

In the Rooms of the Board of Supervisors

County of Inyo, State of California

I, HEREBY CERTIFY, that at a meeting of the Board of Supervisors of the County of Inyo, State of California, held in their rooms at the County Administrative Center in Independence on the 16th day of January 2018 an order was duly made and entered as follows:

**TREASURER-TAX
COLLECTOR –
2018 INVESTMENT
POLICY**

Treasurer-Tax Collector Alisha McMurtrie presented the Inyo County Treasury Investment Policy for annual approval. She said there have been no changes since 2017 and did not recommend any changes. CAO Carunchio suggested a disclosure category for notification when the Treasury gets close to being in the red because outside entities have overdrawn the Treasury. He said if a County department is behind the issue, it allows for proactive measures to be taken. Chairperson Totheroh asked whether McMurtrie had any concerns with the addition. She said she did not, and added that transparency should be the County's number one goal. She said these incidents do occur and it's not necessarily the County but rather the outside agencies who are depositories in the pool. She said there is no reason it couldn't be disclosed to the Administrator or at a public meeting. Supervisor Griffiths said public disclosure is a good idea and McMurtrie's office has done a good job working with outside entities to reduce the amount of these incidents. Moved by Supervisor Pucci and seconded by Supervisor Kingsley to approve the 2018 Inyo County Treasury Investment Policy, with added disclosure language. Motion carried unanimously 4-0, with Supervisor Tillemans absent.

WITNESS my hand and the seal of said Board this 16th
Day of January, 2018



KEVIN D. CARUNCHIO
Clerk of the Board of Supervisor

By: _____

Routing
CC Purchasing Personnel Auditor CAO Other: Treasurer-Tax Collector DATE: January 26, 2018



AGENDA REQUEST FORM
BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER

11

- Consent
 Departmental
 Correspondence Action
 Public Hearing
 Scheduled Time for
 Closed Session
 Informational

FROM: Alisha McMurtrie, Treasurer-Tax Collector

FOR THE BOARD MEETING OF: January 16, 2018

SUBJECT: Annual Board approval of the Inyo County Treasury Investment Policy (Policy).

DEPARTMENTAL RECOMMENDATION: Approve the Policy (copy attached) as submitted.

CAO RECOMMENDATION:

SUMMARY DISCUSSION: Section 53646(a)(1) of the Government Code requires your Board to annually approve any change to the Policy at a public meeting. The Policy, as written by the County Treasurer, remains in compliance with the legal parameters for the deposit and investment of public funds, as those parameters are set forth in the California Government Code. There are no new laws, nor changes to existing laws that would impact the Policy.

ALTERNATIVES: Your Board may choose not to approve the Policy, or to amend the Policy as presented. In any event, the law requires your board to approve a Policy. Therefore, an action to disapprove or amend the Policy as presented must be accompanied by a substitute Policy or amended language.

OTHER AGENCY INVOLVEMENT: Section 53646(J) also requires that copies of the Policy be provided to members of the Inyo County Treasury Oversight Committee and the California Debt and Investment Advisory Committee.

FINANCING: N/A

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS (Must be reviewed and approved by county counsel prior to submission to the board clerk.) <i>J. Walker</i> Approved: <u>YES</u> Date <u>12/26/17</u>
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.) N/A Approved: _____ Date _____
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) N/A Approved: _____ Date _____

DEPARTMENT HEAD SIGNATURE: *Alisha McMurtrie* Date: 01/05/2018
Alisha McMurtrie, Treasurer-Tax Collector

COUNTY OF INYO



STATEMENT OF INVESTMENT POLICY

DRAFT December 2018

INVESTMENT POLICY
of the
INYO COUNTY TREASURY

(Note: All legal references to "Sections" made herein are in reference to the California Government Code or Health and Safety Code.)

Scope:

This Investment Policy (Policy) applies to all public funds held for safekeeping in the Inyo County Treasury. This Policy has been reviewed and approved by the Board of Supervisors pursuant to Government Code Section 53646. The Board of Supervisors will review and approve a new Policy, or amendments to the Policy, or affirm the current Policy, at least annually. This Policy is effective as of the date of adoption by the Board of Supervisors.

Policy Statement:

The purpose of this Policy is to establish cash management and investment guidelines for the County Treasurer, who is responsible for the stewardship of the Inyo County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code Section 53601 et seq., and this Policy.

Prudent Investor Rule:

The standard of prudence to be applied by the investment office shall be the "**Prudent Investor Rule**", which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The **Prudent Investor Rule** shall be applied in the context of managing the investment portfolio.

Investment Objectives:

Safety, Liquidity and Rate of Return:

- **Safety of Principal:** The primary objective of the County Treasurer is to safeguard, preserve and protect capital/principal in the portfolio.
- **Liquidity:** As a second objective, investments shall be made in a manner that will provide for the daily cash flow demands of the Treasury and its participants.
- **Yield:** As the third objective, investments shall be made in a manner so as to attain a market rate of return throughout budgetary and economic cycles while providing

for the first two objectives, as stated above, consistent with the risk limitations, prudent investment principals and cash flow characteristics identified herein.

Legal and Regulatory Compliance:

All investing and investment decisions shall be made with full compliance with California State and Federal Laws and Regulations, and any forthcoming amendments or additions to the California State Statutes or Federal Regulations in relation to the investment and administration of local agency money on deposit in the Treasury. The Treasurer or the Board of Supervisors may provide further restrictions and guidelines for the investment of money on deposit in the Treasury through this Statement of Investment Policy.

Participants:

- **STATUTORY PARTICIPANTS:** General Participants are those government agencies within the County of Inyo for which the County Treasurer is statutorily designated as the Custodian of funds.
- **VOLUNTARY PARTICIPANTS:** Other local agencies, such as Special Districts, for which the Treasurer is not the statutory designated Custodian of Funds, may participate in the Pooled Investment Fund. Such participation is subject to the consent of the County Treasurer and must be in accordance with the California Government Code Section 53684 et seq. The agency must provide the County treasurer with a resolution adopted by the agency's governing board approving the Inyo County Pooled Investment Fund as an authorized investment and accept the Inyo County Investment Policy.
- The County Treasurer does not solicit any agency's voluntary entry to the Treasury Pool.

Delegation of Authority:

Pursuant to Section 53607, the Inyo County Board of Supervisors may delegate the authority to invest or re-invest public funds in the Inyo County Treasury to the County Treasurer for a one-year period. Thereafter, the County Treasurer shall assume full responsibility for those transactions until the delegation of authority is revoked or expires. Subject to review, the County Board of Supervisors may renew the delegation authority each year.

If the Board of Supervisors delegates the investment authority to the County Treasurer as referenced above, the County Treasurer may authorize the Assistant County Treasurer or a duly designated and legally eligible employee of the Treasurer's office to purchase

investments in the absence of the County Treasurer pursuant to the Law and to the restrictions as herein stated.

Authorized Investments:

Authorized investments shall match the general categories established by the California Government Code Sections 53601, et seq. and 53635, et seq., and shall be listed herein. Authorized investments shall also include, in accordance with California Government Code Section 16429.1, investments into the State Local Agency Investment Fund (LAIF).

- **Maturity Restrictions:** To provide sufficient liquidity to meet the daily expenditure requirements of not only the County, but the School Districts and other Treasury Pool Participants, the portfolio will maintain at least 40% of its total book value in securities having a maturity of one (1) year or less.
- Operating funds shall be invested so as to ensure that maturity dates will coincide with projected cash flow needs, taking into account anticipated revenues and expenditures of significant dollar size.

Prohibited Investments:

All investments not specifically listed within are hereby prohibited.

Investment Criteria:

Figure 1. (See Table of Notes for Figure 1 on following page)

	Maximum Maturity	Maximum % of Pool	Rating
U.S. Treasury and Agency Securities (§53601(b&f))	5 years	100	N/A
Bonds and Notes issued by local agencies (see section 1) (§53601(e))	5 years	100	N/A
Registered State Warrants (see section 2) (§53601(c))	5 years	5 % of agency/district deposits	N/A
Bankers' Acceptances (see section 3) (§53601(g))	180 days	40	N/A
Commercial Paper (see section 4) (§53601(h) and §53635(a))	270 days	15	A-1/P-1
Negotiable Certificates of Deposit (§53601(i))	5 years	30	N/A
Repurchase Agreements (see section 5) (§53601(j))	1 year	25	N/A
Reverse Repurchase Agreements (see section 5) (§53601(j))	92 days	25	N/A
Medium-Term Corporate Notes (§53601(k))	5 years	30	A
Mutual Funds & Money Market Mutual Funds (§53601(l)) & (6509.7 & 53601(p))	N/A	20	AAA
Local Agency Investment Fund (LAIF) (§16429.1)	N/A	As limited by LAIF (\$50MM per Agency	N/A

(Figure 1 footnotes)

Section	Information
1	The County Treasury may purchase the bonds, notes, warrants or other evidences of indebtedness of any local agency formed within the County of Inyo. Such investments may not exceed five (5) years. No more than 10% of the assets may be invested.
2	Registered Warrants are restricted only to cash substitutes issued by the State during periods of declared fiscal emergency.
3	No more than 30 percent of the agency's surplus funds may be invested in the Bankers' Acceptances of any one commercial bank pursuant to this section.
4	All commercial paper issuers must maintain an "A-1" rating by Standard & Poor's Corporation or a "P-1" rating by Moody's Investor Service. No more than 15% of the agency's funds may be invested in commercial paper with no more than 10% of the assets be invested in any one issuer's commercial paper.
5	Reverse Repurchase Agreements may be utilized pursuant to the provisions of Section 53601(j) only for the purposes of supplementing the yield on previously purchased securities or to provide funds for the immediate payment of local agency obligations. The maximum maturity of repurchase agreements shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days.

Criteria for the Selection of Broker/Dealers and Financial Institutions:

The County Treasurer shall select only primary government securities dealers that report daily to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. All broker/dealers and financial institutions must have a strong industry reputation and open lines of credit with other dealers. Further, these firms must have an investment grade rating from at least one of the national rating services, if applicable.

Any broker, brokerage, dealer or securities firm shall be prohibited from conducting business with the County Treasurer if the individual or firm has, within any consecutive 48-month period following January 1, 1996, made a political contribution exceeding the limitation contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Inyo County Treasurer, any member of the Inyo County Board of Supervisors, or any candidate for these offices.

Each broker/dealer or financial institution will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions.

Each broker/dealer and financial institution authorized to conduct business with Inyo County shall, at least annually, supply the County Treasurer with financial statements.

