

**UPPER VENTURA RIVER GROUNDWATER AGENCY
MINUTES OF REGULAR MEETING MARCH 14, 2019**

The Board meeting was held at Casitas Municipal Water Districts meeting room at 1055 Ventura Avenue, Oak View, CA 93022. Directors present were: Bruce Kuebler, Diana Engle, Glenn Shephard, Susan Rungren, Angelo Spandrio, Emily Ayala and Larry Rose. Also present were: Executive Director Cece Vandermeer, Attorney Jena Acos, and GSP Project Manager Bryan Bondy. Public present were Bert Rapp, Mike Hollebrands, Jordan Kear, Burt Handy, Summer Ward, and Karen Palm.

- 1) **CALL TO ORDER**- Chairperson Bruce Kuebler called the meeting to order at 1:02 P.M.
- 2) **PLEDGE OF ALLEGIANCE** – Led by Chairperson Bruce Kuebler.
- 3) **PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA** – None
- 4) **CONSENT ITEMS**
 - a. **Approve Minutes from January 10, 2019**
 - b. **Approve Financial Report for December 2018, January 2019 and February 2019.**

Director Rungren requested that the minutes for the January 10, 2019 meeting reflect that the fact that the presentation for Item 8d was not available prior to the meeting.

Director Engle asked who Hayman Consulting was. Mr. Bondy explained that Shaylen Hayman is a QuickBooks consultant, recommended by former Director Bergen, who helped setup the chart of accounts in the Agency's QuickBooks system.

Director Shephard motioned to approve the Minutes from January 10, 2019, reflecting the edit proposed by Director Rungren and Financial Reports for December 2018 and January and February 2019. Seconded by Director Rungren.

The motion passed unanimously.

5) DIRECTOR ANNOUNCEMENTS

Director Rungren mentioned the City's draft EIRs for the State Water Project connection and its water supply projects are available and open for public comment.

Director Engle mentioned the SWRCB is expected to establish an instream flow requirement in 2022.

Director Shephard stated the County released water from Matilija reservoir.

Director Ayala reported efforts are underway to operate the San Antonio spreading grounds. Siltation is currently a problem.

Director Kuebler mentioned that Ventura River Water District was working to develop an alternative to the watershed adjudication and a mediation process to settle the litigation will begin in April. Regarding the SWRCB instream flow study, Kevin DeLano informed him that the final study plan, final geologic analysis, and draft data compilation report are in progress and will be released in that order. There will be a 30-day comment period for the draft data compilation report but no Technical Advisory Committee (TAC) meeting. A draft flow scenarios methodology memo will be released in 2019-2020 period and comments will be solicited from the TAC and public during development.

6) GSP PROJECT MANAGER REPORT

Mr. Bondy introduced Summer Ward, prospective Agency Administrator, and Karen Palm, prospective Bookkeeper-Treasurer.

Mr. Bondy cautioned that the Agency has approximately five months of cash remaining given the current spending rate and suggested that the Agency begin considering options for mitigating a potential temporary cash shortfall.

Mr. Bondy described ongoing issues with the Agency's email system and said he will work with the future Agency Administrator on a solution. In the meantime, telephone follow-ups should be made on critical items.

Mr. Bondy reminded the Stakeholder Engagement Committee that the annual review of the Stakeholder Engagement Plan is due in May.

Bondy reminded Directors that staff reports are due the second Monday before the Board meeting.

7) NON-GSP ACTION ITEMS

a. Employment Agreement For Temporary Administrative Support

Mr. Bondy explained that the Chair authorized hiring Patricia Perez in December for extra administrative help, but that board approval was needed. The Board discussed the draft temporary employment agreement, included in the agenda packet, with Patricia Perez for hourly administrative assistance on an as-needed basis, retroactively from January 1, 2019 with an end date of June 30, 2019.

No public comments.

Director Ayala motioned to authorize the Board Chair to sign the agreement. Seconded by Director Shephard.

The motion passed unanimously.

b. Agency Staffing

Mr. Bondy provided the Board with an update on efforts to recruit an Agency Administrator and recommendations for agency reorganization. Mr. Bondy explained that Summer Ward was the most qualified candidate for the Agency Administrator position. Ms. Ward is employed by Meiners Oaks Water District (MOWD) where she serves as the Board Secretary. Ms. Ward and MOWD are agreeable to having Ms. Ward also serve as the Agency Administrator through an agreement between the Agency and MOWD. The Agency office would also be moved to MOWD and the Agency would pay a modest monthly fee to MOWD for office space, use of copiers/printers, and supplies. Mr. Bondy reported that he met with Ms. Ward and Mike Hollebrands concerning Ms. Ward's potential role serving the Agency and relocating the Agency office. Mr. Bondy recommended moving forward with an agreement with MOWD.

Mike Hollebrands stated that MOWD supports the proposed arrangement between the Agency and MOWD.

