after the Scientific Review Panel is convened (or such longer period as may be agreed to in writing by the Parties), each Party may submit to the Scientific Review Panel, with a copy to each of the other Parties, any written rebuttal statement and/or additional pertinent data or information for consideration by the panel. The Scientific Review Panel shall then review and objectively consider the material, and, within forty-five (45) calendar days after the due date for rebuttal statements and information (or such longer period as may be agreed to in writing by the Parties), the Scientific Review Panel shall decide and determine, by majority vote, the Maximum Ecologically Protective Diversion Volume based on the best available scientific information and data. The Scientific Review Panel shall prepare and shall, concurrently with issuing its determination, submit to each of the Parties a written report explaining their determination concerning the Maximum Ecologically Protective Diversion Volume. This report shall, at a minimum, include the Panel's evaluation of the environmental impacts of the alternative levels of Effluent discharge to the Estuary that they considered in making their determination of the Maximum Ecologically Protective Diversion Volume, and the environmental impacts of the Effluent discharge regime that they determine constitutes the Maximum Ecologically Protective Diversion Volume. This report shall also provide references to all the studies, reports, and data that the Panel relied upon in making its determination. The City shall submit this report to the Resource Agencies concurrently with, or as a part of, its applications for any Required Agency Permits. The Scientific Review Panel's determination of Maximum Ecologically Protective Diversion Volume shall be binding upon the Parties, and shall not be subject to further challenge or review. The scientific experts selected and serving on the Scientific Review Panel shall keep reasonably detailed logs of hours expended in reviewing and resolving the scientific dispute, and shall be compensated by the City for the hours accounted for at prevailing commercial rates charged by other scientific professionals with substantially similar qualifications and expertise.

- b. **Other Disputes.** In the event that the informal dispute resolution process discussed in the Paragraph 8 does not reasonably resolve the Parties' disputes within ninety (90) calendar days (or such longer period as may be mutually agreed to in writing by the Parties), then, with respect to any dispute not subject to formal dispute resolution pursuant to Paragraph 9.a., either the City or VCK, with VCK acting on its own behalf and/or on behalf of HTB, may invoke formal dispute resolution by filing a motion to show cause, or other appropriately named motion ("Motion"), in the District Court for the Central District of California, before Judge George

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King, to whom the Case No. CV-10-02072-GHK (PJWx) is assigned, to resolve the dispute. If Judge King is not available to perform, or declines to perform, the role identified herein, the Parties agree that the Motion shall be re-assigned to another judge, court, magistrate, or arbitrator pursuant to applicable rules of the District Court for the Central District of California. The decision or ruling by the Court or the Court's designee shall be binding upon the Parties, and shall not be subject to further challenge or review.

The Parties acknowledge and agree that HTB is not a party to Case No. CV-10-02072-GHK (PJWx). Further, while the Parties intend that the substantive provisions of the Final Settlement Agreement shall be consistent with, and materially the same as, those of the Consent Decree, VCK and HTB may in the future have differing views or interpretations of the provisions of the two instruments, and the Final Settlement Agreement will not be before the Court with jurisdiction over VCK, the Consent Decree, and Case No. CV-10-02072-GHK (PJWx). Notwithstanding the foregoing, VCK and HTB agree that all disputes involving HTB, whether arising under the Settlement Agreement or the Final Settlement Agreement, that are not resolved pursuant to Paragraphs 8 or 9.a., shall be addressed by VCK on behalf of HTB, as follows:

- i. When reasonably requested by HTB to do so in writing, VCK shall file and diligently prosecute to completion, a Motion for formal dispute resolution of any issues arising under the Settlement Agreement or Final Settlement Agreement, so long as the Motion is authorized by and is otherwise appropriate for VCK to file pursuant to Paragraphs 8 and 9 and the terms and conditions of this Settlement Agreement.
- ii. HTB agrees that, although HTB is not a party to VCK's action entitled Case No. CV-10-02072-GHK (PJWx) currently pending in the District Court for the Central District of California, and although the Final Settlement Agreement will not be before the Court in that action and HTB will not be a party to the Consent Decree or to any Motions filed by VCK under this Paragraph, any and all HTB disputes arising under the Settlement or Final Settlement Agreement that are not resolved under either Paragraph 8 or Paragraph 9.a. shall be resolved, as provided in this Paragraph 9.b., by VCK filing the Motion on behalf of HTB and/or both HTB and VCK.
- iii. In addition, HTB agrees that the judgment or ruling on the Motion by the Court or the Court's designee with respect to

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resolution of any such dispute arising under the Settlement Agreement or Final Settlement Agreement shall be fully binding on HTB, VCK, and the City, and HTB expressly waives any right to initiate formal dispute resolution independently or without the assistance of VCK, and/or to otherwise challenge or bring any Claim against the validity of the formal dispute resolution process, the District Court's jurisdiction to rule on the Motion, and HTB shall not contest the validity of the Motion or any ruling on it in any proceeding of any type.

10.) Annual Report and Deliverables.

- a. **City's Annual Report.** Beginning on July 15 after the Effective Date of the Consent Decree (regardless of the Effective Date of the Final Settlement Agreement) and annually every July 15 thereafter until the termination of the Settlement Agreement, the City shall provide to HTB and VCK for their review and comment an annual report (the "Annual Report") regarding the status and progress of compliance with this Settlement Agreement, including copies of all available, final, non-confidential and unprivileged, pertinent supporting documents, information, and data not already delivered to HTB and VCK during the course of the year, such as, without limitation, documents and information regarding: the planning, design, engineering, environmental review and impacts, permitting, construction, and operation of potential and preferred Diversion Infrastructure Project alternatives; applications and supporting documentation for Required Agency Permits; and the potential for occurrence of Construction Implementation Constraints or Operational Implementation Constraints affecting any potential or preferred Diversion Infrastructure Project alternatives. Nothing in this Paragraph shall limit or reduce the obligation of each Party under Paragraph 7 to use all reasonable efforts to cooperate with one another, and to actively and diligently participate in, advocate, and use reasonable efforts to support proceedings of the City and other agencies required for compliance with the Settlement Agreement. HTB and VCK agree, notwithstanding the City's obligation to provide the Annual Report and to make available copies of available, pertinent supporting documents and information, HTB and VCK shall access any documents and information included or referenced in the Annual Report that have already been provided by the City to the public via the same means used by the City to provide those documents to the public (e.g., websites, stakeholder meetings, and other means of public communication used by the City from time to time).

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- b. **VCK and HTB Comments on Annual Report.** Within thirty (30) calendar days after receipt of the Annual Report, VCK and HTB shall review the Annual Report and any supporting documentation, and VCK shall provide any comments that either or both of those Parties may have on those documents in writing to the City on behalf of HTB or HTB and VCK, as applicable. In the event that VCK requests in those comments, for itself and/or for HTB, that the City provide additional available final, non-confidential and unprivileged, pertinent supporting documents, information or data, the City shall have at least fourteen (14) calendar days, or such longer time as VCK and the City may mutually agree upon, to provide the requested information. In the event that VCK reasonably requests in those comments, for itself or for HTB, that the City provide additional final, non-confidential and unprivileged, pertinent supporting documents, information, or data that is not readily available or accessible, the City shall have a reasonable time to access the requested information, or, if and only if the City agrees to do so, to prepare the requested information, and in any event shall have not less than thirty (30) calendar days to respond to such request. VCK and HTB shall have thirty (30) calendar days after receipt of any supplemental information from Ventura referred to in this Paragraph to provide additional supplemental comments on the Annual Report to the City. If VCK submits additional supplemental comments on the Annual Report, then the City shall have an additional thirty (30) calendar days after receipt of such supplemental comments to respond and/or provide an explanation of why it is addressing the comments in an alternative manner.
- c. **Parties' Additional Responsibilities Regarding Annual Report.** Upon receipt of written comments on the Annual Report provided to the City pursuant to Paragraph 10.b., the City shall consider each of the comments and recommendations provided, and shall indicate to VCK in writing within thirty (30) calendar days after receipt of VCK's comments (or such longer period as VCK and the City may mutually agree upon) whether the City accepts such comments or recommendations, or, if the City rejects such comments or recommendations, the City shall provide a detailed explanation to VCK as to why the comments or recommendations are being rejected or responded to in an alternative manner. Taking into account the importance of using an adaptive management approach to, and preserving the City's policy role with respect to the objective identification, evaluation, and environmental review of potential Diversion Infrastructure Project alternatives, if the City in good faith does not accept the comments or recommendations provided under Paragraph 10.b., or responds to them in an alternative manner, and VCK in good faith, on behalf of itself or HTB, rejects the City's reasoning or alternative response, then the Parties shall meet and confer for purposes of resolving such disputes as set forth in

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Paragraphs 8 and 9.