Criteria for the Management of Extraordinary Withdrawals:

Extraordinary Withdrawals are those withdrawals from the County Treasury that:

- Are not predictable by the County Treasurer from an analysis of historic and current Treasury cash flow records, and
- As a result of the dollar amount of such withdrawals, have a significant impact on the ability of the County Treasurer to satisfy the cash flow requirements of the Participants in the County Treasury Pool.

Such Extraordinary Withdrawals from the County Treasury can create liquidity problems and negatively impact the earnings of the remaining County Treasury Pool Participants in the event that the County Treasurer is forced to liquidate securities prior to their scheduled maturity dates in order to cover such withdrawals. A Pool Participant, who wishes to withdraw from the pool or make an Extraordinary Withdrawal, will be encouraged to work with the County Treasurer to arrange a withdrawal schedule that would prevent losses to the withdrawing agency or the remaining Pool Participants.

Pursuant to Government Code Section 27133(h), upon receipt of any request to withdraw funds from the County Treasury, the County Treasurer shall assess the effect of the proposed withdrawal on the stability and predictability of all the investments of the County Treasury. The County Treasurer will approve a withdrawal only if he/she determines that said withdrawal would not adversely affect the interests of the other participants in the County Treasury Pool. If the County Treasurer determines that an Extraordinary Withdrawal will cause the County Treasury Pool to realize a loss, the County Treasurer in his/her discretion may disapprove the withdrawal, or delay the withdrawal, or approve the withdrawal on the condition that any such loss be borne by the agency requesting the withdrawal, and on any other condition necessary to prevent an adverse effect on the interests of the other Pool Participants. The County Treasurer reserves the right to choose

which securities to liquidate to provide for the Extraordinary Withdrawal and could choose to sell the securities that have the lowest earnings.

Safekeeping:

Pursuant to Section 53608 the Inyo County Board of Supervisors has, by its Resolution No. 95-97 dated September 26, 1995, delegated to the County Treasurer the authority to enter into safekeeping agreements with specified institutions. Investment securities purchased by the County Treasury shall be held in customer-segregated safekeeping accounts that qualify as "Category 1 Custody" as defined by the Governmental Accounting Standards Board. Each institution where securities are held shall be required to provide a monthly safekeeping statement to the County Treasurer.

Apportionment of Interest, Costs and the Calculation of the Treasurer's Administrative Fee:

The relationship of a participant's daily fund balance to the total average daily balance of the entire Treasury Pool determines the percentage of interest paid to the Participant from a single apportionment. The proportionate amount of the Treasurer's Administrative Fee paid by any Participant in any quarter may be calculated in the same manner.

The County Treasurer's Administrative Fee, as authorized by Section 27013 and as calculated by the County Treasurer, shall not exceed the actual administrative costs incurred by the County for the operation of the County Treasury. In addition, pursuant to Section 27135, the cost of the County Treasury Oversight Committee's annual compliance audit shall be deemed as an administrative cost pursuant to Section 27013.

The Treasurer's Administrative Fee shall be imposed quarterly and deducted from interest earnings prior to the apportionment of those earnings to the participants in the County Treasury Pool.

Audit, Supervision, Approval and Monitoring of the Investment Policy and Portfolio, including Reporting Requirements:

- Pursuant to Section 25250, the County Board of Supervisors (Board) shall, at least biennially, cause to be audited in accordance with generally accepted auditing standards, the financial accounts and records of all officers, including the County Treasurer, having responsibility for the care, management, collections or disbursement of public funds.
- Pursuant to Section 25303, the Board will supervise the official conduct of the Inyo County Treasurer.
- Pursuant to Section 26920 et seq., the County auditor shall, at least once a quarter, perform a review of the Treasurer's statement of assets.

- Pursuant to Section 27100, the books, accounts and vouchers of the County Treasury are at all times subject to the inspection and examination by the Board and the County Grand Jury, or by any officers or agents designated by the Board or Grand Jury to make the inspection or examination. The County Treasurer shall permit the examination of the books and assets of the County Treasury.
- The County Treasurer shall annually render to the Board at a public meeting the Treasury Investment Policy for the Board's review and approval. Any changes to the Policy shall also be reviewed and approved by the Board at a public meeting. In addition, the Treasurer shall annually provide copies of the Policy to the County Treasury Oversight Committee and the California Debt and Investment Advisory Committee (CDIAC).
- The County Treasurer shall render a quarterly report to the Board, County Auditor-Controller and Treasury Oversight Committee. In addition, copies of the report for the second and fourth quarters shall be forwarded to the California Debt and Investment Advisory Committee (CDIAC). The report shall reflect, pursuant to the Law, the detailed status of investments held by the County Treasury including the following information: (Refer to Section 53646)
 - The type of investment, name of the issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held.
 - A description of the funds, investments or programs that are under management of contracted parties, including lending programs.
 - The market values of all funds, investments or programs under the management of contracted parties, and the source valuation for any security within the treasury.
 - A description of the compliance or the manner in which the portfolio is not in compliance with the County Treasury Investment Policy.
- A statement of the County Treasury's ability to meet the projected liquidity requirements of participants in the treasury pool for the next six (6) months, or an explanation as to why sufficient money may not be available.

Upon request, the County Treasurer shall deliver to the County Auditor-Controller a detailed record of investment activity for the current or preceding fiscal year.

The County Treasurer shall routinely monitor the investment portfolio in relationship to limitations and restrictions imposed by the California statutes and as herein stated, and will adjust the portfolio accordingly.

Internal Controls:

The County Treasurer shall establish a system of written internal controls, which shall be reviewed annually by all authorized persons. The internal controls shall be designed to prevent, or at least minimize, the loss of public funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions. Where possible, investments shall be placed, confirmed, held, accounted for and audited by different persons.

Prohibitions on the Acceptance of Gifts and Honoraria:

The County Treasurer, Assistant County Treasurer and the members of the Treasury Oversight Committee shall comply with the provisions of the Political Reform Act (Section 87200 et seq.) as those rules may be amended from time to time by the Fair Political Practices Commission.

The provisions of the Political Reform Act shall also govern the conduct of the above referenced individuals, particularly with regard to restriction placed on the acceptance by members of honoraria, gifts and gratuities from financial and security advisors, brokers, dealers, bankers or other persons with whom the County Treasury conducts business.

Provisions for the Separate Investment Management of the General Obligation Bond

Proceeds of Local Governmental Agencies that are Treasury Pool Participants:

This section sets forth an alternative investment procedure for the separate investment management of certain general obligation bond proceeds belonging to local governmental agencies that are participants in the Treasury Pool. The goal of this procedure is to maximize interest earnings on general obligation bond proceeds that are not immediately required by the issuing agency, thereby reducing the agency's bond interest costs.

Prior to the separate investment of general obligation bond proceeds as outlined below, the governing board of the local agency that issued the bonds shall adopt a resolution authorizing the County Treasurer to make such investments on behalf of the agency. The agency whose bond proceeds will be invested as herein stated will have the option to restrict the type of such investment instruments purchased by the County Treasurer, provided such restrictions fall within the parameters of this Investment Policy, and are reflected in the agency's authorizing resolution.

General obligation bond proceeds of \$100,000.00 or more belonging to a local governmental agency that is a Treasury Pool Participant and that are not immediately required by the agency, may, at the sole discretion of the County Treasurer, be separately invested for the financial benefit of said agency. The bond proceeds shall at all times remain in, and be considered part of, the County Treasury. The bond proceeds that have been separately invested may not be

withdrawn from the Treasury. Once authorized by a resolution of the agency issuing the bonds as stated above, the County Treasurer may use the bond proceeds to purchase specific investments that will thereafter be considered investments of said agency.

The agency that issued the bonds will deliver to the County Treasurer its most current schedule of calendar dates on which the agency anticipates withdrawing the bond proceeds from the Treasury. The Treasurer will utilize the agency's most current withdrawal schedule to provide the necessary liquidity, while at the same time endeavoring to maximize interest earnings on the said proceeds. In the event the agency requires its bond proceeds prior to the maturity dates of the separate investments, and has no other source of funds to pay the financial obligation that should have been paid from those bond proceeds, the County Treasurer may purchase one or more of the agency's separate bond investments for the Treasury investment portfolio that is shared by the other Pool Participants with assets of the Treasury, thereby making the necessary amount of the agency's bond proceeds available to the agency for withdrawal, provided, however, that no purchase may be made by the Treasurer of the separate bond investments of the agency if that purchase will result in a financial loss the County Treasury or otherwise injure the Treasury Pool Participants.

For accounting purposes, such separate investments shall be segregated from those investments of the Treasury Pool that are owned proportionately by all Treasury Pool Participants. The interest earned on the investments purchased with the agency's bond proceeds will be deposited, net of any Treasurer's Administrative Fees, in the issuing agency's bond proceeds fund within the Treasury, and will not be distributed to any other Pool Participant or Treasury fund. Said bond proceeds, when separately invested as herein stated, will not earn any interest on those Treasury investments that are owned proportionately by the Treasury Pool Participants and not separately invested.

Disclosure of Significant Activity:

The Treasurer's office will inform the Office of the County Administrator by means of a written memorandum or email, prior to the close of business on the next business day, whenever the daily activity of the County Treasury includes one or more of the following transactions in an aggregate amount of \$5,000,000.00 or more:

- Sale of a security prior to the stated maturity or call date of said security.
- Withdrawal or transfer of cash assets from a depository, including but not limited to a bank, investment pool or money market fund.
- Payment of an Extraordinary Withdrawal, as such Withdrawal is herein defined.

Duties of the Treasury Oversight Committee:

The Treasury Oversight Committee (TOC) is required to annually review and monitor the Investment Policy prepared by the County Treasurer, pursuant to Government Code Section 27133, and cause an annual compliance audit, pursuant to Government Code Section 27134.

Established here as policy, the TOC will review and accept the Statement of Investment Policy prepared by the Treasurer in December of each year. Any revisions to the Statement of Investment Policy will also be reviewed and accepted by the TOC prior to submitting any such revisions to the Board of Supervisors to review and approve.

The Treasurer shall annually submit the Statement of Investment Policy to be reviewed and approved at a public meeting as required by Government Code Section 53646. This Section also requires that any change in the Policy be reviewed and approved by the Board of Supervisors at a public meeting.

Annual Compliance Audit:

After the end of each fiscal year, the TOC shall cause to happen, an annual audit to determine compliance with the Statement of Investment Policy. Additionally, the audit may address questions of portfolio structure and risk. The audit findings will be an agenda item at the annual TOC meeting. The cost of the audit will be charged against the Treasurer's budget and will be included in the investment expenses as part of the Treasurer's Administrative Fee.