Mr. Bondy reported that he has recruited Karen Palm for bookkeeping and to serve as the Agency Treasurer. Ms. Palm comes recommended by Ms. Hayman who helped the Agency with

accounting and was, in turn, recommended by former Director Bergen. Mr. Bondy reported that he has had several discussions with Ms. Palm and they have reached agreement on the general terms of employment. Mr. Bondy noted that the Treasurer, if not an Agency employee, needs to be a certified public accountant, which is more expensive than hiring a bookkeeper, which is why he is recommending an employment agreement with Ms. Palm. Mr. Bondy recommended moving forward with an employment agreement with Ms. Palm.

Mr. Bondy stated that he has been de facto serving as Executive Director for quite some time and recommended that he be officially appointed. Chair Kuebler recommended that Ms. Vandermeer's title also be changed to Administrative Assistant.

No other public comments.

Director Spandrio stated that he wondered if there would be a conflict of interest because MOWD is a member agency. Mr. Bondy stated that he did not think there would be a conflict of interest and explained that United Water Conservation District is providing administrative and fiscal services to the Mound Basin and Fillmore/Piru GSAs as a member agency. Director Spandrio asked if the proposed arrangement would be compliant with the State Employee Development Department regulations. Mr. Bondy stated that Ms. Ward would remain an employee of MOWD and that he did not see an issue. Ms. Counsel Acos said she could research the question.

Director Spandrio motioned to direct staff to pursue an agreement with MOWD for Agency Administrator services for Board review and approval. Seconded by Director Rose.

The motion passed unanimously.

Director Spandrio requested that a job description for the bookkeeper-treasurer position be developed and included in the employment agreement. Director Spandrio motioned to direct staff to pursue an employment agreement with Karen Palm for bookkeeping duties, noting that a bond is necessary. Seconded by Director Rungren.

The motion passed unanimously.

Director Spandrio requested that a job description for Executive Director be provided at the next meeting and asked if there is a compensation policy for the Executive Director. Mr. Bondy explained that there is considerable overlap between the GSP PM and Executive Director roles and that he has been performing the Executive Director duties for a long time already and the purpose of the item is to just officially recognize it. Director Engle stated that the goal with all of the actions in this item is to get the administrative team setup properly to reduce Mr. Bondy's time spent on non-GSP and non-technical items. After discussion, Director Spandrio motioned to appoint Bryan Bondy as the Agency Executive Director. Seconded by Director Rose.

The motion passed unanimously.

c. Access Agreements

The Board discussed designating the Executive Director and any Officer as authorized signers of access agreements. Director Spandrio requested that access agreements be brought to Board meetings for public visibility. Bondy stated that the private information on the agreements is confidential and would have to be redacted. After discussion it was agreed the Executive Director would include access agreements in his oral GSP manager report.

No public comment.

Director Ayala motioned to approve the Executive Director and any Officer as authorized signers of access agreements. Seconded by Director Rose

The motion passed unanimously.

d. Legal Services Costs

Mr. Bondy summarized concerns about Brownstein Hyatt Farber Schreck (BHFS) rate increases and reviewed their rate history. Mr. Bondy described potential options to control costs for legal services. Three potential options were discussed: 1) Request lower cost BHFS attorney for general counsel services and reserve Ms. Acos and Mr. McGlothlin for advice on complex procedural and SGMA issues; 2) Solicit for a lower cost attorney from another firm to serve as general counsel and reserve BHFS for complex SGMA or water rights issues; or 3) Request that general counsel attend meetings only as requested.

Public Comment: Bert Rapp with Ventura River Water District stated that the legal services were outstanding but suggested getting a local attorney at lower cost for routine procedural matters. He supports having an attorney at each meeting.

Jena Acos stated that the 2019 rate increase was something she had not been aware of and researched it. Ms. Acos stated that the Agency had been over billed due to two increases in 2017. She apologized and stated that a \$2500 credit will be issued. Ms. Acos stated that the area her of expertise is SGMA, water law and public law.

After Board discussion, there was support for a combination of options one and three and that the Executive Director should work with counsel on implementation with the goal of reducing legal costs as possible.

e. Second Quarter Budget Report

The Board received the revised second quarter budget report from the Ad Hoc Budget Committee and considered the updates recommended. The Board discussed the frequency of budget amendments. The consensus was that the budget should only be updated following 2nd and 4th quarters.

No public comment.

Director Shephard motioned to approve the revised Fiscal Year 18/19 budget. Seconded by Director Rungren.

The motion passed unanimously.

f. Multi-Year Budget

Chair Kuebler opened the discuss by stating that the GSP is not important because of the SWRCB study and adjudication and suggested a good faith, least possible cost effort to prepare GSP. The GSP could be the framework for implementing the solution. Executive Director Bondy and Counsel Acos reminded the Board that the GSP must be completed using best available information and science, that none of the process mentioned completely override another, and that SMGA affords the local water users an opportunity to develop more efficient and workable solutions than may be proposed through the other processes. Director Engle stated that it is important to prepare the best possible GSP.

Mr. Bondy explained the difficulty of having separate committee processes for the multi-year budget and the extraction fee development because the items are interrelated.

Director Engle motioned to continue this item to a special meeting. Seconded by Director Rose.

The motion passed unanimously.