- d. **HTB Waiver.** HTB acknowledges that it has negotiated for the benefit of having VCK prepare, submit, and coordinate with the City on HTB's behalf regarding comments on the Annual Report as set forth in this Paragraph 10. Accordingly, HTB expressly waives its rights to independently comment on the Annual Report, and from and after VCK's submission to the City of any comments on the Annual Report pursuant to this Paragraph 10, HTB further expressly waives any rights HTB may have to challenge or bring any Claim against the City or VCK with respect to the adequacy of VCK's comments on the Annual Report, and/or any aspects of the Annual Report other than those addressed by VCK's comments.
- e. **Other City Deliverables.**
 - i. **Required Agency Permit Applications.** The City shall provide VCK and HTB with copies of all applications for Required Agency Permits that must be submitted to VCK and/or the Resource Agencies as set forth in Paragraph 5 at the time such applications are due (subject to any delays to accommodate the exercise by any Party of its rights under Paragraphs 8 and 9).
 - ii. **Correspondence with Resources Agencies Regarding Required Agency Permits.** In addition, the City shall provide VCK and HTB with copies of any substantive correspondence (including e-mail messages) between the City and the Resource Agencies concerning its applications for Required Agency Permits submitted by the City to the Resource Agencies under Paragraph 5.

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11.) Covenant Not to Administratively or Judicially Challenge or Sue, Phased Dismissals, Mutual Releases, and Waivers

- a. Covenant Not to Sue or Challenge.** Except as permitted by this Settlement Agreement in Paragraph 11.b, the Parties shall not advocate, pursue, or request a determination, permit, certification, or approval from, or petition, appeal, administratively, legally, or judicially challenge or sue, or otherwise support, encourage, or initiate any Claim before any one of the Agencies with Jurisdiction or any court with jurisdiction, to obtain any Legal or Regulatory Action that is contrary to the Settlement Agreement and that would be specific to, and binding upon, any Party. In the event that any Legal or Regulatory Action is issued or adopted that is contrary to the terms and conditions of this Settlement Agreement, each Party reserves all its rights to pursue any available Claim to address such Legal or Regulatory Action.
- b. Exceptions to Covenant Not to Sue or Challenge.** Notwithstanding Paragraph 11.a, or the releases set forth in Paragraph 11.c. below, the Parties reserve and shall have the following rights to pursue Claims :
- i.** Any Party may administratively appeal or seek judicial review of the terms and conditions of any Required Agency Permits that are contrary to the Settlement Agreement.
 - ii.** During the term of the Settlement Agreement, any Party may institute Claims to enforce the terms and conditions of, and remedy any breach of the Settlement Agreement, subject to and in strict accordance with Paragraphs 8 and 9 above.
 - iii.** No Party shall be deemed to be precluded from bringing Claims or asserting arguments otherwise available to them in the absence of this Settlement Agreement in any administrative or judicial proceeding concerning general policy positions, the general validity of statutes, administrative rules, regulations, or general permits, or the general applicability and operation thereof, even if such statutes, administrative rules, regulations, general permits, or regulatory policies could be deemed to apply to the City, HTB, or VCK as part of a class of regulated entities, so long as no Party is individually named as a defendant or opponent in such Claim, and no Party contends that any other Party's actions or operations (including without limitation the Effluent discharges) are a reason for, or a case study for, supporting the general validity or invalidity of such statutes, administrative

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rules, regulations, general permits, or regulatory policies.

- iv. In the event that the City fails to implement the Approved Effluent Diversions on the Time Schedule because to do so would require construction and operation of Diversion Infrastructure Projects that are Financially Infeasible because, although the City will not need to raise its sewer rate to levels that would cause the Median Income Cap and the Annual Rate Cap components of Financial Infeasibility to be exceeded, the Total Net Investment for the Diversion Infrastructure Projects exceeds the Net Investment Cap, then the City shall not be in breach of this Settlement Agreement, and the Parties shall meet and confer as set forth in Paragraphs 8 and 9. Further, in addition to those remedies provided by this Settlement Agreement, the Parties agree that in such case, and solely in such case, HTB and VCK, each reserve and retain any legal rights otherwise available to them in the absence of this Settlement Agreement to assert a Claim challenging the City's failure to implement Diversion Infrastructure Projects as necessary to make the Approved Effluent Diversions on the Time Schedule.
- v. In the event that the City causes or materially contributes to a significant and unlawful discharge of pollutants or waste to the Estuary that results in death of wildlife occupying the Estuary, or destruction and substantial, long-term degradation of habitat provided by the Estuary, then each of HTB and VCK reserves any legal rights otherwise available to them in the absence of this Settlement Agreement to administratively challenge such a discharge of pollutants or waste.
- vi. The reservations of rights set forth in Paragraphs 11.b.iii, 11.b.iv and 11.b.v. operate only to reserve and retain the rights of Parties to assert Claims that the Parties would otherwise be legally entitled to assert in the absence of this Settlement Agreement, but nothing in those provisions shall be interpreted to create any new rights or Claims, or any basis for a new Claim.

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c. Phased Dismissals, Mutual Releases.

i. Phased HTB Dismissal. Upon execution of this Settlement Agreement by HTB and the City, those Parties shall take all reasonably required steps and actions, and shall jointly file the documents appropriate, to hold in abeyance or otherwise extend the City's date to respond to HTB's Petition A-1927(a), which is currently pending against the WRF NPDES Permit and/or the City (as a real party in interest) before the State Water Resources Control Board, until at least 120 days after the date of execution of this Settlement Agreement (or such other date mutually agreed to by HTB and the City) to accommodate cooperation of the Parties with respect to the City Public Process. So long as the City fulfills its obligations under this Settlement Agreement, HTB and the City each agree not to file any new Claim against the other during the City Public Process with respect to Petition A-1927(a) or the subject matter of this Settlement Agreement (including, without limitation, any Claim regarding the WRF NPDES Permit or any WRF discharges of Effluent), except as permitted by Paragraphs 11.b.ii, 11.b.iii, or 11.b.v., and 11.b.vi. Upon conclusion of the City Public Process and execution of the Final Settlement Agreement by HTB and the City, those Parties shall take all reasonably required steps and actions, and shall file the documents appropriate, to assure adequate dismissal with prejudice of all pending HTB Claims against the City regarding HTB's Petition A-1927(a) and discharges of Effluent and/or the WRF NPDES Permit, and to provide the mutual releases of pending Claims as set forth in this Paragraph and Paragraph 11.c.iii., and to release and limit all future Claims by the Parties as set forth in Paragraphs 11.a., 11.c.v., and 11.d.

ii. Phased VCK Dismissal. Upon execution of this Settlement Agreement by VCK and the City, those Parties shall take all reasonably required steps and actions, and shall jointly file the documents appropriate, to extend the time to respond to the remaining Claims in Case No. CV-10-02072-GHK (PJWx) to a date that is at least 120 days after the date of execution of this Settlement Agreement (or such other date mutually agreed to by VCK and the City and approved by the District Court) to accommodate cooperation of the Parties with respect to the City Public Process. So long as the City fulfills its obligations under this Settlement Agreement, VCK and the City each