GLOSSARY OF TERMS

ACCRUED INTEREST

Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

BANKERS' ACCEPTANCE

A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

BASIS POINT

One basis point is equal to 1/100 of one percent. For example, if interest rates increase from 4.25% to 4.50%, the difference is referred to as a 25-basis-point increase.

BOOK VALUE

The value of a security as carried in the records of an investor. May differ from current market value of the security.

BROKER/DEALER

Any person engaged in the business of effecting transactions in securities in this state for the account of others or for his/her own account. Broker/dealer also includes a person engaged in the regular business of issuing or guaranteeing options with regard to securities not of his/her own issue.

COMMERCIAL PAPER

Short-term, unsecured promissory note issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30-45 days.

COUPON RATE

The annual rate of interest payable on a security expressed as a percentage of the principal amount.

CREDIT RISK

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CURRENT YIELD

The annual income from an investment divided by the current market yield. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSIP NUMBERS

CUSIP is an acronym for Committee on Uniform Security Identification Procedures. CUSIP numbers are identification numbers assigned to each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

DISCOUNT

The amount by which the par value of a security exceeds the price paid for a security.

EARNINGS APPORTIONMENT

The quarterly interest distribution to the Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

FAIR VALUE

The amount at which an investment could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale.

FLOATING RATE NOTE

A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g. Treasury bills, LIBOR etc.).

INTEREST

The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

LOCAL AGENCY INVESTMENT FUND (LAIF)

The State of California investment pool in which money of local agencies is pooled as a method for managing and investing local funds.

MARKET VALUE

The price at which a security is trading and could presumably be purchased or sold.

MATURITY

The date upon which the principal of a security becomes due and payable to the holder.

MONEY MARKET MUTUAL FUND

A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

PAR

The stated maturity value, or face value, of a security.

PAR VALUE

The stated or face value of a security expressed as a specific dollar amount.

PREMIUM

The amount by which the price paid for a security exceeds the security's par value.

REPURCHASE AGREEMENT OR RP OR REPO

An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a RP is that which the dealer pays the investor for the use of his/her funds. Reverse repurchase agreements are the mirror image of the RPs when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

REGISTERED WARRANTS

A registered warrant is a "promise to pay," with interest, that is issued by the State when there is not enough cash to meet all of the State's payment obligations.

SETTLEMENT DATE

The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day the securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

TRADE DATE

The date and time corresponding to an investor's commitment to buy or sell a security.

WEIGHTED AVERAGE MATURITY

The remaining average maturity of all securities held in a portfolio.

**Inyo County Treasurer
Disaster/Business Continuity Plan
Banking and Investment Functions**

Scope:

The Inyo County Treasurer's banking and investment functions are mission critical and as such, the office must have a Disaster/Business Continuity Plan in place. In the event we are unable to operate from our office, the plan shall be activated. Periodically, the plan shall be tested.

Continuity Procedure:

In the event that we are unable to conduct normal business operations, the authorized persons shall interact with one another by home phone, email or cell to decide on the alternate location. If unable to contact one another, the authorized persons shall, through the County's office of emergency services establish contact with one another.

Functions and Tasks to be Performed:

Recognizing that we may be operating in less than optimal conditions, the primary functions are to protect and continue to account for all funds on deposit with the County Treasurer. While normal processes may be modified, the Investment Policy shall be strictly followed.

Tasks to be performed include:

- Daily cash position workup.
- Investment of maturing securities and any daily deposits.
- Daily cash and bank reconciliation.
- For deposits, the Treasurer's office will notify county departments, special districts and schools of any change to their deposit location. Deposits to any account other than those established by the County Treasurer is strictly prohibited.
- Disbursement activity will be coordinated with the County Auditor-Controller.

Equipment and Emergency Packets:

The Treasurer shall have access to one of the emergency laptop kits provided by Information Services in the event of an emergency.

The following items for the emergency packets for the Treasurer and/or his or her designee are:

- Copy of the Investment Policy, which includes the Disaster/Continuity Plan
- Emergency Check Stock
- Updated report of investments
- Sign on instructions to access all online bank accounts and securities safekeeping accounts

- Listing of all home phone, home addresses, cell phone, email addresses of the authorized persons and treasury staff. Listings shall also include the County Administrator, County Auditor-Controller and the Office of Emergency Services.
- Banks, Authorized Broker/Dealers, names and contact information.
- Copies of all district, county and school bank signature cards.
- Contact list for all agencies whose funds are on deposit with the treasury.

Offsite Locations:

Failing the ability to operate from our office, our operations will move in this order of priority:

- Location determined by the Office of Emergency Services or County Administrator
- Treasurer's home

Owens Valley Groundwater Authority Memorandum

DATE: May 10, 2018

TO: Owens Valley Groundwater Authority Board of Directors

FROM: Staff

SUBJECT: Agenda Item #7 - Public hearing to consider a decision to become a Groundwater Sustainability Agency for portions of the Owens Valley Groundwater Basin pursuant to the Sustainable Groundwater Management Act of 2014.

Staff recommendation

Staff recommends the following actions be taken to become the Groundwater Sustainability Agency (GSA) for the Owens Valley Groundwater Basin (Basin):

- A. Conduct a public hearing pursuant to California Government Code 6066 and California Water Code 10723.8 to consider becoming the GSA for the Basin.
- B. Adopt the attached Resolution of the Owens Valley Groundwater Authority electing to become the groundwater sustainability agency for the entire Owens Valley Groundwater Basin.

Staff report

The Sustainable Groundwater Management Act (SGMA) Chapter 4 provides a process by which local agencies can become GSAs. To become a GSA, the a local agency is required to submit the following information to DWR in order to complete the GSA formation notification requirements of CWC §10723.8(a):

1. Information that shows the GSA formation notification was submitted to DWR within 30 days of the decision to become or form a GSA. If the OVGA Board of directors decides to proceed with the steps necessary to become the GSA for the Owens Valley Groundwater Basin, the 30-day clock will start from the date your Board takes action following the required public hearing.
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2. A map and narrative indicating (1) the OVGA's service area boundaries, (2) the boundaries of the basin or portion of the basin the OVGA intends to manage, and (3) the other agencies managing or proposing to manage groundwater within the basin. [Maps attached, narrative in preparation.]
3. A copy of the resolution electing to become the GSA. [Resolution attached.]
4. A copy of any new bylaws, ordinances, or new authorities developed by the OVGA. [Joint Exercise of Powers Agreement creating the Owens Valley Groundwater Authority.]
5. A list of the interested parties developed pursuant to CWC §10723.2 and a detailed explanation how the GSA will consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing GSPs. [In preparation.]

The process laid out in SGMA Chapter 4 is aimed at the initial formation of GSA prior to the statutory deadline of June 30, 2017, by which SGMA required that medium and high priority basins be entirely within the jurisdiction of a GSA or GSAs, with no overlap of GSA boundaries in basins with multiple GSAs. SGMA does not address restructuring of existing GSAs as intended here; however, the Department of Water Resources (DWR), necessary to accommodate changes in GSAs, DWR issued the following Answers to Frequently Asked Questions on its web page¹:

Can GSAs in a basin change or restructure after June 30, 2017?

Yes. While this scenario is not specifically addressed in SGMA, there is no reason why a basin's governance structure cannot adapt to either changing conditions or changing roles and responsibilities when developing and implementing a GSP. A clear and legally-concise explanation of a basin's GSA governance structure will be required as part of the GSP in order to determine if the basin's sustainability goal can be reached and its groundwater sustainability program can be implemented. If the governance structure in a basin needs to be modified, then a GSA would need to withdraw from managing its portion of a basin by notifying DWR in writing. As part of the annual reporting requirements for GSAs, the modified GSA governance structure would need to be explained and the legal agreement that coordinates GSAs in a basin would need to be updated, if necessary. In high-and medium-priority basins, if an exclusive GSA opted out of its management role and no other local agency was able to take its place following the GSA formation process, the basin could be subject to intervention by the State Board. Water Code References: §10723 et seq., §10728, §10728.2, §10733 et seq., §10735.2

¹ <https://www.water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Groundwater-Management/Sustainable-Groundwater-Management/Groundwater-Sustainability-Agencies/Files/GSA-Frequently-Asked-Questions.pdf>

To address the withdrawal of GSA status by the four existing GSAs (Tri-Valley Groundwater Management District, City of Bishop, County of Inyo, and County of Mono) the following actions are recommended to be taken by each GSA board concurrently with the OVGA deciding to become the GSA for the Basin:

1. Each GSA board adopt resolution that finds that consolidating the four existing GSAs into a single GSA is a non-material change to the boundary of their GSA, and provides for rescission of GSA status contingent on (1) other GSAs within the Basin also rescinding their GSA status; and (2) acceptance by DWR of the OVGA as the exclusive GSA for the Basin. [Resolution template attached].
2. Prepare a joint letter to DWR to be signed by all of the existing GSAs indicating that they collectively are GSAs for the entire Basin, they are each members of the OVGA and support the OVGA's intention to become the GSA for the Basin, they jointly agree this is a non-material change to their respective boundaries, and have adopted resolutions with these findings. [Draft letter will be provided by staff.]

Once this material is submitted to DWR, the GSA formation notice will be reviewed for completeness by DWR staff and, if complete, will within 15 days be posted on DWR's GSA web site. By conveying to DWR that the change to the GSA boundary is collectively a non-material change to the boundary, DWR should be able to designate the Owens Valley Groundwater Authority as an exclusive GSA once the OVGA's notice is deemed complete.

