

**UPPER VENTURA RIVER GROUNDWATER AGENCY
MINUTES OF SPECIAL MEETING MAY 27, 2021**

The Board meeting was held via teleconference, in accordance with California Executive Order N-25-20. Directors present were Bruce Kuebler, Larry Rose, Jenny Tribo (alternate), Pete Kaiser (alternate), Glenn Shephard, Emily Ayala, and Chairperson Diana Engle. Also present: Executive Director Bryan Bondy, Agency Counsel Keith Lemieux, and Administrative Assistant Maureen Tucker.

ON-LINE OR TELECONFERENCE:

DIAL-IN (US TOLL FREE) 1-669-900-6833

<https://zoom.us/j/94386871302?pwd=RnRXb2FkTIB2R2RNdmZ0MmppQ2xUZz09>

Meeting ID: 943 8687 1302

Passcode: 334681

1) CALL TO ORDER

Chair Engle called the meeting to order at 1:01 p.m.

2) PLEDGE OF ALLEGIANCE

Executive Director Bondy led the Pledge of Allegiance.

3) ROLL CALL

Executive Director Bondy called roll.

Directors present: Bruce Kuebler, Larry Rose, Jenny Tribo (alternate), Pete Kaiser (alternate), Glenn Shephard, Emily Ayala, and Chair Diana Engle.

Directors absent: None.

4) APPROVAL OF AGENDA

Chair Engle asked if there are any proposed changes to the agenda. No changes were suggested.

Director Kaiser moved agenda approval. Director Kuebler seconded the motion.

Roll Call Vote:	B. Kuebler – Y	L. Rose – Y	D. Engle - Y		
	J. Tribo – Y	G. Shephard – Y	P. Kaiser – Y	E. Ayala-Y	

Motion passed.

5) PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chair Engle asked if there were any public comments on items not appearing on the agenda.

No public comments were offered.

6) GSP ITEMS

a. **GSP 20-Year Implementation Budget Projection, Fiscal Year 2022 Budget, and Multi-Year Budget Projection (Grant Category (d); Task 11: GSP Development and Preparation)**

Executive Director Bondy reviewed the item presentation slides, which were posted to the Agency's website prior to the meeting at <https://uvrgroundwater.org/wp-content/uploads/2021/05/20210527-UVRGA-Item-7a-Presentation.pdf>.

The presentation addressed the 20-year GSP implementation scope of work and budget estimates which are required elements of the GSP. The GSP scope and budget were also used to develop the Agency's proposed budget for fiscal year 2022 and the Agency's multi-year budget projection. Executive Director Bondy referred the Board and public to Attachment A of the staff report for further details concerning the GSP implementation scope of work.

The presentation covered each major cost category and highlighted costs for fiscal year 2022. The major cost categories included: agency administration, legal counsel, groundwater management, coordination, and outreach, monitoring networks, annual reports, projects and management actions, numerical modeling, GSP evaluations and updates, response to DWR comments, and contingency.

Executive Director Bondy explained that projected extraction fees are dependent on the fee methodology used. For now, he assumed that extraction fees would be based on groundwater extractions. The current fee is based on estimated 2017 groundwater extractions, but some pumpers have expressed a desire to use metered extractions in the future. The 20-year and multi-year budgets were developed two ways: (1) using the 2017 extractions and (2) using the average estimated future extractions included in the GSP. He noted that fiscal year 2022 must use the existing fee structure, which relies on the 2017 estimated extractions and a fee no greater than \$79.16/acre-foot. He added that it is clear from the budgeting process that the existing fee structure will be inadequate for funding GSP implementation. He explained that the City of Ventura is cautioning against using projected extractions for budgeting because planned extraction volumes may not be achieved in all years.

Executive Director Bondy explained that the proposed fiscal year 2022 budget is based on the first year of the GSP implementation budget plus \$211,000 to finalize the GSP. The multi-year budget projection is also based on the GSP implementation budget and extends through the first 5-year GSP assessment period. He summarized the projected fiscal year 2021 ending income and expenses and compared the proposed fiscal year 2022 budget with the fiscal year 2022 projection made during the prior year budgeting process.

Executive Director Bondy recommended that the Board provide feedback on the 20-year GSP scope and budget and adopt the fiscal year 2022 budget and a multi-year budget projection.

Chair Engle asked for director comments and questions.