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agree not to file any new Claim against the other during the City Public Process with respect to in Case No. CV-10-02072-GHK (PJWx) or the subject matter of this Settlement Agreement, including, without limitation, any challenges regarding the WRF NPDES Permit or any WRF discharges of Effluent, except as permitted by Paragraphs 11.b.ii, 11.b.iii, or 11.b.v., and 11.b.vi. Upon conclusion of the City Public Process and execution of the Consent Decree by VCK and the City, those Parties shall take all reasonably required steps and actions, and shall jointly file any documents appropriate, to dismiss with prejudice all remaining Claims in Case No. CV-10-02072-GHK (PJWx), and any other pending VCK Claims against the City regarding discharges of Effluent and/or the WRF NPDES Permit, and to provide the mutual releases of pending Claims as set forth in this Paragraph and Paragraph 11.c.iv., and to limit all future Claims by the Parties as set forth in Paragraphs 11.a., 11.c.v., and 11.d.

- iii. **Mutual Release of Pending Liability: HTB and the City.** In consideration of the mutual obligations of this Settlement Agreement, HTB and the City agree that, effective upon execution of the Final Settlement Agreement by the HTB and the City, each of HTB and the City, for itself and for its owners, shareholders, members, directors, employees, agents, representatives, attorneys, affiliates, consultants, successors and assigns, shall fully release the other Party to the Final Settlement Agreement, and its respective owners, shareholders, members, directors, employees, agents, representatives, attorneys, affiliates, consultants, successors and assigns, and all persons, firms, and corporations having an interest in it, from any pending Claims, including Claims for attorneys' fees, experts' fees, and consultants' fees, and other technical and litigation costs and expenses, and any other sum incurred or claimed in connection with the remaining claims in State Water Resources Control Board Petition A-1927(a), including but not limited to the alleged failure, violation, or continuing violation of the City to comply with the CWA, Porter-Cologne, the WRF NPDES Permit, the City's municipal ordinances, or any other general or individual discharge permits, as set forth in or arising from the facts, circumstances, legal authorities or claims in State Water Resources Control Board Petition A-1927(a). This release includes a waiver, general release and covenant not to sue or file any Claim for fees of attorneys, experts, or consultants, and

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others, any costs or expenses, or any other sum incurred through the date of the execution by the Parties of the Final Settlement Agreement.

iv. Mutual Release of Pending Liability: VCK and the City.

In consideration of the mutual obligations of this Settlement Agreement, the City and VCK agree, effective upon execution of the Consent Decree by VCK and the City, each of VCK and the City, for itself and for its owners, shareholders, members, directors, employees, agents, representatives, attorneys, affiliates, consultants, successors, and assigns, shall fully release the other Party to the Consent Decree, and its respective owners, shareholders, members, directors, employees, agents, representatives, attorneys, affiliates, consultants, successors, and assigns, and all persons, firms, and corporations having an interest in it, from any pending Claims, including Claims for attorneys' fees, experts' fees, and consultants' fees, and other technical and litigation costs and expenses, and any other sum incurred or claimed in connection with the remaining Claims in Case No. CV-10-02072-GHK (PJWx), including but not limited to the alleged failure, violation, or continuing violation of the City to comply with the CWA, Porter-Cologne, the WRF NPDES Permit, the City's municipal ordinances, or any other general or individual discharge permits, as set forth in or arising from the facts, circumstances, legal authorities or claims in Case No. CV-10-02072-GHK (PJWx). This release includes a waiver, general release and covenant not to sue or file any Claim for fees of attorneys, experts, consultants, and others, costs or expenses, or any other sum incurred through the date of the execution by the Parties of the Consent Decree.

v. Mutual Release of Future Claims: All Parties.

In consideration of the mutual obligations of this Settlement Agreement and in furtherance of Paragraph 11.a., the Parties agree (effective, with respect to HTB and the City, upon execution of the Final Settlement Agreement, and effective, with respect to VCK and the City, upon execution of the Consent Decree) that each Party, for itself and for its owners, shareholders, members, directors, employees, agents, representatives, attorneys, affiliates, consultants, successors, and assigns, fully releases and covenants not to sue or assert any future Claims of any kind or nature, whether known or unknown, against the other Parties, or such Parties' respective

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owners, shareholders, members, directors, employees, agents, representatives, attorneys, affiliates, consultants, successors, and assigns, or persons, firms, and corporations having an interest in the Party, except as specifically and expressly permitted by the reservations of rights set forth in Paragraphs 11.a., 11.b, 14.c and 15. This release includes a waiver, general release, and covenant not to sue or file any Claim for future fees of staff, attorneys, experts, consultants, and others, or costs or expenses, or any other sum incurred in connection with this Settlement Agreement, the Final Settlement Agreement, or the Consent Decree, except as expressly permitted by Paragraphs 14.c and 15.

d. General Provisions Regarding Waivers and Releases Executed Pursuant to this Settlement Agreement

- i. Waiver of California Civil Code Section 1542:** In connection with the waivers and general releases of existing, future, known, and unknown Claims provided and/or executed pursuant to Paragraphs 9b.iii., 10.d., 11.a., 11.c., 13, 14.a., and 14.b, and subject only to the exceptions set forth in Paragraphs 11.b., 14.c.i. through 14.c.iv., and 15, each of the City, HTB, and VCK, on behalf of itself, and its owners, shareholders, members, directors, employees, agents, representatives, attorneys, affiliates, consultants, successors, and assigns, expressly waives, for the benefit of each other Party and all with respect to all waivers and releases set forth in the Settlement Agreement, the benefit of California Civil Code § 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO ALL CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

City's Initials

VCK's Initials



HTB's Initials

- ii. HTB Representations and Warranties.** Dr. Mark Gold, represents and warrants that he is authorized to execute this

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Settlement Agreement and the Final Settlement Agreement, and to otherwise act on legal matters on behalf of HTB without seeking advice or counsel of an attorney licensed to practice law in California. Dr. Gold further represents and warrants that he is a person experienced in these types of legal agreements and transactions, and has substantial experience in reviewing, implementing, and enforcing agreements like this Settlement Agreement, as well as the legal and regulatory matters addressed herein. Dr. Gold acknowledges that the City has recommended that HTB have this Settlement Agreement reviewed by legal counsel, but, in the exercise of Dr. Gold's sole discretion acting as President of HTB, he has declined to have legal counsel review the terms of this Settlement Agreement based on his expertise and experience in legal matters like this one, and with respect to the federal Clean Water Act, the California Porter-Cologne Act, and state and federal Endangered Species Acts.



