

**UPPER VENTURA RIVER GROUNDWATER AGENCY
MINUTES OF REGULAR MEETING MAY 9, 2019**

The Board meeting was held at the Casitas Municipal Water District meeting room at 1055 Ventura Avenue, Oak View, CA 93022. Directors present were: Bruce Kuebler, Diana Engle, Glenn Shephard, Susan Rungren, Angelo Spandrio, Larry Rose, and Emily Ayala. Also present were: Executive Director and GSP Project Manager Bryan Bondy, Administrative Assistant Cece Vandermeer, and Agency Counsel Jena Acos. No public were present.

- 1) **CALL TO ORDER AND ROLL CALL** – Chairperson Bruce Kuebler called the meeting to order at 1:00 P.M. All directors were present at roll call.
- 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 April 11, 2019**
 - b. **Approve Financial Report for April 2019**
 - c. **Receive and File 3rd Quarter Budget Report**

Director Spandrio requested that the adopted long-range budget be appended to the minutes.

Director Rose motioned to approve the consent items with direction to staff to add the adopted long-range budget to the minutes. Seconded by Director Shephard.

Ayes: Bruce Kuebler, Diana Engle, Glenn Shephard, Susan Rungren, Angelo Spandrio and Larry Rose.

Director Ayala abstained.

5) DIRECTOR ANNOUNCEMENTS

Director Rungren reported that the City of San Buenaventura Council approved an interest free loan to the Agency in an amount up to \$45,000.

Director Engle reported that the Meiners Oaks Water District (MOWD) Board of Directors approved an interest free loan to the Agency in an amount up to \$45,000. Director Engle stated that the MOWD Board requests that the loan agreement state that the funds will be repaid even in the event of an Agency budget shortfall.

Director Engle expressed concern that the Agency was represented on a panel at the Localizing California Waters Conference. She requested an item on a future Board meeting agenda to discuss parameters for Board member representation of the Agency outside of the Board meetings.

Director Kuebler reported that the Ventura River Water District (VRWD) Board of Directors approved an interest free loan to the Agency in an amount up to \$45,000.

Director Kuebler also provided brief updates on the water rights litigation, VRWD discussions with State Water Resources Control Board, and the Association of Water Agencies of Ventura County Annual Symposium.

6) EXECUTIVE DIRECTOR'S REPORT

The Executive Director provided the following updates:

- Karen Palm is doing a great job as Bookkeeper-Treasurer. A monthly and quarterly workflow for accounts payable and reporting is being developed.
- Summer Ward's start date for Agency Administrator has been delayed until late June or early July.
- Administrative issues that need to be worked once Ms. Ward starts working for the Agency include the following:
 - Move office to MOWD
 - Email system needs to be fixed or replaced
 - Computers – obtain computer for Agency Administrator and/or Bookkeeper-Treasurer
 - Software – software was shared with OBGMA, Agency will need to procure its own software
 - File sharing system – need to develop electronic file sharing so all staff can share files
 - Website –
 - Staff currently relies on a contractor for website updates; goal is to get Ms. Ward trained the website can be maintained in-house
 - Website needs cleanup
- Groundwater Sustainability Plan Grant:
 - Kickoff meeting held was April.
 - First quarterly report and invoice are due on August 15. Agency is not likely to receive any grant funds this calendar year.
 - Executive Director will reach out to directors individually to get caught up on timekeeping for in-kind labor.
 - Going forward Executive Director requests that directors report their time for the past month at each board meeting.
- GRAC Second Annual Groundwater Sustainability Agency (GSA) Summit will be held in Fresno on June 5 and 6, 2019. The summit will include sessions that provide information for GSAs working to comply with the SGMA. The Executive Director

said he was planning to attend and will invoice his time spent in sessions, split between UVRGA, MBGSA, and possibly one other client.

7) ADMINISTRATIVE ITEMS

a. Resolution of Appreciation for Cece Vandermeer

Director Kuebler thanked Ms. Vandermeer for her service and read the draft resolution.

No public comments.

Director Engle motioned to approve Resolution 2019-2. Seconded by Director Ayala.

The motion passed with a unanimous vote.

Chair Kuebler adjourned the meeting for a brief recess at 1:22 pm for a reception in Ms. Vandermeer's honor. Chair Kuebler reconvened the meeting at 1:31 pm.

b. Fiscal Year 2017/2018 Audit Report

The Executive Director noted that an audit of Fiscal Year 2016/2017 was not required because the Agency had no amounts recorded as of June 30, 2017.

The Executive Director then summarized the audit report for Fiscal Year 2017/2018. The financial statements were found to be fairly presented in all material aspects and generally accepted accounting principles were followed. The Executive Director noted that the Agency is required to use the accrual method of accounting because the Agency is accounted for as an enterprise fund. A later item on the agenda will formalize this. The Executive Director explained that the auditor is requiring a few adjusting journal entries to correctly accrue certain income and expenses as of June 30, 2018. The Executive Director explained that the auditor noted that some aspects of internal control that rely on segregation of duties are lacking because of the limited number of Agency personnel. A later item on the agenda proposes procedures to mitigate this concern.

No public comments.

Director Engle Rose motioned to receive and file the Fiscal Year 2017/2018 audit report. Seconded by Director Rungren.