Director Ayala expressed concerns about the GSP implementation budget. She did not want to see the fee rise over \$100 per acre-feet. She said other entities should pay for groundwater dependent ecosystem issues. She suggested a well head fee to help reduce the extraction fee rate and to provide revenue stability.

Director Kuebler expressed concerns about the high extraction fees. He said we should use the lower extraction volume (4,341 acre-feet per year [AFY]) because we are in drought. He would like the GSP to explain the situation with the adjudication, including the potential for some GSP activities to be paid for through the physical solution process. He added that the GSA should consider joining the adjudication because the GSAs regulatory authority may be needed to address certain issues.

Director Kaiser expressed his appreciation to staff for developing the budget.

Director Shephard said the lower extraction volume 4,341 AFY is appropriate for budgeting. He added that the budget includes a higher reserve than present and that consideration could be given to obtaining a loan to amortize the costs and, thereby, lower the extraction fee rate.

Public Comments

Burt Handy asked about *de minimis* users. Executive Director Bondy said that there are carve outs for *de minimis* users under SGMA.

Director Kaiser moved to adopt the fiscal year 2022 budget as presented. Seconded by Director Kuebler.

Roll Call Vote: B. Kuebler – Y L. Rose – Y D. Engle - Y
 J. Tribo – Y G. Shephard – Y P. Kaiser – Y E. Ayala-Y

Motion passed.

Director Kuebler expressed concerns about adopting a multi-year budget projection. He would like to wait a few months because he expects more will be known from the adjudication process. He would like the multi-year budget to include a write-up about the adjudication for context.

Executive Director Bondy said the GSP will include discussion of the adjudication process and a commitment to avoiding duplication of efforts, but he is unaware of what new information will be forthcoming from the adjudication in the next few months that will provide sufficient clarity and certainty as to what activities and costs can be removed from the GSP implementation scope and budget. He added that the budget projection is a planning tool and can be amended.

Chair Engle asked if adopting the budget projection is a requirement. Executive Director said no, but it is a prudent action for public agencies to make such projections. He added that the pumpers need to know what future fees might be for their budgeting.

Chair Engle moved to adopt the multi-year budget using the lower pumping volume (4,341 AFY) with caveats about potential overlap with physical solution monitoring activities.

The motion failed due to lack of a second.

After further discussion, Director Kaiser moved to adopt the multi-year budget using 4,880 AFY of groundwater extractions (staff to update the extraction fee rates to match the extraction fee revenue) and to add caveats to the budget table for approval at the next Board meeting. Seconded by Director Shephard.

Director Kuebler said he is opposed to the motion but will not vote no in order to avoid a re-vote at the next meeting.

Roll Call Vote: B. Kuebler – Abstain* L. Rose – Y D. Engle - Y
 J. Tribo – Y G. Shephard – Y P. Kaiser – Y E. Ayala-Y

Executive Director Bondy asked Agency Counsel Lemieux whether the item passed considering the abstention by Director Kuebler. After researching the joint powers agreement and by-laws, it was determined that the motion failed.

Director Kuebler said it was not his intent to cause the motion to fail and asked if he could change his vote to “yes”. Agency Counsel Lemieux said that is fine because the intent of his vote was clear. Based on this, the motion was declared to have passed.

Director Kaiser left after the item at 3:27 p.m.

b. Discussion of Process for Releasing the Draft GSP for Public Comment (Grant Category (d); Task 11: GSP Development and Preparation)

Executive Director Bondy explained that the GSP Development Team is targeting late June to have a preliminary draft GSP ready for the Board to review prior to opening the public comment period. He suggested reserving a date and time for a second special meeting in July just in case three meetings are needed to discuss the preliminary draft GSP before opening the public comment period. He suggested the 5th Thursday in July (the 29th) at 1 p.m. The Directors checked their calendars and agreed with the proposed tentative special meeting date and time.

7) FUTURE AGENDA ITEMS

There was discussion of starting the process for evaluating funding options. Executive Director Bondy suggested beginning this process while the GSP is out for public comment. There were no objections to the Executive Director’s proposal.

8) ADJOURNMENT – The meeting was adjourned at 3:40 p.m.

Action: _____

Motion: _____ Second: _____

B.Kuebler____ D.Engle____ R. Hajas ____ S.Rungren____ G.Shephard____ E.Ayala____ L.Rose____