HTB's Initials

- 12.) **Compliance Monitoring Payments.** In full and final satisfaction of all of VCK's collective accrued and future attorneys' fees, legal and technical consultants' fees, staff fees and costs, experts' fees, expenses, and costs, and any other costs and expenses incurred by VCK in connection with implementing its obligations under this Settlement Agreement and the Consent Decree (when executed), including, without limitation, VCK's participation and cooperation under Paragraph 7; its review and comment on the Annual Report and any other data, reports, studies, information, or documents prepared and provided to VCK and/or HTB pursuant to Paragraphs 7 and 10; its challenge to any Rate Rejection under Paragraph 6; its participation in any informal dispute resolution process under Paragraph 8; and/or its participation in any formal dispute resolution process under Paragraph 9.b. to address an Event of Implementation Constraint or Disagreement, the City shall pay VCK a total sum of \$120,000 in six equal annual payments of \$20,000 each, without interest or service charges of any kind. The first annual payment shall be due from the City to VCK on the date that is thirty (30) days after the Effective Date of the Consent Decree (regardless of the Effective Date of the Final Settlement Agreement), without further invoice or notice being required from VCK. The remaining five annual payments shall be made to VCK on the date that is the later of: (a) thirty (30) days after the City receives a written invoice from VCK requesting payment of the annual \$20,000 installment, or (b) the date that constitutes the first, second, third, fourth, and fifth year anniversaries (respectively) of the first annual

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payment. All payments shall be made payable to "Ventura Coastkeeper," addressed to those persons and at the address specified for notices by VCK in the Consent Decree, and shall be made available for VCK to collect when due at the City Clerk's office. The funds provided by the City to VCK under this Paragraph 12 shall only be used by VCK, on its own behalf and on behalf of HTB, for purposes of implementing its obligations under, and monitoring the status and progress of the City's compliance with the Settlement Agreement and the Consent Decree (when executed), and under no circumstances shall the funds be used to institute any Claim against the City, except a Claim for enforcement of the Settlement Agreement as permitted by, and pursuant to, Paragraphs 8, 9, 11.a., 11.b.i. and 11.b.ii. VCK shall keep an accounting of all expenditures charged against this \$120,000 monitoring fund. VCK shall provide a copy of this accounting to the City on the earlier date of (a) exhaustion of the \$120,000 fund, or (b) termination of the Consent Decree pursuant to Paragraph 16.

- 13.) HTB hereby expressly waives its rights to, and agrees not to seek to recover or make a Claim against the City for any accrued or future attorneys' fees, legal and technical consultants' fees, staff fees and costs, experts' fees, expenses, costs, or any other fees, costs and expenses incurred by HTB or VCK in connection with implementing HTB's or VCK's obligations under this Settlement Agreement and the Final Settlement Agreement (when executed), including, without limitation, fees, costs or expenses associated with HTB's and/or VCK's: participation and cooperation under Paragraph 7; their review and comment on the Annual Report and any other data, reports, studies, information, or documents prepared and provided to VCK and/or HTB pursuant to Paragraphs 7 and 10; their challenge to any Rate Rejection under Paragraph 6; their participation in any informal dispute resolution process under Paragraph 8; and/or their participation in any formal dispute resolution process under Paragraph 9.b. to address an Event of Implementation Constraint or Disagreement.

14.) **Attorneys' and Consulting Fees.**

- a. **Settlement of VCK's Staff, Attorneys' and Consultants' Fees Incurred through the Effective Date of the Consent Decree.** In full and final settlement of any and all of VCK's Claims for staff, attorneys', consultants', and experts' fees, expenses, and costs that VCK may be entitled to claim or collect in connection with the Settlement Agreement, Consent Decree, any and all Claims dismissed and released under Paragraphs 11.c.ii. and 11.c.iv., the City shall pay VCK the sum of Fifty Nine Thousand dollars (\$59,000) within thirty (30) days after the Effective Date of the Consent Decree. All payments shall be made payable to "Ventura Coastkeeper," addressed to those persons specified

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for notices by VCK in the Consent Decree, and shall be made available for VCK to collect when due at the City Clerk's office. Upon payment of such sum, VCK shall be deemed to have waived any further Claim for attorneys', consultants', and experts' fees, expenses, and costs accruing in connection with the claims dismissed and released under Paragraphs 11.c.ii and 11.c.iv.

- b. Waiver of HTB's Staff, Attorneys' and Consultants' Fees Incurred through the Effective Date of the Final Settlement Agreement.** HTB hereby expressly waives its rights to, and agrees not to seek, demand, recover or make a Claim against the City for any staff, attorneys', consultants', and experts' fees, expenses, and costs incurred in connection with the Settlement Agreement, the Final Settlement Agreement, and any and all Claims dismissed and released under Paragraphs 11.c.i and 11.c.iii.
- c. Future Attorneys' and Consulting Fees.** As set forth in Paragraphs 11.a. and 11.c.v. above, each and every Party releases any Claim for, and shall be responsible for all of its own future staff, attorneys', consultants', staff, and scientific, technical, or other experts' and consultants' fees, expenses, and costs incurred in connection with any Claim of whatever kind and nature, related to each Party's performance pursuant to, implementation of, or in any other way arising under or in connection with, this Settlement Agreement, including formal and informal dispute resolution under this Settlement Agreement, except that each of the Parties retains and reserves its rights to make a Claim for an award of staff, attorneys', consultants', and/or experts fees, expenses, and costs pursuant to the following exceptions:
- i. as otherwise set forth in Paragraph 9.a. with respect to compensation of a Scientific Review Panel; provided, however, that in the event that any Party refers an issue to the Scientific Review Panel that is determined by dispute resolution under Paragraphs 8 and 9.b. to be frivolous or primarily for purposes of harassment or delay, then the dispute resolver under Paragraph 9.b. shall have the authority to award costs of such dispute resolution proceeding as well as reasonable attorneys', consultants, and experts' fees to the prevailing Party in the scientific dispute resolution proceeding;
 - ii. as otherwise set forth in Paragraph 12 regarding compliance monitoring fees that the City has agreed to pay;
 - iii. as otherwise set forth in Paragraph 15 regarding penalties the

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City has agreed to pay in the event that it fails to timely deliver the Annual Report, and

- iv. The prevailing or substantially prevailing party in any formal dispute resolution proceeding brought pursuant Paragraphs 9.b. and 11.b.ii for a breach of the Settlement Agreement shall receive its reasonable costs and attorney's fees incurred in accord with the standard established by § 505 of the Clean Water Act, 33 U.S.C. §1365. Such fees and costs paid to the prevailing or substantially prevailing party in the formal dispute resolution proceeding under Paragraph 9.b. for a breach of the Settlement Agreement, provided, however, that:
- no Party shall be permitted to demand or make a Claim for any fees, costs, or expenses incurred in pursuing informal dispute resolution under Paragraph 8, which is necessary as a prerequisite to invoking formal dispute resolution under Paragraph 9.b.;
 - no Party shall be permitted to demand or make a Claim for any fees, costs, or expenses incurred in pursuing formal dispute resolution for an Event of Implementation Constraint or Disagreement under Paragraph 9.b.;
 - no Party shall make any demand for attorneys' fees during any informal dispute resolution proceeding under Paragraph 8; and
 - no Party shall attempt to condition, or demand that any informal dispute resolution proceeding under Paragraph 8, or any formal dispute resolution proceeding under Paragraph 9.b. be conditioned upon, the payment of such Party's attorneys', experts', staff's, or consultants' fees, costs, or expenses incurred in pursuing informal dispute resolution.

Accordingly, except as expressly set forth in this Paragraph 14.c., no Party shall make any demand or Claim for attorneys', consultants', staff, and scientific, technical, or other experts' and consultants' fees, sums, expenses, and costs in connection with contesting a Rate Rejection, fulfilling participation and cooperation obligations, review or comment on the Annual Report, compliance monitoring, or informal or formal dispute resolution proceeding.