Attachments

1. Maps showing (1) existing GSA boundaries and (2) Owens Valley Groundwater Authority GSA boundaries.
 2. SGMA Chapter 4 – Establishing Groundwater Sustainability Agencies.
 3. OVGA resolution deciding to become a GSA.
 4. GSA withdrawal resolution template for the four existing GSAs.
 5. Draft letter from existing GSAs to DWR regarding withdrawal
-

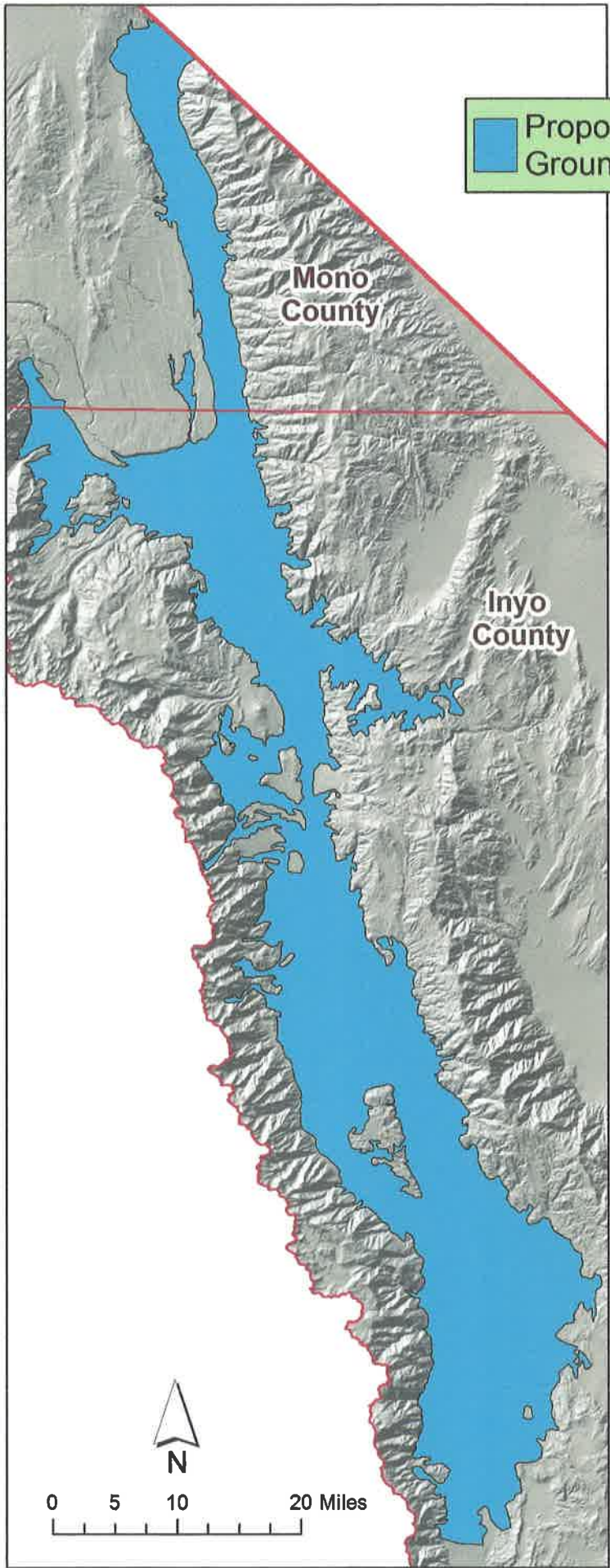
Proposed boundary of the Owens Valley Groundwater Authority GSA

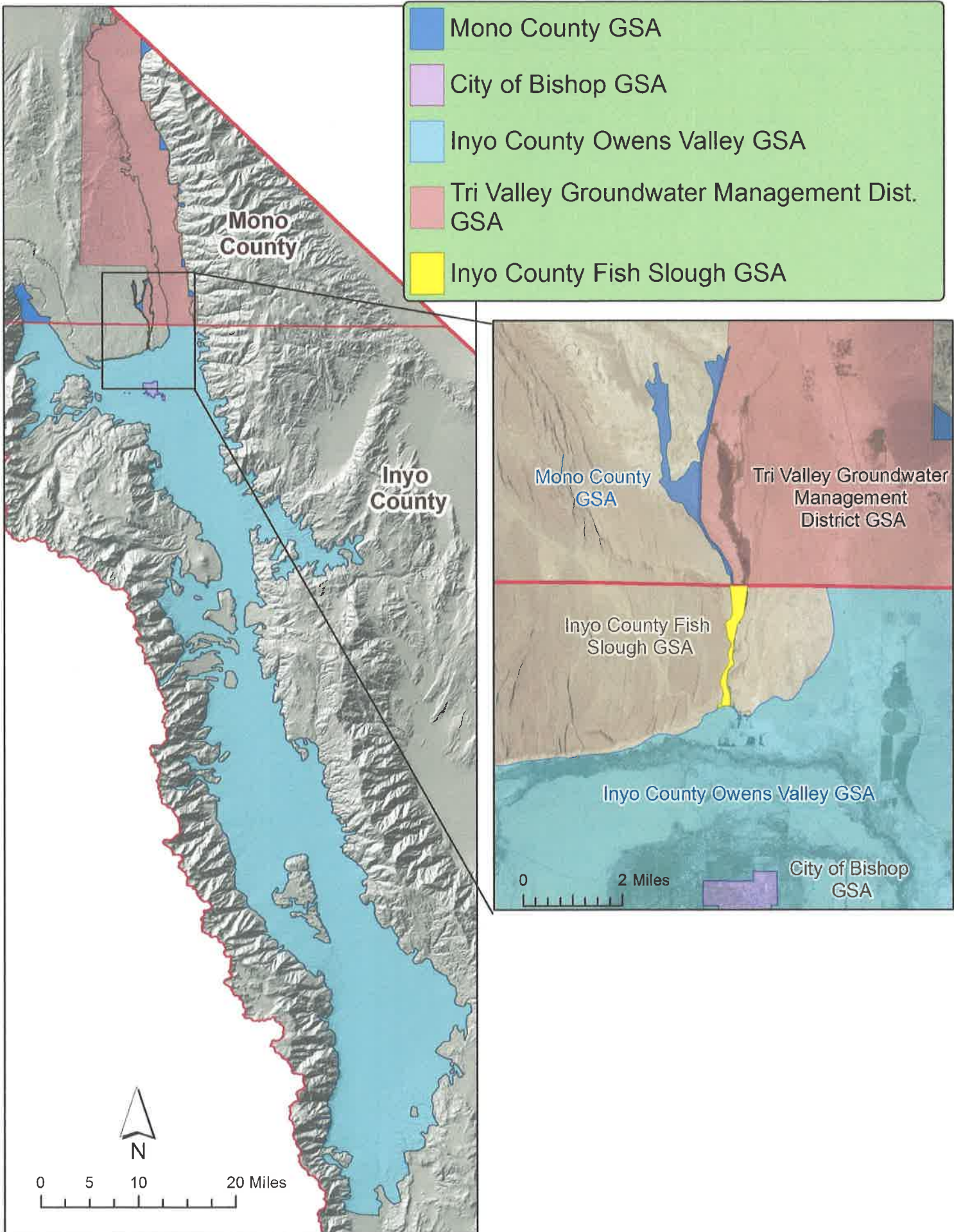
Mono County

Inyo County



0 5 10 20 Miles





(1) A local agency shall have two years from the date of reprioritization to either establish a groundwater sustainability agency pursuant to Chapter 4 (commencing with Section 10723) ~~and five years from the date of reprioritization to adopt a groundwater sustainability plan pursuant to Chapter 6 (commencing with Section 10727)~~ or two years to satisfy the requirements of Section 10733.6.

(2) A groundwater sustainability agency shall have five years from the date of reprioritization to meet the requirements of subdivision (a) of Section 10720.7, except that if the reprioritization occurs before January 31, 2017, a groundwater sustainability agency subject to paragraph (2) of subdivision (a) of Section 10720.7 shall have until January 31, 2022.

CHAPTER 4. Establishing Groundwater Sustainability Agencies

10723. ELECTION OF GROUNDWATER SUSTAINABILITY AGENCY; STATUTORILY DESIGNATED AGENCIES AND OPT OUT PROVISION

(a) Except as provided in subdivision (c), any local agency or combination of local agencies overlying a groundwater basin may ~~elect~~decide to ~~be~~become a groundwater sustainability agency for that basin.

(b) Before ~~electing~~deciding to ~~be~~become 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.

(c) (1) Except as provided in paragraph (2), the following agencies created by statute to manage groundwater shall be deemed the exclusive local agencies within their respective statutory boundaries with powers to comply with this part:

(A) Alameda County Flood Control and Water Conservation District, Zone 7.

(B) Alameda County Water District.

(C) Desert Water Agency.

(D) Fox Canyon Groundwater Management Agency.

(E) Honey Lake Valley Groundwater Management District.

(F) Long Valley Groundwater Management District.

(G) Mendocino City Community Services District.

(H) Mono County Tri-Valley Groundwater Management District.

(I) Monterey Peninsula Water Management District.

(J) Ojai Groundwater Management Agency.

(K) Orange County Water District.

- (L) Pajaro Valley Water Management Agency.
- (M) Santa Clara Valley Water District.
- (N) Sierra Valley ~~Water~~Groundwater Management District.
- (O) Willow Creek Groundwater Management Agency.

(2) An agency identified in this subdivision may ~~elect to~~ opt out of being the exclusive groundwater management agency within its statutory boundaries by sending a notice to the department, which shall be posted ~~pursuant to Section 10733.3, on the department's Internet Web site within 15 days~~ of receipt. If an agency identified in paragraph (1) ~~elects to opt~~opts out of being the exclusive groundwater management agency, any other local agency or combination of local agencies operating within the statutory boundaries of the agency that has ~~elected to opt~~opted out may notify the department pursuant to ~~subdivision (d)~~Section 10723.8 of its ~~election~~decision to be the groundwater sustainability agency.

(3) A local agency listed in paragraph (1) may comply with this part by meeting the requirements of Section 10733.6 or ~~electing~~opting to become a groundwater sustainability agency pursuant to this section. A local agency with authority to implement a basin-specific management plan pursuant to its principal act shall not exercise any authorities granted in this part in a manner inconsistent with any prohibitions or limitations in its principal act unless the governing board of the local agency makes a finding that the agency is unable to sustainably manage the basin without the prohibited authority.

(d) ~~A~~The decision of a local agency or combination of ~~local~~ agencies ~~that elects to be the~~become a groundwater sustainability agency shall ~~submit a notice of intent to the department, which shall be posted pursuant to Section 10733.3. The notice of intent shall include a description of the proposed boundaries of the basin or portion of the basin that the local agency or combination of local agencies intends to manage pursuant to this part,~~take effect as provided in Section 10723.8.

10723.2. CONSIDERATION OF ALL INTERESTS OF ALL BENEFICIAL USES AND USERS OF GROUNDWATER

The groundwater sustainability agency shall consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans. These interests include, but are not limited to, all of the following:

- (a) Holders of overlying groundwater rights, including:
 - (1) Agricultural users.
 - (2) Domestic well owners.
- (b) Municipal well operators.
- (c) Public water systems.

- (d) Local land use planning agencies.
- (e) Environmental users of groundwater.
- (f) Surface water users, if there is a hydrologic connection between surface and groundwater bodies.
- (g) The federal government, including, but not limited to, the military and managers of federal lands.
- (h) California Native American tribes.
- (i) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems.
- (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.

10723.4. MAINTENANCE OF INTERESTED PERSONS LIST

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. Any person may request, in writing, to be placed on the list of interested persons.