8) GSP ACTION ITEMS

a. Extraction Fee Development (Grant Category (c) – Task 9: Organizational Activities 4:02-4:50pm

Counsel Acos began this item by reviewing the steps for extraction fee adoption.

Director Ayala departed at 4:13pm.

Chair Kuebler summarized Funding Committee activities. He explained that the committee sent out twenty letters to the well owners concerning their extractions. He received two phone calls and three written replies; one from Ventura and two from private pumpers. In response to the feedback received, one estimated amount was increased and one decreased. Ventura has requested that a five-year average be used for the public agencies because the City's pumping was unusually high in 2017. After discussion, the Board requested other municipal suppliers to submit amounts for 2013 through 2017 by March 22 to the Funding Committee.

The board discussed the somewhat cumbersome committee structure between the Budget and Funding ad hoc committees, and the need to streamline the process for extraction fees. Bondy and Acos suggested a special Board meeting before the next regular Board meeting to review the multi-year budget and potential extraction fees concurrently.

Member Agencies reported on their preference for pay-as-you-go or loans for uniform fees: MOWD, CMWD, and Casitas oppose loans; City of Ventura and the County of Ventura have no preference; and VRWD prefers no loans.

No public comment

Director Shephard motioned to continue this item to a special meeting. Seconded by Director Rungren.

The motion passed unanimously.

b. GSP Data Gap Tasks Update (Grant Category (b): Data Gap Analysis – 4:50-5:05pm

The Board received an update from the GSP PM concerning the status of data gap tasks as listed in Attachment A of the staff report. Chair Kuebler stated that he has reviewed some data related to Task 5.

No public comment

c. GSP Development Support Services (Grant Category (c): Task 9: Organizational Activities) 5:05-5:10pm

The GSP PM summarized the RFQ issued jointly with MBGSA. He indicated that only one firm, Intera, Inc. responded despite six firms being solicited directly and posting of the RFQ on the UVRGA and MBGSA websites.

The GSP PM stated that he is very familiar with Intera staff and capabilities and feels they are well qualified to assist UVRGA. He explained that he has managed Intera in his role as the Calleguas MWD GW Manager and has, thus, worked side-by-side with Intera. The GSP PM

explained that the roles for UVRGA would be similar to the Calleguas project and that both he and Intera and are very comfortable working with each other in such an arrangement and have developed a very good and seamless working relationship that will be very efficient.

The GSP PM explained that neither Intera nor the GSP PM have ever had any contractual or employment relationship with each other and the GSP PM has no financial interest of any kind in Intera. Counsel confirmed that she has reviewed the facts and applicable conflict of interest statutes and has concluded there is no conflict of interest concern.

The GSP PM explained that Intera offers very competent staff with applicable experience at competitive rates. They are able to offer competitive rates because they utilize some technical staff in their New Mexico and Texas offices and because they have some of the brightest young professionals in the industry. He noted that in the work for Calleguas, using staff located in other states was not a problem and that he has been pleased with performance of the staff. The lead person Abhishek Singh is located in Torrance and has been very accessible.

No public comments.

After brief discussion, Director Spandrio motioned to approve Intera to provide as-needed GSP development support services, direct staff to negotiate a professional services agreement with Intera, Inc., and designate Intera, Inc. as an at-large member of the Technical Review Group. Seconded by Director Shephard.

The motion passed unanimously.

d. GSP Technical Review Group (Grant Category (c): Task 9 – Organizational Activities) 5:10-5:25pm

The GSP PM summarized the RFQ prepared and issued for the fourth TRG member. He indicated that the RFQ was sent to seven persons/firms. Qualifications were received from two individuals and one firm. The GSP PM discussed the different strengths of the three responders.

Public Comment: Jordan Kear supported Dr. Norman Brown.

After Board discussion, Director Spandrio motioned to nominate Dr. Brown to serve as an at-large member of the Technical Review Group and to direct staff to negotiate a professional services agreement and return with a revised resolution to amend the experience requirements for TRG members (applicable Ph.D. in-lieu of Certified Hydrogeologist License). Seconded by Director Shephard.

The motion passed unanimously.

9) COMMITTEE REPORT

- a. **Ad Hoc Stakeholder Engagement Committee.** None.
- b. **Ad Hoc Budget Committee.** Director Spandrio stated that the agency needs to resolve cash versus accrual accounting. Mr. Bondy stated that he will take this issue up with Ms. Palm after she is hired.

10) EXECUTIVE DIRECTOR'S REPORT

Ms. Vandermeer reported that the audit is close to being finalized and she is working with Director Kuebler to prepare the Management, Discussion and Analysis reports to the auditor.

11) **ADJOURNMENT** – The meeting was adjourned at 5:29 pm. The next regular Board meeting will be April 11, 2019 at 1:00 pm at the Casitas Municipal Water District Meeting Room, 1055 Ventura Ave., Oak View, CA 93022.

Action: _____

Motion: _____ Second: _____

B. Kuebler ___ D. Engle ___ A. Spandrio ___ S. Rungren ___ G. Shephard ___ E. Ayala ___ L. Rose ___