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- 15.) **Monetary Penalties.** Unless the City obtains an extension of an applicable due date for good cause, which extension shall not be unreasonably withheld by VCK, if the City fails to submit the Annual Report to VCK at the time due under Paragraph 10.a, then VCK shall provide written notice to the City of such failure, and the City shall have fifteen (15) calendar days as a grace period to cure its failure to provide the report to VCK. If the City fails within fifteen calendar days after receipt of VCK's written notice to provide the Annual Report to VCK, then the City shall pay stipulated payments accruing from the sixteenth calendar day following the VCK notice until the date that the City provides the Annual Report as follows:

<u>Period of Noncompliance</u>	<u>Payment Per Violation</u>
Days 1-30	\$100 per day
Days 31-60	\$200 per day
Days over 60	\$500 per day

VCK shall use its best efforts to obtain a written agreement by and among the City, VCK and California State University Channel Islands, that is acceptable to the Department of Justice, and binding upon the University to accept and use any stipulated payments that become due and payable by the City under this Paragraph to fund activities which benefit the watershed and ocean environments in and surrounding the watersheds in the area affected by City discharges of Effluent. Provided that such written agreement is obtained, the City shall tender any stipulated payments that become due and payable hereunder to California State University Channel Islands, to be used solely to fund activities other than litigation that benefit the watershed and ocean environments in and surrounding the watersheds in the area affected by the Effluent, and the City shall send such payments via overnight mail to: California State Channel Islands University, Grants and Contracts, Finance and Administration, attention: Leo Cervantes, One University Drive, East Tower #1762, Camarillo, CA 93012. The City shall send written notice to VCK once it has sent any such payments. If California State University Channel Islands has not provided the written agreement referenced in this Paragraph by the time that VCK and the City are prepared to execute the Consent Decree, then such written agreement shall be entered into with The Nature Conservancy, or another environmental organization that is mutually acceptable to, and agreed upon by VCK and the City.

- 16.) **Termination.**

This Settlement Agreement shall terminate as between VCK and the City on the date that the Consent Decree is fully executed by those Parties. This Settlement

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Agreement shall terminate as between HTB and the City on the date that the Final Settlement Agreement is fully executed by those Parties. The Consent Decree between the City and VCK, and the Final Settlement Agreement between the City and HTB shall each and both terminate on the earlier of the following dates: (1) the last date of the period in which the City has commenced operation of the Diversion Infrastructure Projects and operated the projects for five (5) years; or (2) the last date of the period in which the City has commenced operation of the Diversion Infrastructure Projects and operated the projects for three (3) years in a manner that has achieved zero Direct Discharge (other than any Direct Discharges occurring due to Breakdown Situations or Maintenance, Health and Safety Situations).

17.) **General Provisions.**

- a. **Successors and Assigns.** The provisions of this Settlement Agreement apply to and bind each of VCK, HTB, and the City, including each Party's directors, employees, owners, members, agents, representatives, shareholders, servants, contractors, consultants, successors, assigns, and legal affiliates. No change in structure, ownership, corporate, or other legal status of any Party, nor any transfer of the assets or liabilities of any Party, shall in any way alter the responsibilities of such Party under this Settlement Agreement, including its directors, employees, owners, members, agents, representatives, shareholders, servants, contractors, consultants, successors, assigns, and legal affiliates.
- b. **Authority.** Each of the undersigned representatives of the Parties certifies that he/she is fully and legally authorized by the Party to enter into this Settlement Agreement, execute it on behalf of the indicated Party, and to legally bind the represented Party to its terms. In any action to enforce this Settlement Agreement, no Party shall raise as a defense the failure by any of its directors, employees, owners, members, agents, representatives, shareholders, servants, contractors, consultants, successors, assigns, or legal affiliates to take actions necessary to comply with this Settlement Agreement.
- c. **Modification.** The terms and conditions of this Settlement Agreement may not be changed, discharged, or terminated unless by a written document or instrument, signed by all the Parties affected by the proposed action.
- d. **Continuing Jurisdiction.** The Parties stipulate that the District Court for the Central District of California shall retain jurisdiction to enforce the terms and conditions of this Settlement Agreement and the Consent Decree, and to resolve disputes pursuant to Paragraph 9.b., and otherwise.

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as may be necessary or appropriate for the interpretation, implementation, construction, or execution of this Settlement Agreement, the Consent Decree, and/or the Final Settlement Agreement. Each Party hereby waives all current and future objections it may have to the District Court's establishment or retention of jurisdiction over this Settlement Agreement, the Final Settlement Agreement, or the Consent Decree, and each Party agrees to take such further actions, including preparing and filing such documents with the Court as may be necessary to enable the Court to establish or retain jurisdiction for the purposes set forth in this Paragraph.

- e. **Counterparts.** This Settlement Agreement may be executed in any number of counterparts, all of which together shall constitute one original document. Telecopy, scanned copies (i.e., pdf) and/or facsimile copies of original signatures shall be deemed to be original signatures for purposes of executing counterparts of this Settlement Agreement, and any amendments, modifications, revisions, or notices to terminate this Settlement Agreement.
- f. **No Effect on the SSOs Consent Decree.** The terms and conditions of this Settlement Agreement shall not be interpreted, applied or implemented that would, in any way, alter, modify, revise, terminate, or supersede the provisions of that certain consent decree and stipulated dismissal entered into by and among VCK and the City, and approved by the District court for the Central District of California, releasing and dismissing those single and/or continuing sewer system overflow related violations alleged by VCK in connection with Claims III through V of the Complaint filed in Civil Case No. CV-10-02072-GHK(PJWx).
- g. **Notices.** Any notifications, submissions, or communications to VCK, the City, or HTB pursuant to this Settlement Agreement shall be, to the extent feasible, sent via electronic mail transmission to the e-mail addresses listed below (electronic return receipt requested) or, if electronic transmission is not feasible, via overnight or hand delivery to the addresses below. Any change in the individuals or addresses designated by any Party must be made in writing to all Parties.

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If to VCK:

Christopher Sproul
ENVIRONMENTAL
ADVOCATES
5135 Anza Street
San Francisco, CA 94121
Telephone: (415) 533-3376
Facsimile: (415) 358-5695
Email:
csproul@enviroadvocates.com

Jason Weiner, Staff Attorney
Wishtoyo Foundation's Ventura
Coastkeeper Program
3875-A Telegraph Rd., #423
Ventura, CA 93003
Telephone: (805) 823-3301
Email:
jweiner.venturacoastkeeper@wishtoyo.org

If to the City:

Rick Cole
City Manager, City of San
Buenaventura
501 Poli Street, Room 205
Ventura, CA 93002-0099
Telephone: (805) 654-7740
Email:
citymanager@ci.ventura.ca.us

Rick Raives
Public Works Director, City
of San Buenaventura
501 Poli Street, Room 120
Ventura, CA 93002-0099
Telephone: (805) 652-4518
Email:
rraives@ci.ventura.ca.us

Shana Epstein
Chief, City of San
Buenaventura Water Dept.
336 Sanjon Ventura, CA 93001
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Ariel Calonne
City Attorney, City of San
Buenaventura
501 Poli Street, Suite 26
Ventura, CA 93002-0099
Telephone: (805) 654-7818
Email:
acalonne@ci.ventura.ca.us

If to HTB:

Mark Gold
President
Heal the Bay
1444 9th Street
Santa Monica, CA 92401
Telephone: (310) 451-1500
Email: mgold@healthbay.org

Kirsten James
Director Water Quality
Heal the Bay
1444 9th Street
Santa Monica, CA 92401
Telephone: (310) 451-1500
Email: kjames@healthbay.com

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In Witness Whereof, the Parties hereto enter into this Settlement Agreement, effective as of the last date entered below.