10723.6. COLLECTIVE ACTION TO SERVE AS GROUNDWATER SUSTAINABILITY AGENCY; PARTICIPATION BY PUC-REGULATED WATER COMPANIES

(a) A combination of local agencies may form a groundwater sustainability agency by using any of the following methods:

- (1) A joint powers agreement.
- (2) A memorandum of agreement or other legal agreement.

(b) A water corporation regulated by the Public Utilities Commission or a mutual water company may participate in a groundwater sustainability agency ~~if the local agencies approve through a memorandum of agreement or other legal agreement. The authority provided by this subdivision does not confer any additional powers to a nongovernmental entity.~~

10723.8. NOTIFICATION OF DEPARTMENT AND POSTING BY DEPARTMENT

(a) Within 30 days of ~~electing~~deciding to ~~be~~become or ~~forming~~form a groundwater sustainability agency, the ~~groundwater sustainability~~local agency or combination of local agencies shall inform the department of its ~~election or formation~~decision and its intent to undertake sustainable groundwater management. The notification shall include the following information, as applicable:

- (1) The service area boundaries, the boundaries of the basin or portion of the basin the agency ~~is managing~~intends to manage pursuant to this part, and the other agencies managing or proposing to manage groundwater ~~sustainability agencies operating~~ within the basin.

(2) A copy of the resolution forming the new agency.

(3) A copy of any new bylaws, ordinances, or new authorities adopted by the local agency.

(4) A list of interested parties developed pursuant to Section 10723.2 and an explanation of how their interests will be considered in the development and operation of the groundwater sustainability agency and the development and implementation of the agency's sustainability plan.

(b) The department shall post all complete notices received under this section on its Internet Web site within 15 days of receipt.

(c) The decision to become a groundwater sustainability agency shall take effect 90 days after the department posts notice under subdivision (b) if no other local agency submits a notification under subdivision (a) of its intent to undertake groundwater management in all or a portion of the same area. If another notification is filed within the 90-day period, the decision shall not take effect unless the other notification is withdrawn or modified to eliminate any overlap in the areas proposed to be managed. The local agencies shall seek to reach agreement to allow prompt designation of a groundwater sustainability agency. If agreement is reached involving a material change from the information in the posted notice, a new notification shall be submitted under subdivision (a) and the department shall post notice under subdivision (b).

~~(d)~~ Except as provided in ~~subdivision (d), 90 days following the posting of the notice pursuant to this section~~ subdivisions (e) and (f), after the decision to be a groundwater sustainability agency takes effect, the groundwater sustainability agency shall be presumed to be the exclusive groundwater sustainability agency within the area of the basin ~~the~~ within the service area of the local agency that the local agency is managing as described in the notice, ~~provided that no other notice was submitted.~~

~~(e)~~ A groundwater sustainability agency may withdraw from managing a basin by notifying the department in writing of its intent to withdraw.

~~(f)~~ This section does not preclude the board from taking an action pursuant to Section 10735.6.

~~(e) The department shall post all notices received under this section in accordance with Section 10733.3.~~

10724. PRESUMPTION THAT COUNTY WILL MANAGE AREAS NOT COVERED BY A GROUNDWATER SUSTAINABILITY AGENCY; EXTRACTION REPORTING TO STATE BOARD IF COUNTY DOES NOT MANAGE THOSE AREAS

(a) In the event that there is an area within a high- or medium-priority basin that is not within the management area of a groundwater sustainability agency, the county within which that unmanaged area lies will be presumed to be the groundwater sustainability agency for that area.

(b) A county described in subdivision (a) shall provide notification to the department pursuant to Section 10723.8 unless the county notifies the department that it will not be the groundwater sustainability agency for the area. Extractions of groundwater made on or after July 1, 2017, in that area shall be

subject to reporting in accordance with Part 5.2 (commencing with Section 5200) of Division 2 if the county does either of the following:

- (1) Notifies the department that it will not be the groundwater sustainability agency for an area.
- (2) Fails to provide notification to the department pursuant to Section 10723.8 for an area on or before June 30, 2017.

CHAPTER 5. Powers and Authorities

10725. AUTHORITY PURSUANT TO THIS PART SUPPLEMENTARY TO EXISTING POWERS

(a) A groundwater sustainability agency may exercise any of the powers described in this chapter in implementing this part, in addition to, and not as a limitation on, any existing authority, if the groundwater sustainability agency adopts and submits to the department a groundwater sustainability plan or prescribed alternative documentation in accordance with Section 10733.6.

(b) A groundwater sustainability agency has and may use the powers in this chapter to provide the maximum degree of local control and flexibility consistent with the sustainability goals of this part.

10725.2. AUTHORITY OF GROUNDWATER SUSTAINABILITY AGENCY; NOTICE

(a) A groundwater sustainability agency may perform any act necessary or proper to carry out the purposes of this part.

(b) A groundwater sustainability agency may adopt rules, regulations, ordinances, and resolutions for the purpose of this part, in compliance with any procedural requirements applicable to the adoption of a rule, regulation, ordinance, or resolution by the groundwater sustainability agency.

(c) In addition to any other applicable procedural requirements, the groundwater sustainability agency shall provide notice of the proposed adoption of the groundwater sustainability plan on its Internet Web site and provide for electronic notice to any person who requests electronic notification.

10725.4. INVESTIGATIONS

(a) A groundwater sustainability agency may conduct an investigation for the purposes of this part, including, but not limited to, investigations for the following:

- (1) To determine the need for groundwater management.
- (2) To prepare and adopt a groundwater sustainability plan and implementing rules and regulations.
- (3) To propose and update fees.
- (4) To monitor compliance and enforcement.

(b) An investigation may include surface waters and surface water rights as well as groundwater and groundwater rights.

RESOLUTION NO. 2018-__

A RESOLUTION OF THE OWENS VALLEY GROUNDWATER AUTHORITY ELECTING TO BECOME THE GROUNDWATER SUSTAINABILITY AGENCY FOR THE ENTIRE OWENS VALLEY GROUNDWATER BASIN

WHEREAS, the Sustainable Groundwater Management Act of 2014, Part 2.74 of Division 6 of the California Water Code (“SGMA”) was signed into law on September 16, 2014; and

WHEREAS, the Owens Valley Groundwater Authority (“OVGA”), is a joint powers authority formed by “local agencies” as defined by California Water Code section 10721, and is eligible to serve as a Groundwater Sustainability Agency (GSA) under Water Code section 10723; and

WHEREAS, the SGMA requires that each California medium or high priority groundwater basin or subbasin be managed by a Groundwater Sustainability Agency (“GSA”), or multiple GSAs, and that such management be implemented pursuant to an approved Groundwater Sustainability Plan (“GSP”) or multiple GSPs; and

WHEREAS, the combined service areas of the member agencies of the OVGA completely overlie the Owens Valley Groundwater Basin (Basin No. 6-12 in the Department of Water Resources Bulletin 118 Update 2016, henceforth “Basin”); and

WHEREAS, the four existing GSAs collectively managing the entire Basin are parties to the OVGA joint powers agreement and are concurrently withdrawing their respective GSA statuses in order to allow the OVGA to become the exclusive GSA within the Basin; and

WHEREAS, a notice of a public hearing to consider whether the OVGA should elect to become a GSA for the Basin was published in the Inyo Register on 4/21/2018, 4/24/2018, 4/26/2018, 4/28/2018, 5/1/2018, and 5/3/2018; and The Sheet on 4/21/2018 and 4/23/2018, pursuant to California Government Code section 6066, as required by California Water Code section 10723(b); and

WHEREAS, the OVGA held a public hearing on May 10, 2018 to consider election to become a GSA for the Basin.

NOW, THEREFORE, BE IT RESOLVED by the Owens Valley Groundwater Authority that in accordance with the SGMA:

1. The Owens Valley Groundwater Authority hereby elects to be the exclusive Groundwater Sustainability Agency for the Owens Valley Groundwater Basin (Basin 6-12) located within Inyo and Mono Counties, as shown on attached Exhibit A.

2. Within 30 days of the date of this Resolution, the OVGA's Executive Manager is directed to submit a notice of intent to the Department of Water Resources, pursuant to Water Code section 10723.8(a); and
3. The OVGA's Executive Manager shall create and maintain a list of persons interested in receiving notices concerning GSP preparation, meeting announcements, and the availability of draft plans, maps, and other relevant documents, as required by Water Code section 10723.4.

PASSED AND ADOPTED ON THIS 10th DAY OF MAY, 2018 BY THE FOLLOWING VOTE:

AYES:

NAYS:

ABSTAIN:

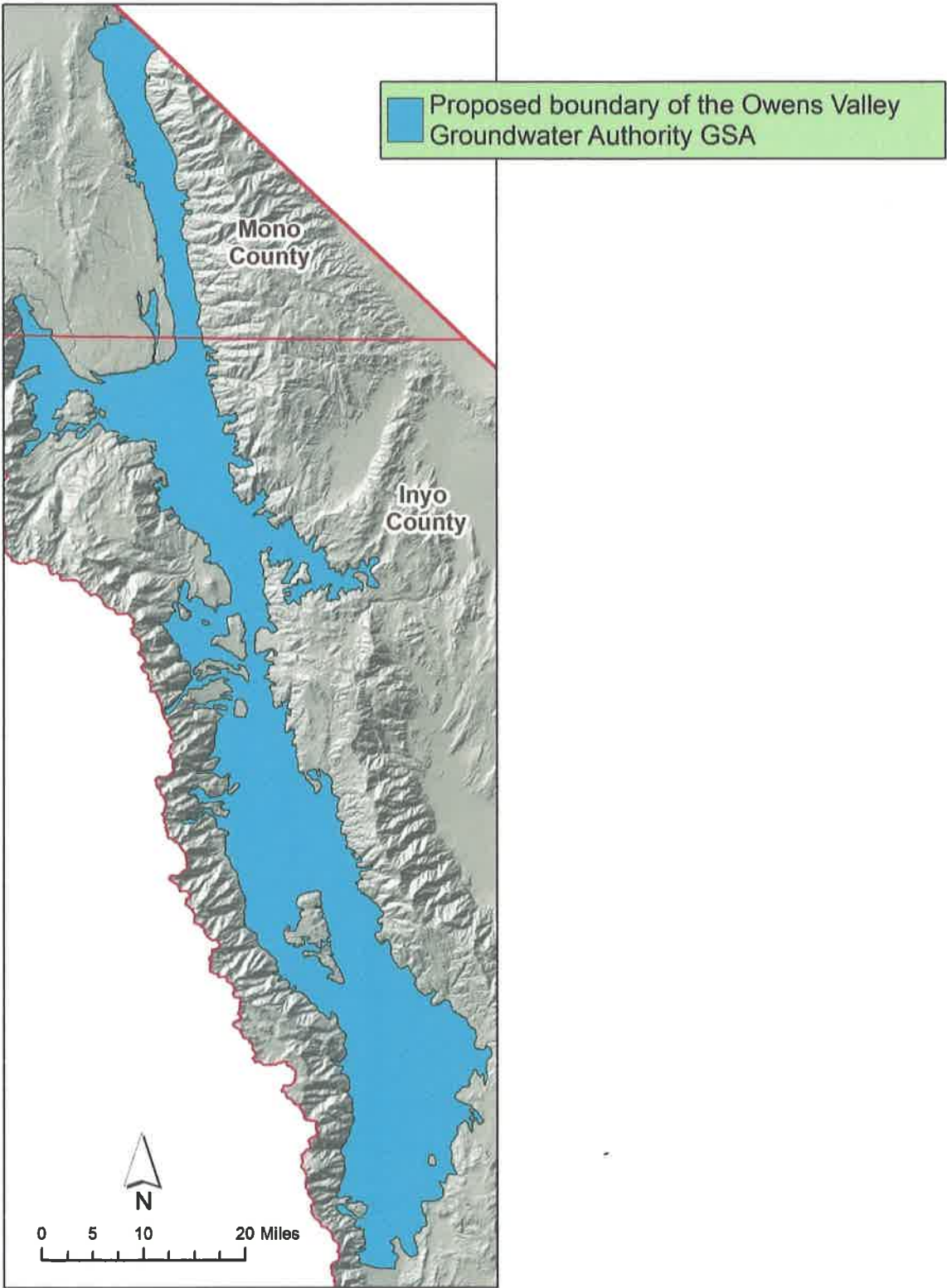
ABSENT:

Fred Stump, Chairperson,
Owens Valley Groundwater Authority

*Attest: Dr. Bob Harrington
Acting Clerk of the OVGA*

by: _____
Laura Piper, Assistant

Exhibit A: Map showing the boundary of the area that the Owens Valley Groundwater Authority intends to manage. This area corresponds to the entirety of the Owens Valley Groundwater basin.



RESOLUTION NO. _____

**A RESOLUTION OF THE _____, ELECTING TO WITHDRAW ITS STATUS AS A
GROUNDWATER SUSTAINABILITY AGENCY IN THE OWENS VALLEY
GROUNDWATER BASIN CONTINGENT UPON THE OWENS VALLEY
GROUNDWATER AUTHORITY BECOMING THE EXCLUSIVE GROUNDWATER
SUSTAINABILITY AGENCY FOR ALL PORTIONS OF THE OWENS VALLEY
GROUNDWATER BASIN**

WHEREAS, the Sustainable Groundwater Management Act (“SGMA”), Part 2.74 (commencing with section 10720) of the Water Code, requires all groundwater basins designated by the Department of Water Resources (“DWR”) as high- and medium-priority basins to be managed sustainably by “local agencies,” as defined in Water Code section 10721(n), that decide to become groundwater sustainability agencies (“GSA”); and

WHEREAS, the _____ (the “Agency”), became the exclusively recognized Groundwater Sustainability Agency (GSA) for certain portions of the Owens Valley groundwater Basin (Basin No. 6-12.01 in the Department of Water Resources Bulletin 118 Update 2016, henceforth “Basin”) pursuant to Water Code section 10723(a) and, thereafter, notified DWR of its decision to become a GSA for certain portions of the Basin pursuant to Water Code section 10723.8(a); and

WHEREAS, three other local agencies eligible to serve as GSAs pursuant to Water Code section 10723(a), separately became the exclusively recognized GSA for discrete portions of the Basin, (including the Fish Slough Subbasin of the Owens Valley Groundwater Basin identified as Basin No. 6-12.02 in the Department of Water Resources Bulletin 118 Update 2016; henceforth the entirety of the Owens Valley Groundwater Basin including Fish Slough is referred to as the the “Basin”) which resulted in the entire Basin being separately covered by the four GSAs; and

WHEREAS, on or about August 1, 2017, those four GSAs and seven other local agencies within the Basin entered into a joint powers agreement (“JPA”) to form the Owens Valley Groundwater Authority (the “OVGA”) in order to, among other things, jointly exercise their powers as a single GSA within the Basin for the purpose of creating a groundwater sustainability plan to be implemented within their combined jurisdictional boundaries in the Basin; and

WHEREAS, the JPA requires, among other things, the four exclusive GSAs within the Basin to formally notify the California Department of Water Resources (“DWR”), in writing, of their respective intents to withdraw their respective GSA status’ expressly contingent upon the OVGA becoming the exclusive GSA for the entire Basin; and

WHEREAS, the Agency considers the transfer of the GSA into the OVGA JPA to be a non-material change in that the OVGA includes all existing exclusive GSAs and this action was contemplated at the time each of the existing exclusive GSAs submitted their notices to DWR.

NOW, THEREFORE, BE IT RESOLVED by the _____ as follows:

- (1) Contingent upon the OVGA actually becoming the exclusive GSA for the Basin and in accordance with the JPA, the Agency hereby withdraws its status as the exclusively recognized GSA; and
- (2) Consistent with Water Code section 10723.8(e), and concurrently with the OVGA notifying DWR of its intent to become the GSA for the entire Basin, Agency staff is directed to provide DWR written notification of its decision to withdraw its status as a GSA for the Basin and a copy of this resolution so that the OVGA may become the exclusive GSA for the Basin.
- (3) Agency staff is directed to do all things appropriate and necessary, including but not limited to providing assistance and support to the OVGA and its staff, to effectuate the withdrawal of the Agency's status as a GSA for the Basin and the OVGA becoming the exclusive GSA for the Basin.

PASSED AND ADOPTED ON THIS ____ DAY OF _____, 2018 BY THE FOLLOWING VOTE:

AYES:

NAYS: -0-

ABSTAIN: -0-

ABSENT: -0-

[name & title]

Attest: [name]
Clerk of the Board

by: _____
[name]



(760) 878-0001
FAX: (760) 878-2552

EMAIL: mail@inyowater.org
WEB: <http://www.inyowater.org>

P.O. Box 337
135 South Jackson Street
Independence, CA 93526

May 10, 2018

Mark Norberg, GSA Project Manager
Sustainable Groundwater Management Section
California Department of Water Resources
P.O. Box 942836
Sacramento, California 94236-0001

RE: Joint Notice of Intent to Transfer Groundwater Sustainability Agency Status to the
Owens Valley Groundwater Authority

Dear Mr. Norberg:

This letter is jointly sent by the County of Mono, County of Inyo, City of Bishop, and Tri-Valley Groundwater Management District pursuant to the Sustainable Groundwater Management Act (SGMA), specifically Water Code section 10723.8(e), to notify the California Department of Water Resources (Department) of our collective intent to withdraw from managing certain portions of the Owens Valley Groundwater Basin (Basin No. 6-012, hereinafter the "Basin") in order to allow the Owens Valley Groundwater Authority (OVGA), a joint powers authority formed by our and other local agencies, to become the exclusive groundwater sustainability agency (GSA) within the Basin. The notice of intent from the OVGA to become the exclusive GSA within the Basin is sent concurrently herewith.

As you are aware, the County of Mono, County of Inyo, City of Bishop, and Tri-Valley Groundwater Management District became exclusive GSAs within the Basin on or about 07/19/2017, 06/28/2017 & 09/27/2017, 07/17/2017, and 07/20/2017, respectively. Together our GSAs' boundaries span the entirety of the Basin. Concurrent with that process, we were engaged in the process required to form the OVGA with the intent that the OVGA would ultimately become the exclusive GSA for the Basin. The OVGA is now fully constituted and able to become the exclusive GSA for the Basin.

Pursuant to the OVGA joint powers agreement, the undersigned GSAs each took formal action to withdraw from managing the Basin in order to allow the OVGA to become the exclusive GSA for the Basin. Copies of the resolutions effectuating each GSA's withdrawal are included with this letter as Attachments 1-4. As you will see in each resolution, our understanding is that these actions, combined with the OVGA's notice of intent to become the exclusive GSA within the Basin, constitute a non-material change to the management of the Basin. As such, we

respectfully request that the Department immediately post the OVGA's notice and recognize the OVGA as the exclusive GSA for the entire Basin, while concurrently accepting this joint notice of intent to withdraw, in order to allow the OVGA to move forward with implementation of SGMA mandates.

Please do not hesitate to contact the OVGA's acting Executive Director, Dr. Bob Harrington, if you have any questions regarding this matter. His contact information is contained at the top of this letter.

Respectfully,

COUNTY OF MONO

COUNTY OF INYO

CITY OF BISHOP
DISTRICT

TRI-VALLEY GROUNDWATER MANAGEMENT

Cc:

Brian Moniz, Regional Coordinator
California Department of Water Resources Southern Region
700 Fairmont Avenue, Suite 102
Glendale, CA 91203

Bob Pierotti, Supervising Engineering Geologist
California Department of Water Resources Southern Region
700 Fairmont Avenue, Suite 102
Glendale, CA 91203

Anita Regmi/Jennifer Wong, Basin Contact Persons
California Department of Water Resources Southern Region
700 Fairmont Avenue, Suite 102
Glendale, CA 91203

Owens Valley Groundwater Authority Memorandum

DATE: May 10, 2018

TO: Owens Valley Groundwater Authority Board of Directors

FROM: Staff

SUBJECT: Agenda Item #8 - Discussion of regarding procurement of consultant to prepare Groundwater Sustainability Plan.

The California Department of Water Resources announced their final awards for the Sustainable Groundwater Planning Grant Program on April 4, 2018. The Inyo County Water Department was awarded \$713,155 for preparing a Groundwater Sustainability Plan (GSP) for the Owens Valley Groundwater Basin. Given this award, it is timely that an RFP/RFQ be circulated to obtain consulting services for GSP preparation. Your Board reviewed a draft RFP/RFQ at your April 12, 2018 meeting and provided input. Since the April 12 meeting, input has been provided by staff from member agencies and the public. The following changes have been made to the RFP/RFQ:

- The required public engagement plan was described in more detail.
 - More specificity was added regarding the data management task.
 - A requirement to disclose potential conflicts of interest was added.
 - The proposal evaluation criteria weighting was altered to make each category equal, the reference check was deleted, and a 'work plan and budget' criterion was added.
 - The process for answering to questions from respondents was clarified.
-

COUNTY OF INYO
REQUEST FOR STATEMENT OF QUALIFICATIONS



For Consulting Services for:

Groundwater Sustainability Planning for the Owens Valley Groundwater Basin
Inyo County, California

Submittal Deadline: *****, 2018

County of Inyo
Water Department
P.O. 337, 135 S. Jackson St.
Independence, California 93526

REQUEST FOR STATEMENT OF QUALIFICATIONS

The County of Inyo through its Water Department seeks to retain the services of a qualified individual or firm (Consultant) to provide consulting services to prepare a Groundwater Sustainability Plan (GSP) for the Owens Valley Groundwater Basin (Basin), Inyo and Mono Counties, California. The GSP is being prepared on behalf of the Owens Valley Groundwater Authority (OVGA), a joint powers authority formed for the purpose of developing and implementing a GSP for the Basin. County of Inyo is a member of the OVGA. At some future time when the OVGA is fully staffed and designated as an exclusive GSA, this contract may be transferred to the OVGA.