The motion passed with a unanimous vote.

c. Basis of Accounting

The Executive Director explained that the audit report states that the accrual method of accounting must be used because the Agency is accounted for as an enterprise fund. He recommended that the Board adopt draft Resolution 2019-03 to formally recognize that practice.

No public comments.

Director Shephard motioned to approve Resolution 2019-3. Seconded by Director Engle.

The motion passed with a unanimous vote.

d. Financial Review Procedures

The Executive Director summarized the audit findings concerning lack of segregation of duties. He explained measures the Agency has taken to increase supervision, which mitigates the risk of having limited segregation of duties.

No public comments.

Director Ayala motioned to adopt the following financial review procedures:

- Payroll Review:
 - Executive Director is approving timesheets and employee expenses prior to payroll and expense entry into financial system by Bookkeeper-Treasurer; and
 - Officers that sign payroll checks are confirming timesheet approval by Executive Director prior to signing payroll checks.

- Review of bank statements and bank account reconciliation reports:
 - Monthly review is being completed by the Executive Director; and
 - Bank statements and reconciliation reports are being made available to Officers who sign checks. In the future, the statements and reports will instead be made available to all directors for review via an online folder (online folder will be established after Agency Administrator begins working).

Seconded by Director Rose.

The motion passed with a unanimous vote.

e. Regular Board Meetings for June through December 2019

The Executive Director summarized upcoming tasks for the agency through the end of the calendar year. He reviewed the regular board meeting schedule and suggested topics for various meetings and potentially cancelling certain meeting dates that may be unnecessary.

No public comments.

There was consensus among the Board members concerning the proposed approach.

No motion.

f. Fiscal Year 2019/2020 Budget

The Executive Director explained that the Board must adopt a budget for Fiscal Year 2019/2020 at the June Board meeting. He recommended that the Board consider adopting the Fiscal Year 2019/2020 as shown in the long-range budget to serve as an initial budget with the understanding that the budget will be reviewed and revised later during the fiscal year, as needed.

No public comments.

There was consensus among the Board members concerning the proposed approach.

No motion.

8) GSP GRANT ELIGIBLE ITEMS

a. Fee Study Report (Grant Category (c) – Task 9: Organizational Activities) (began at 1:55pm)

The Executive Director provided a summary of the fee study report. One needed correction was noted: Page 7, Section 2.2, third line, five Member Agencies instead of four.

No public comments.

Director Rungren motioned to receive and file the report with the noted correction. Seconded by Director Ayala.

The motion passed with a unanimous vote.

b. Extraction Fee Recommendations (Grant Category (c): Task 9: Organizational Activities)

Chair Kuebler, in his capacity as Chair of the Ad Hoc Funding Committee, reported that he received communications from one pumper, Jurgen Gramckow, since the last meeting.

Chair Kuebler read Mr. Gramckow's email into the record:

“Thanks for pointing me toward the GSA Fee Study Report. I understand the fees are simply the estimated costs divided by the estimated water use. Fair enough as far as it goes. I had a conversation with Emily, and I can't remember whether you and I discussed this, but the bulk of our water use is reported as surface diversion under a 1902 adjudicated right entitling us to a specific flow rate, which we are far below. We take the surface water at an infiltration gallery up at the «Narrows» near Kennedy Canyon. UVRGSA has estimated our groundwater use

for 2017 at 70 AF. For the wells within the GSA boundary we reported 51 AF in 2017.

For the time being, I am fine with the 70 AF as a basis for cost sharing, but I want to get on the record that we have a pre-1914 surface right and that it is not yet clear where surface water ends and groundwater begins and that the water taken from our wells near Rice Rd and Lomita could very well be underflow of surface water subject to our surface right. I expect the UVRGSA and State of California technical studies will shed light on the question.”

The Board discussed whether a follow-up letter was necessary. Agency Counsel advised that a follow-up letter is not necessary and stated that the extraction is presumed to be groundwater because it was reported to the State as groundwater extraction.

Chair Kuebler summarized the committee’s fee recommendations described in the staff report.

Director Ayala stated that she will not be able to attend the June 13 Board meeting. She recommended inviting the pumpers and to hold the public hearing toward the beginning of the meeting.

No public comments.

Director [REDACTED] motioned to adopt the Ad Hoc Funding Committee recommendation to schedule a public hearing on June 13 to consider adopting a maximum groundwater extraction fee of \$79.16, set the first year extraction fee at \$77.89, and to perform extraction fee invoicing every six months.

Seconded by Director [REDACTED].

The motion passed with a unanimous vote.

9) COMMITTEE REPORTS

a. Ad Hoc Stakeholder Engagement Committee

Committee chair Rose stated that he is in the process of performing annual review of the Stakeholder Engagement Plan and will bring any plan amendments to the June Board meeting.

Chair Kuebler reopened the Executive Director’s report at the request of the Executive Director.

The Executive Director requested that the Ad Hoc Funding Committee members forward any updates on addresses for the upcoming public hearing mailings.

The Executive Director reported that Kevin Delano, State Water Resources Control Board, called and indicated that Chair Keubler had stated that the report on pumping volumes that is being prepared by the Ad Hoc Funding Committee would be delivered in mid-May. The Executive Director stated that the report needs to be reviewed staff and counsel and approved by the Board prior public release.

10) ADJOURNMENT – The meeting was adjourned at 2:32 pm. The next regular Board meeting will be June 13, 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___