CITY OF SAN BUENA VENTURA

By: _____
Rick Cole, City Manager

Date: _____

**APPROVED AS TO FORM FOR
CITY OF SAN BUENA VENTURA**

By: _____
Ariel Calonne, City Attorney

Date: _____

**WISHTOYO FOUNDATION/
VENTURA COASTKEEPER**

By: _____
Mati Waiya, Executive Director

Date: _____

**APPROVED AS TO FORM FOR
WISHTOYO FOUNDATION/
VENTURA COASTKEEPER**

By: _____
Jason A. Weiner, Staff Attorney

Date: _____

Heal the Bay

By: 
Mark Gold, President

Date: August 9, 2011

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**Attachment "A" To
Memorandum of Agreement Regarding Settlement Terms
Terms and Definitions**

Unless otherwise expressly defined herein, terms used in this Settlement Agreement that are defined in the CWA or in regulations or rules promulgated under the CWA have the meaning assigned to them in those statutes, regulations or rules. Whenever terms listed below are used in this Settlement Agreement, the following definitions apply:

- A. "ACOE" means the United States Army Corps of Engineers.
- B. "Agencies with Jurisdiction" means, CDFG, RWQCB, ACOE, NMFS, USFWS, and other governmental agencies with jurisdiction to environmentally review, consult with respect to, certify, approve, condition, or otherwise permit Diversion Infrastructure Projects, components thereof, or over the elimination of Direct Discharge, and/or the implementation of alternative discharges of Effluent to new or different locations or uses.
- C. "Annual Rate Cap" means a 3% increase in any one year during the Time Schedule.
- D. "Approved Effluent Diversions" means that volume or flow of Effluent diversion permitted and approved for diversion from Direct Discharge to the Estuary by the Resources Agencies pursuant to Paragraph 5 of this Agreement.
- E. "Breakdown Situations" means any temporary event occurring after construction of the Diversion Infrastructure Projects and implementation of Effluent diversions that is beyond the City's reasonable control and that precludes the City from diverting Effluent, or materially reduces the volume of Effluent that may be diverted from Direct Discharge, such as:
- i. an Event of Force Majeure;
 - ii. a rainfall event or series of events exceeding the Five-Year 24-Hour Storm Event or the Five-Year 30-Day Storm Event such that diversion of Effluent to the constructed Diversion Infrastructure Projects is precluded, and/or the potential for inundation of the WRF facilities creates a material risk that a WRF treatment unit process may be bypassed; and/or
 - iii. any mechanical failure of facilities, equipment or processes, whether operated by the City or by other water districts or users to whom the City may transfer Effluent, required to implement diversions of Effluent from Direct Discharge or to the Water Reclamation Uses and/or Treatment Wetlands.
- F. "CDFG" means the California Department of Fish and Game.
- G. "City" means the City of San Buenaventura, a California chartered City.

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**Attachment "A" To
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- H.** "City Public Process" means a ninety (90) to one hundred twenty (120) calendar day public communications and outreach process, to be conducted by the City after final execution of the Settlement Agreement, but prior to execution of the Final Settlement Agreement and Consent Decree, consisting of written, oral, and electronic communications, as well as public meetings, workshops, and City Council hearings to explain and allow stakeholders and the City's electorate to evaluate the policy importance of the Settlement Agreement, its goals, terms, conditions, its likely community and environmental benefits, and its likely impacts on the community, including, without limitation, potential water and sewer revenue measures that are anticipated to be necessary to comply with the Settlement Agreement.
- I.** "Claim" means any legal, administrative, judicial or other claim, charge, demand, cause of action, challenge, lawsuit, petition, appeal, or other request for remedy of any kind or nature, at law or in equity, including, without limitation, those for violations of law or regulation, or for injunctive relief, declaratory relief, specific performance, damages, penalties, fines, sanctions, fees, costs, expenses, or monetary sums of any kind.
- J.** "Consent Decree" means a proposed consent decree, which shall be consistent with, and implement all terms and conditions, of this Settlement Agreement, and, when executed, shall supersede this Settlement Agreement, together with any stipulated dismissal with prejudice, and any other required documents, which shall be entered into, executed, and filed jointly by VCK and the City with the District Court for the Central District of California in Case No. CV 10-02072-GHK (PJWx), as necessary to dismiss with prejudice all remaining VCK claims against the City, and to provide all releases and limit all future challenges against the City and VCK as set forth herein.
- K.** "Construction Implementation Constraints" means, as applicable, the occurrence(s) of any of the following in a manner that precludes, prevents or impedes the City's construction of the Diversion Infrastructure Projects by the Time Schedule specified in this Settlement Agreement or the achievement of the Effluent diversions required by this Settlement Agreement: 1) Technical Infeasibility, 2) Financial Infeasibility, and/or 3) Regulatory Infeasibility.
- L.** "CWA" means the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 *et seq.*
- M.** "Debt Service" means the interest and other costs of bond issuance which must be paid to finance the Total Net Investment in specified types of City sewer related capital projects, but, to eliminate "double counting," excludes the amount of the bond principle to be repaid to debt holders, which amount is already "counted" as the Total Net Investment in infrastructure and capital projects.

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**Attachment "A" To
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Terms and Definitions**

- N.** "Design Considerations" means that the capacity for reclamation and diversion infrastructure projects is designed to accept the total combined flow or volume of Effluent and rainfall during a Five Year 24-Hour Storm Event, and a Five-Year 30-Day Storm Event, except during Maintenance, Health and Safety Situations or Breakdown Situations.
- O.** "Direct Discharge" means any discharge of Effluent to the Estuary from the WRF or the WRF's existing wildlife treatment ponds, excluding those discharges of Effluent to the Estuary from Treatment Wetlands that are approved by the Resources Agencies, and that are otherwise conducted pursuant to the terms of this Settlement Agreement, which discharges of Effluent to the Estuary may be permitted as set forth herein.
- P.** "Diversion Infrastructure Project" or "Diversion Infrastructure Projects" means those reclamation and diversion infrastructure projects, including the Treatment Wetlands that cumulatively will have the capacity, taking into account and subject to the Design Considerations, Construction Implementation Constraints, and Operational Implementation Constraints, to divert to Water Reclamation Uses and/or Treatment Wetlands the Maximum Feasible Diversion Volume.
- Q.** "Effective Date" means the date that additional, more detailed legally binding documents, consistent with and implementing this Settlement Agreement, take effect and are binding upon the Parties. With respect to the document executed by HTB and the City, such date shall be the date that duly authorized representatives of both HTB and the City fully execute the Final Settlement Agreement. With respect to VCK and the City, such date shall be the last date for the United States Department of Justice to comment on the Consent Decree, *i.e.*, the 45th day following the United States Department of Justice's receipt of the Consent Decree.
- R.** "Effluent" means current and future anticipated WRF tertiary treated sewage effluent, which also constitutes recycled water.
- S.** "Estuary" means the Santa Clara River Estuary.
- T.** "Event of Force Majeure" is an event which renders the City's compliance with the Settlement Agreement impossible, despite the timely and reasonable efforts of the City, due to circumstances beyond the control of the City or its agents, and which could not have been reasonably foreseen and prevented by the exercise of due diligence by the City. Any delays or failure to properly perform as required by this Settlement Agreement due to the City's failure to make timely and bona fide applications and to exercise reasonable and diligent efforts to comply with the terms in this Settlement Agreement, or due to normal inclement weather events taken into account by the Design Considerations, shall not, in any event, be considered to be an Event of Force Majeure.

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**Attachment "A" To
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- U. "Event of Implementation Constraint or Disagreement" means that one Party believes that one of the following has occurred: (a) a Construction Implementation Constraint; or (b) an Operational Implementation Constraint, or (c) a disagreement among the Parties regarding any of the terms and conditions of this Settlement Agreement, including a disagreement regarding: (i) the existence, extent or effect of, or the appropriate response to a Construction Implementation Constraint, or an Operational Implementation Constraint; (ii) the appropriate Maximum Feasible Diversion Volume; (iii) the appropriate Time Schedule or extension to a Time Schedule; (iv) the existence, extent or effect of, or appropriate response to a Rate Rejection; (v) the appropriate Maximum Ecologically Protective Diversion Volume; or (vi) any other disagreement regarding the interpretation or implementation of the terms of this Settlement Agreement.
- V. "Event of Implementation Constraint, Disagreement, or Breach" means that one Party believes that one of the following has occurred: (a) an Event of Implementation Constraint or Disagreement, or (b) a violation or breach by a Party of the Settlement Agreement, or, when executed, of the Final Settlement Agreement or Consent Decree.
- W. "Financial Infeasibility" or "Financially Infeasible" means:
- i. that the increment of revenue needed to fund the Total Net Investment and Debt Service for the planning, design, engineering, environmental review, permitting, construction, and implementation of only the Diversion Infrastructure Projects and/or Effluent diversions will necessitate a total increase in the City's base cost of service sewer fees and/or sewer rate of more than the Annual Rate Cap.
 - ii. the sum of the revenues needed for: (a) the City's sewer-related operations, management and maintenance duties, (b) the Total Net Investment and Debt Service for planning, design, engineering, environmental review, permitting, construction, and implementation of the City's adopted Capital Improvement Plan and Sewer Master Plan projects, and (c) the Total Net Investment and Debt Service for planning, design, engineering, environmental review, permitting, construction, and implementation of the Diversion Infrastructure Projects and/or Effluent diversions, together cumulatively require total net expenditures by the City that necessitate total average annual base cost of service sewer fees and/or a sewer rate at any time during the Time Schedule exceeding the Median Income Cap.
 - iii. the Total Net Investment needed for the planning, design, engineering, environmental review, permitting, construction, and implementation of the Diversion Infrastructure Projects and/or Effluent diversions exceeds the Net Investment Cap.