PROJECT DESCRIPTION

Purpose of the Project

The goal of this project is to produce a GSP for the Basin that will guide future groundwater management in the Basin in compliance with the Sustainable Groundwater Management Act of 2014 (SGMA). The scope of the project includes data compilation, review, and management; description of the Basin setting; development of a hydrogeologic conceptual model for the Basin; description of current and historic groundwater conditions; development of a basin water budget; identification of management areas; development of sustainability criteria (undesirable results, sustainability goal, minimum thresholds, and measurable objectives); refinement and consolidation of existing groundwater monitoring programs; development of specific projects necessary to maintain or achieve sustainability; development of an annual GSP reporting system; submittal of the GSP to the Department of Water Resources (DWR); and revisions based on DWR's review.

The objective of the GSP will be to maintain and enhance the existing sustainable management practices in the Basin through the preparation and implementation of a GSP, including compiling information to identify and fill any gaps in data, analysis, or management that may exist. The Basin is medium priority and not in critical overdraft, and the Inyo/Los Angeles Long-Term Water Agreement, which regulates groundwater management activity for about 40% of the Basin area and 65% of the Basin's groundwater pumping, is treated as adjudicated and therefore exempt from SGMA (Water Code §10720.8 (c)). Key planning goals for the GSP are to mesh GSP management with the Inyo/Los Angeles Agreement so as to build on existing sustainable practices, compile basin-wide hydrologic data, identify data gaps, characterize the basin, identify management areas, develop management area sustainability criteria, and identify management-area-specific activities to be undertaken during plan implementation.

Requested Services

A State of California Registered Engineer or Geologist shall supervise the preparation of the GSP. The selected consultant shall produce a GSP that meets the statutory requirements of SGMA. Inyo County has been awarded a Sustainable Groundwater Management Grant of

\$713,155 based on the tasks enumerated below. In responding to this RFQ, respondents should address this task list or propose alternatives/additions that in the respondent's opinion would better fulfill the goal of preparing and adopting a GSP.

1. Initial site visit.

The plan preparation consultant's initial site visit will include 1) a public meeting with the OVGA Board to foster a common understanding of GSP requirements, goals and objectives, and outline; and 2) a kick-off meeting with staff to initiate and coordinate work on the GSP. The plan preparation consultant will visit sites in the field as deemed necessary. These initial meetings will foster a common vision among the OVGA Members, plan preparation consultant, and stakeholders of the work ahead and the product that will result. Deliverable: Meeting agendas, presentation materials and site visit summary.

2. Public engagement plan.

This task requires development of a plan for providing opportunities for public engagement and inclusion in the preparation of the GSP that encourages active involvement of diverse social, cultural, and economic elements of the population within the Basin. The public engagement plan should include and document the OVGA's decision making process, outreach strategies and methods, interested stakeholders/parties, number and location of public meetings at which the plan is discussed, compilation of comments received, and documentation of how comments were considered for incorporation into the GSP. Meetings should be strategically located to ensure stakeholders throughout the broad geography of the basin have an opportunity to engage in plan development while remaining within the project budget. Deliverable: A public engagement plan, and a summary for inclusion in the GSP describing the plan and input received, and addressing notification and communication with interested parties as per Reg § 354.10.

3. Data and document compilation, review, and management.

This task entails the consultant working with GSA members and other possessors of relevant data to compile available documents and data related to GSP preparation, including, but not limited to, technical standards, monitoring plans, reporting protocols, reports, studies, plans, models, and court documents. Assembled geographic and hydrologic data will include groundwater elevation (hydraulic head), well construction/location/use, groundwater pumping, groundwater use, groundwater quality, relevant surface water data, land use maps, digital elevation models, and other information deemed necessary to prepare and implement a GSP. It should be anticipated that hydrologic data will be in a variety of formats, span up to many decades, and be of variable quality and utility. Using the compilation of these materials, data gaps will be identified. Data will be assessed for consistency with Reg. § 352.4. A data management system will be developed for storing and accessing documents and data conforming to Reg. 352.6. The data management system must

accommodate entry of data from ongoing data collection programs, be accessible by GSA members, facilitate submittal of annual reports to DWR (see task 12), and provide a means for public access. Deliverable: Data management system for housing a library of source documents and a repository of historical and future documents, maps, and monitoring data necessary for preparation and implementation of a GSP.

4. Develop interagency agreements.

Develop coordination and data sharing agreements with other agencies that are managing groundwater in basin that are not subject to SGMA (Los Angeles, tribes, federal agencies). Deliverable: Written agreements between the GSA and agencies with data that would benefit the preparation of a GSP. These agreements will be documented in the description of jurisdictional setting within the Basin.

5. GSP area and GSA information.

Descriptions of the GSA governance (Reg. § 354.6), GSP area (Reg. § 354.8), existing water resources monitoring and management programs (Reg. § 354.8 c,d,e), land use elements (Reg §354.8 f), additional GSP elements (Reg. § 354.8 g), and communication with beneficial users and the public (Reg. §354.10) will be documented. Deliverable: GSP chapter describing GSP area (Reg. 358.4).

6. Basin setting.

The description of the basin setting will include the hydrogeologic conceptual model for the basin (Reg. § 354.14), current and historical groundwater conditions (Reg. § 354.16), the basin water budget (Reg. § 354.18), and development of management areas (Reg. § 354.20). These components of the “Basin Setting” will be based on existing studies of subareas of the Basin (assembled under Task 2). The hydrogeologic conceptual model will describe the groundwater system (structural geology, hydrostratigraphy, recharge and discharge zones, hydraulic parameters, basin boundary conditions, water quality), and include maps, cross-sections, and other graphical rendering of content as necessary. DWR’s “Hydrogeologic Conceptual Model BMP” will be used as guidance for preparation of the hydrogeologic conceptual model. The Basin water budget is recognized in DWR Bulletin 118 as having a “Type A” groundwater budget, i.e., much of the information needed to characterize the groundwater budget for the basin or subbasin was available. DWR’s “Water Budget BMP” will be used as guidance for preparation of the water budget. It is anticipated that the water budget can be updated and characterized more completely than in Bulletin 118, and that data gaps will be identified to guide further work. Because of the large extent of the Basin (1036 square miles, spanning a linear extent of approximately 125 miles), it is anticipated that several management areas will be established based on the hydrogeologic conceptual model, land and water use patterns, and existing water management programs. Management-area water budgets

will be developed. Deliverable: GSP chapter describing the basin setting (Reg. Article 5 Subarticle 2).

7. Sustainable management criteria.

This task entails setting sustainable management criteria for the basin, including identifying sustainability goals for the Basin (Reg. § 354.24), identifying measurable objectives and interim milestones specific to management areas (Reg. § 354.30), identifying minimum thresholds (Reg. § 354.28), and linking these criteria to the SGMA's undesirable results (Water Code § 10721. (x)). This task will assess the current state of basin sustainability and in conjunction with Task 5 develop variables and monitoring sites to use for evaluating future basin sustainability. Deliverable: GSP chapter describing sustainability criteria.

8. Progress report public meeting.

At roughly the mid-point of the GSP preparation schedule, a public meeting with the OVGA Board will be held where the work to date and next steps will be presented. This will be an opportunity for the public to provide feedback and comment on the GSP components prepared to this point. Deliverable: Meeting agenda, presentation materials, and meeting summary.

9. Develop/refine monitoring program.

Several monitoring networks are currently active in the basin, including the LADWP's extensive groundwater and surface water monitoring network on Los Angeles-owned lands; CASGEM monitoring conducted by LADWP, Mono County, and the Tri Valley Groundwater Management District; groundwater elevation monitoring at Inyo/Mono County landfills; groundwater elevation monitoring conducted by USBLM in the Fish Slough Subbasin; groundwater monitoring in the Swall Meadows Community Services District (Mono County); and groundwater monitoring programs conducted by tribes on tribal lands. This array of monitoring programs provides somewhat complete coverage of the Basin; however, the programs have a variety of objectives, monitoring practices and protocols, and degrees of public access to data. This task will describe the physical, jurisdictional, and administrative aspects of these various programs, identify and address monitoring gaps, and assess their applicability to GSP sustainability criteria (Reg. § 354.34). Based on these existing programs, the need for improvements in monitoring will be assessed (Reg. § 354.38) and monitoring protocols will be developed (Reg. § 354.36). DWR's "Monitoring Networks and Identification of Data Gaps BMP" and "Monitoring Protocols, Standards, and Sites BMP" will be used as guidance. Deliverable: GSP chapter describing monitoring network conditions, protocols, and improvements.

10. Identify and describe projects and management actions to maintain or achieve sustainability.

Projects and management actions will be aimed at programs for GSP implementation that will maintain sustainability, and projects aimed at specific areas of the basin based on known needs (Reg. § 354.44). The scope of this task is to develop the objectives, feasibility, work plans, budgets, schedules, CEQA and permitting requirements, and priority within the GSP of these projects, as well as describing the need and relationship of each project to basin-wide sustainability criteria, and identifying other projects that may be necessary to implement the GSP. These projects are expected to include:

- a. A cost and rate study to estimate future expenses associated with GSP implementation and development of an equitable method of assessing fees to meet the financial needs of the GSP during the implementation phase. This will set the GSA and GSP on a sustainable financial foundation going forward.
- b. Assessment, reconciliation, and consolidation of existing groundwater models. At various times, groundwater models for the Tri Valley region, the central Owens Valley (Laws to Lone Pine), and Owens Lake have been developed. This task will examine existing models and determine the need for consolidating these models into a basin-wide model.
- c. Coordination and compatibility with the Inyo/Los Angeles Water Agreement. SGMA provides that land managed pursuant to the Inyo/Los Angeles Long-Term Water Agreement (about 400 square miles) is considered adjudicated for the purposes of SGMA. A key component of the GSP will be compatibility of the GSP with the Inyo/Los Angeles Agreement. Data, documents, and analytical tools available through the Inyo/Los Angeles Agreement will be available to GSP preparers.
- d. Coordination with other landowners, such as federal agencies and tribes, to identify the role of these stakeholders in the GSP, and interaction and impacts to the GSP requirements.
- e. Improvements to monitoring based on the results of Task 8.
- f. Studies and plans related to a monitoring, management, and mitigation program for LADWP's proposed groundwater development at Owens Lake (this is an ongoing project that is currently funded and will be funded in the future by Los Angeles). LADWP has been pursuing this project for several years and is ~40% complete. The studies and plans will be conducted and funded by LADWP in consultation with the GSA. The principal work for the GSP contractor will be incorporating LADWP's work into the GSP.
- g. Determination of groundwater flow paths and rates between the Tri-Valley region and the Bishop-Laws region. Groundwater connectivity between the Tri-Valley region and Owens Valley proper was the subject of a request by Inyo County to split the Basin into subbasins, separating the two regions. The request was denied for lack of convincing evidence. The objective of this study would be to better

understand and quantify groundwater flow between the two regions. A component of this study will address sustainability of Fish Slough. Fish Slough is a federally designated Area of Critical Environmental Concern (ACEC) harboring endemic plants and fishes that are dependent on groundwater discharge to surface water features. Sustainability of this habitat requires that groundwater discharge be maintained, but currently the sources and stresses on the groundwater system are poorly understood.