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- X.** "Final Settlement Agreement" means a final settlement agreement, which shall be consistent with, and designed to implement all terms and conditions of, this Settlement Agreement, and, when executed, shall supersede this Settlement Agreement, together with any stipulated dismissal with prejudice, and any other required documents, all of which shall be to be entered into, executed and filed jointly by HTB and the City with the State Water Resources Control Board and any other all applicable governmental agencies with jurisdiction, as necessary to dismiss with prejudice all pending HTB administrative and/or legal challenges against the City regarding discharges of Effluent and/or the WRF NPDES Permit, including State Water Resources Control Board Petition A-1927(a), and to provide all HTB releases and limit all future challenges by or against the City, or HTB, and/or their operations as set forth herein.
- Y.** "Five-Year 24-Hour Storm Event" means that amount of total rainfall generated from a rain event or series of rain events occurring over the course of a 24-hour period that, on average based on the historical rainfall records, occurs only once every five years.
- Z.** "Five-Year 30-Day Storm Event" means that amount of total rainfall generated from a series of rain events occurring over the course of a 30-day period that, on average based on the historical rainfall records, occurs only once every five years.
- AA.** "HTB" means Heal the Bay, a 501(c)(3) nonprofit organization.
- BB.** "Legal or Regulatory Action" means any action, ruling, permit, certification, or approval, or any provision, term, effluent limitation, or other condition thereof, or any other similar regulatory requirement adopted or issued, and enforceable by an Agency with jurisdiction or a court with jurisdiction.
- CC.** "Maintenance, Health and Safety Situations" means any temporary event occurring after construction of the Diversion Infrastructure Projects and implementation of Effluent diversions that precludes the City from diverting Effluent, or materially reduces the volume of Effluent that may be diverted from Direct Discharge, due to either (i) the creation by normal operations of a threat to public health and safety that is beyond the City's reasonable control, and/or (ii) the need to implement maintenance, repairs, safety measures or capital improvements to assure the proper continued operation of the Diversion Infrastructure Projects, such as:
- i.** An inability to divert Direct Discharge or deliver Effluent to Water Reclamation Uses and/or the Treatment Wetlands that may be foreseen, but is unavoidable because any of the facilities, equipment, or processes (whether operated by the City or by other water districts or users to whom the City may transfer Effluent) diverting Effluent to the Water Reclamation Uses and/or

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Treatment Wetlands must be "offline" for emergency or scheduled maintenance, repair, replacement, capital upgrades, implementation of safety measures or similar types of work;

- ii. An inability to deliver Effluent to Water Reclamation Uses and/or the Treatment Wetlands arising due to an Event of Force Majeure that occurs despite the City's reasonable diligence, and creates a credible risk of causing a discharge, spill, or release resulting in a nuisance, or adverse impacts public health, safety, or the environment.

DD. "Maximum Ecologically Protective Diversion Volume" means the maximum volume or flow of Effluent appropriate to divert from Direct Discharge that is ecologically protective of the Estuary, the Estuary's aquatic species, and the Estuary watershed, which volume or flow shall be conclusively established for purposes of this Settlement Agreement as set forth in Paragraph 5.c., or, if disagreement arises in the process set forth in Paragraph 5.c, the volume or flow shall be conclusively established by way of the meet-and-confer process set forth in Paragraph 8, or, if necessary, by way of formal dispute resolution as set forth in Paragraph 9.a. of this Settlement Agreement.

EE. "Maximum Feasible Diversion Volume" is a term that will guide the determination and construction of infrastructure project capacity pursuant to this Settlement Agreement, and means a minimum average annual volume or flow of Effluent that can be diverted from Direct Discharge, which should be comprised of no less than 50% of the WRF total average annual Effluent volume and up to 100% of its total average annual Effluent volume, unless and except to the extent that such diversions are infeasible to achieve due to Construction Implementation Constraints, in which case "Maximum Feasible Diversion Volume" shall mean the greatest average annual volume or flow of Effluent that can be directed to Water Reclamation Uses and is not Technically Infeasible, Regulatorily Infeasible, or Financially Infeasible.

FF. "Median Income Cap" means 1.2% of the City's annual median household income measured at any time during the Time Schedule.

GG. "Net Investment Cap" means Fifty Five Million Dollars (\$55,000,000), increased on the date of calculation of the financial cap by the same percentage as the percentage increase in the Engineering Record News Construction Cost Index occurring between the Effective Date and the date of calculation.

HH. "NMFS" means the National Marine Fisheries Service (also known as the National Oceanic and Atmospheric Administration's Division of Fisheries).

II. "NPDES" means National Pollution Discharge Elimination System.

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- JJ.** "Operational Implementation Constraints" means, as applicable, the occurrence(s) of any of the following in a manner that precludes or impedes the City's operation of the Diversion Infrastructure Projects or the achievement of the Effluent diversions required by this Settlement Agreement by or after the Time Schedule specified in this Settlement Agreement: 1) Technical Infeasibility; 2) Financial Infeasibility; 3) Regulatory Infeasibility; 4) Breakdown Situations; or 5) Maintenance, Health and Safety Situations.
- KK.** "Parties" means collectively the City, VCK, and HTB.
- LL.** "Party" means, individually, the City, VCK, or HTB.
- MM.** "Porter-Cologne" means the California Porter-Cologne Water Quality Control Act, California Water Code §§ 130000 *et seq.*
- NN.** "Rate Rejection" means ratepayers succeed in any challenge to, or otherwise successfully legally prevent (pursuant to provisions of the California Constitution or otherwise), the City's rate increases or revenue measures necessary to finance the Diversion Infrastructure Projects and/or Effluent diversions as required by, and consistent with, the terms and conditions of this Settlement Agreement.
- OO.** "Regulatory Infeasibility" or "Regulatorily Infeasible" means the failure to secure from Agencies with Jurisdiction the necessary approvals or permits needed to comply with the Settlement Agreement despite the City's timely and reasonable efforts to do so.
- PP.** "Required Agency Permit" or "Required Agency Permits" means one or all of the legally required environmental reviews, consultations, permits, certifications and other approvals (including, but not limited to Waste Discharge Requirements pursuant to California Water Code section 13000 *et seq.*, an NPDES permit pursuant to Clean Water Act section 402, and incidental take authorization pursuant to section 7 or section 10 of the federal Endangered Species Act) that must be issued by any one of the Agencies with Jurisdiction to lawfully implement Diversion Infrastructure Projects, or components thereof, or diversions or alternative discharges of Effluent to new or different locations or uses and/or as necessary to eliminate Direct Discharges.
- QQ.** "Resources Agencies" means USFWS, CDFG, NMFS, RWQCB and all other governmental agencies with jurisdiction to environmentally review, consult with respect to, certify, approve, condition or otherwise permit diversions from Direct Discharge, and/or alternative discharges of Effluent to new or different locations or uses.
- RR.** "RWQCB" means the Los Angeles Regional Water Quality Control Board.

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- SS.** "Scheduled Maintenance, Health and Safety Situations" means any Maintenance, Health and Safety Situations that are anticipated, are within the control of the City, and can be scheduled to occur during a certain time period by the City.
- TT.** "Technical Infeasibility" or "Technically Infeasible" means that construction of the Diversion Infrastructure Projects by the Time Schedule specified by this Settlement Agreement is not possible despite the City's reasonable efforts due to engineering, physical, environmental, or other technical problems beyond the City's reasonable control.
- UU.** "Time Schedule" means on or before January 1, 2025, or by such later date established as set forth in Paragraphs 8 and 9.
- VV.** "Total Net Investment" means the total capital investment (i.e., the bond principle amount) that is needed for planning, design, engineering, environmental review, permitting, construction, and implementation of the applicable activities or infrastructure, after offsetting or crediting the total capital investment or bond principle required by: all revenues generated from grants or state revolving fund loans; proceeds from the sales of Effluent diversions or the rights to reclaimed Effluent; and/or other revenues available for sewage and reclamation system expenses or capital investments generated from other non-ratepayer sources of funding realized by the City.
- WW.** "Treatment Wetlands" means natural treatment systems other than the existing wildlife treatment ponds, constructed in uplands and/or as a retrofit of the wildlife treatment ponds, which shall be designed, engineered, and constructed such that, in combination with WRF upgrades to plant treatment unit processes, Effluent discharged from the natural treatment systems shall not, as mutually determined by the Parties and permitted by the RWQCB during the NPDES permitting process, cause or contribute to a violation of any applicable receiving waterbody water quality objectives, impair any receiving waterbody beneficial uses, or contain nitrate in concentrations greater than 4.0 mg/L, as a monthly average.
- XX.** "USFWS" means the United States Fish and Wildlife Service.
- YY.** "VCK" means Wishtoyo Foundation's Ventura Coastkeeper Program, Wishtoyo Foundation being a 501(c)(3) nonprofit organization.
- ZZ.** "Ventura" means the City.
- AAA.** "Water Reclamation Uses" means diversion or delivery of Effluent to uses to improve or enhance beneficial uses (as defined under Porter Cologne and designated in the RWQCB's Water Quality Control Plan (Basin Plan)) or otherwise for purposes of improving conservation of, providing supply in lieu of, or offsetting use of other designated sources of state, regional, or local water

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supply, including, without limitation, urban landscape irrigation, agricultural irrigation, groundwater injection, groundwater percolation or recharge, groundwater injection to combat sea water intrusion, delivery to, and provision of water to another agency for any of the foregoing uses, and/or diversion or delivery of Effluent to enhance water conservation or for other appropriate uses, such as once-through cooling for power plants.

BBB. "WRF" means the Ventura Water Reclamation Facility.

CCC. "WRF NPDES Permit" means RWQCB Order No. R4-2008-0001 and NPDES No. CA00053651, together with any time schedule orders that may be issued by the RWQCB in conjunction therewith, and any renewal, revision, or replacement thereof, or any superseding Order, NPDES permit, or associated time schedule orders.

SANTA CLARA RIVER ESTUARY SETTLEMENT
CIVIC ENGAGEMENT

Date		Avenue	Reach
1/17	Pierpont Community Council Presentation	Shana Epstein, General Manager	
12/7	Downtown Ventura Organization and Westside Community Council Presentations	Shana Epstein, General Manager	
12/2	"Ventura Water" Article	Ventura Breeze	11,000
11/22	"Community Turns Out to Learn, Discuss Future of Ventura Water" Article	Ventura Water's E-Newsletter, Pipeline (Vol. 1, Issue 3), Ventura Water Facebook, Twitter	2,450
11/20	"Ventura Water's Future" Video	CAPS-TV, Channel 15 (airing 14x weekly)	22,000 (ongoing)
11/14	"Santa Clara River Estuary plan laid out" Article	Ventura County Star web article "Water reuse drives debate", link posted on Ventura Water Facebook, Twitter	FB 183
11/11	Town Hall Meeting Pictures	Posted on Ventura Water Facebook, Twitter	FB 205
11/11	"Water reuse drives debate" Article	Ventura County Star	20,369
11/10	Estuary Town Hall Meeting	City Hall	50 attendance
11/9	"Town Hall Meeting Nov.10 Addresses Water Future" Article	Whisenhunt Communications E-Newsletter, News Flash	400
11/9	Town Hall Meeting Event Repost; Community Meeting	Facebook, Twitter via City website	FB: 251
11/8	GM Invitation to Attend Town Hall	Ventura Water's E-Blast, Ventura Water Facebook, Twitter	2,450 customers; FB 211
11/8	"Ventura Water's Future" Video	Posted on City website	YTD 250+ views
11/6	"At what price do we protect water" Guest Editorial Rick Cole	Ventura County Star	20,369
11/3	GM Invitation to Attend Town Hall Meeting	Ventura Water's E-Blast, Ventura Water Facebook, Twitter	2,450 customers; FB 124
11/3	"Ventura Water's Future" Video Presentation	First Posted on Ventura Water Facebook, Twitter, Ventura Water YouTube Channel	
11/2	Town Hall Invitation Letters From GM	Personal Letters	85 key stakeholders
11/2	Attend Town Hall Meeting Press Release	City website	600

ATTACHMENT B

11/2	Attend Town Hall Meeting Advertisement	Ventura Breeze	11,000
11/2	"Town Hall Meeting" Article	Ventura Breeze	11,000
11/2, 4, 5, 9	Attend Town Hall Meeting Advertisement	Ventura County Star	20,369 each date
10/31	"At What Price Do We Protect Our Water" City Manager Rick Cole's Blog	CM Blog	650
10/30-11/10	Ventura Water Town Hall Meeting Advertisement	Facebook Ad	27,430
10/28	"Community Invited to Attend Santa Clara River Estuary Settlement Town Hall Meeting, November 10 " Article	City of Ventura's E-Newsletter, Achieving the Vision	4,982
10/19	"Protecting Ventura's Water Future" Article	Ventura Water's E-Newsletter, Pipeline (Vol. 1, Issue 2)	2,000 customers
10/15	Town Hall Meeting Calendar Event Posted	City website, Ventura Water Facebook, Twitter	Web 600; FB 251
9/30	"Santa Clara River Estuary Settlement" Article	Ventura Water's E-Newsletter, Pipeline (Vol. 1, Issue 1)	2,000 customers
9/13-11/15	Attend Town Hall Meeting Advertisement	Ventura Chamber of Commerce Homepage Web Banner	2,000
9/8	Midtown Ventura Community Council Presentation	Shana Epstein, General Manager	20 attendance
9/7	"Ventura water and public interest groups protect estuary with settlement" Article	Ventura Breeze, link posted on Ventura Water Facebook, Twitter	Breeze 11,000; FB 370
8/29	"Ventura accord will conserve a precious resource" Editorial	Ventura County Star, link posted on Ventura Water Facebook, Twitter	Star 20,369; FB 256
8/19	"Collaboration to Protect Santa Clara River Estuary" Article	City of Ventura's E-Newsletter, Achieving the Vision	4,982
8/18	Radio Coverage of Announcement	KVTA Radio	4,000
8/18	"Ventura reaches discharge water deal" Article	Ventura County Star, link posted on Ventura Water Facebook, Twitter	Star 20,369; FB 182
8/18	"Fresh Start in Ventura" Heal the Bay President Mark Gold's Blog	Web, link posted on Ventura Water Facebook, Twitter	FB 158
8/17	Settlement FAQs, Information, Legal Summary	www.cityofventura.net/water/rivers	600+ visits (ongoing)
8/17	Settlement Announcement Press Release	City website, Ventura Water Facebook, Twitter	250; FB 154