- h. Determination of hydrologic factors affecting shallow groundwater in West Bishop. In 2016, in response to an emergency request by Inyo County for an assessment of the cause of excessively high shallow groundwater in West Bishop, DWR made an inconclusive assessment of conditions. The land use and hydrology of West Bishop is varied and complex, and high groundwater poses a threat to private property.
- i. Recommendations for other studies or plans.

Deliverable: GSP chapter setting out the objectives, feasibility, work plans, budgets, schedules, CEQA and permitting requirements, and priority within the GSP of these projects, as well as describing the need and relationship of each project to basin-wide sustainability criteria, and identifying other projects that may be necessary to implement the GSP.

- 11. Develop GSP implementation schedule and budget.

This task will evaluate the budget for implementing the GSP after it has been adopted, and set out a schedule for implementation of tasks (Reg. § 354.6).

Deliverable: GSP chapter setting out the budget and schedule.

- 12. Develop system for annual reporting.

This task entails developing and streamlining a system for submitting annual reports to DWR (Reg. § 356.2). Deliverable: Protocols and templates for submittal of annual reports to DWR.

- 13. GSP compilation, presentation, and submittal of GSP.

This task entails preparation and presentation of a complete GSP for public input, approval by GSA decision makers, and submittal of the GSP to DWR for approval.

Deliverable: A complete GSP submitted to DWR.

- 14. Address deficiencies and corrective actions identified by DWR, and resubmit.

This task corrects any deficiencies identified by DWR in their evaluation of the GSA-adopted GSP. The scope of this task depends on the results of DWR's evaluation.

Deliverable: Submittal of a revised GSP.

15. Coordination meetings between consultant and GSA staff.

Semi-monthly teleconferences between the consultant and GSA staff will keep the project on track and provide staff with information to keep GSA decision makers informed of progress and problems that may arise. Deliverable: Meeting summaries, action items, and memoranda to GSA decision makers concerning GSP preparation activities and status.

It is the intent of the County to evaluate all SOQs received in response to this request. To be considered, SOQs must be received before to the close of business on *****, 2018 at the Inyo County Water Department, 135 S. Jackson St., P.O. Box 337, Independence CA 93526.

The responding firms or individuals will be evaluated by a selection committee to assess and rank each firm's capability, experience, staffing level, availability, history, past clientele, and ability to meet deadlines, budgets and work with public agencies. Following the review, the county will commence contract negotiations with the highest ranked respondent, as more fully described below.

SERVICES PROVIDED BY INYO COUNTY AND OVGA MEMBERS

The County of Inyo and Owens Valley Groundwater Authority will provide the services listed below in support of the consulting firm's services:

- A. Furnish information currently in possession of OVGA members, including hydrologic, geographic, institutional, and other information deemed necessary for the preparation of a GSP.
- B. Geographical information system data currently in possession of OVGA members will be made available to the consultant.
- C. Review interim and draft documents and provide direction, as required.
- D. Participate in meetings with the consultant and other parties as required.

RESPONSE TO THIS REQUEST FOR SOQS

The respondent's SOQ must include, but may not be limited to, the following:

- 1. Identification of staff capabilities along with the resumes of key personnel and staff who will be assigned to each portion of the work.
- 2. A description of the respondent's recent experience with projects similar to the one proposed.

3. A proposed scope of work and not-to-exceed budget for accomplishing the tasks required to complete the project, with a proposed schedule and budget for completion. Include in the budget a break-down of each task by labor category and hours, and any outside charges. Identify and explain any assumptions made by the respondent in preparing the scope of work and budget.
4. A listing of references that may be contacted regarding the firm's experience for projects completed during the last 5 years, including a description of similar documents prepared by the firm. The listing shall include the names and addresses of the owners and the names and telephone numbers of persons in charge of the projects for the owners.
5. A list of any specialty subconsultants being considered by the respondent for use on the project and the information requested in items 1 through 4 above for each subconsultant.
6. The respondent's experience and history in meeting deadlines on similar projects.
7. A disclosure of any financial, business or other relationships that the prospective consultant has with the Owens Valley Groundwater Authority (OVGA) or any OVGA member(s) or the Los Angeles Department of Water and Power that may have an impact upon the outcome of the selection process of this project. Alternatively, the consultant shall provide a signed statement that no disclosure is being made because no such relationship exists.
8. A statement as to the respondent's ability to enter into County of Inyo Standard Contract No. 118 (Attachment *****), which will govern the selected respondent's work.
9. Any additional information the respondent feels may be useful and is applicable to this project.
10. The response shall be signed by the responding firm's project manager for this project.

CONTRACT

The successful respondent will be required to enter into an agreement with the County on Inyo County Standard Contract No. 118 (Attachment *****). The contract will specify the scope of service, schedule of work, and a mutually agreed schedule of payment. The selected respondent will be required to prepare a scope of work for each project, which will be inserted into the contract as an attachment.

All respondents are required to review the contract and verify that they can satisfy all requirements contained therein. Concerns with the contract or any of its terms or requirements should be addressed in the SOQ.

EVALUATION CRITERIA/SELECTION PROCESS

A selection committee will evaluate all submitted SOQs and may check references at any time. The information provided in the SOQ will be the basis for selecting a consultant firm. The criteria for selection will be determined from the following areas with the weights for each specific area as indicated.

- A. Demonstrated understanding of the scope and objectives of project, and capacity for public engagement.....20%
- B. Qualifications of key personnel and specialty consultants, and experience with projects of similar nature.....20%
- C. Familiarity with current statutory requirements, standards, principles, and practices of California groundwater management and groundwater hydrology.....20%
- D. Familiarity with the Owens Valley groundwater basin, including geography, agencies and interested parties, relationships within the basin, water history, and LADWP and the Long-Term Water Agreement.....20%
- E. Work plan and budget.....20%

Total = 100%

The County may request that the three respondents receiving the highest preliminary ranks from the review committee make a presentation to the committee. Following those presentations, the committee will make a final ranking of those three respondents and the county will commence contract negotiations with the firm receiving the highest final ranking.

If the County and that firm are unable to reach an agreement, the County will reject that firm and begin negotiations with the firm receiving the second highest rank from the committee. This process shall continue until the County reaches an agreement with a consultant.

After an agreement is reached, the successful consultant shall execute Standard County Contract No. 118, which will then be submitted to the Inyo County Board of Supervisors for approval. The execution of the contract by the chairperson of the Inyo County Board of Supervisors will constitute notice to the consultant to proceed with the work.

Inquiries: Direct written questions via e-mail to: Bob Harrington, Director, Inyo County Water Department, email: bharrington@inyocounty.us. Questions should be received by *****, and will be answered by a single summary reply to all inquiries that are received by the above date. The summary reply will be provided to all respondents that submitted an inquiry or requested the summary reply.

Those firms wishing to submit SOQs should send them to:

US Postal Service:

Bob Harrington, Director
Inyo County Water Department
PO Box 337
Independence, CA 93526

Other (Federal Express, etc.):

Bob Harrington, Director
Inyo County Water Department
135 S. Jackson St.
Independence, CA 93526

DEADLINE: To be considered, three (3) hard copies and one pdf copy on a USB thumb drive of the SOQ must be received at the above address by the close of business *****, 2018. Postmarks and facsimiles are not acceptable.

OWENS VALLEY GROUNDWATER AUTHORITY

Mr. Timothy Godwin
Sustainable Groundwater Management Section
California Department of Water Resources
P.O. Box 942836
Sacramento, California 94236-0001

Dear Mr. Godwin:

This letter is to express support from the Owens Valley Groundwater Authority (OVGA) of a groundwater basin boundary modification request that is being proposed by the Starlite Community Services District (SCSD). The OVGA has been formed through a Joint Powers Agreement process, and is composed of Groundwater Sustainability Agency (GSA) eligible entities within the Owens Valley Groundwater Basin (OVGB), including the four current GSA's that are within the basin. Those four GSA's are the City of Bishop, County of Inyo, County of Mono and the Tri-Valley Groundwater Management District, which have all come together with the other GSA eligible agencies in forming the OVGA with the explicit intent of becoming a single GSA to cover the entire basin, a process now underway.

The Starlite Community Services District has resolved to petition the California Department of Water Resources for a modification of the boundaries of the Owens Valley Groundwater Basin based on scientific principles. SCSD desires to be excluded from the greater OVGB due to the fault bounded, fractured granite aquifer in the SCSD vicinity properly belonging to the adjacent and surrounding Tungsten Hills, and being separate from the Owens Valley's alluvial aquifer. Though the McGee Meadows, where SCSD is located, show as a small horseshoe of quaternary alluvium on large scale geologic maps of the area, the alluvial and glacial deposits form only a thin blanket over underlying granitic bedrock. If mapped on a fine scale it would be noted that there are outcrops of granitic bedrock throughout the Starlite development which demonstrate the thinness of the alluvial overburden. The fractured granite bedrock is the source for all groundwater production in the vicinity of the SCSD. These facts and many others provided by SCSD to the OVGA have convinced this Board of the correctness of the petition that is being proposed, and thus we understand, agree with, and support the Starlite CSD in their request.

We would like to thank the California Department of Water Resources for giving favorable consideration to the Starlite Community Services District's request for a boundary modification in their portion of the Owens Valley Groundwater Basin.

Sincerely,

Fred Stump
Chairman, Owens Valley Groundwater Authority