

MINUTES

Owens Valley Groundwater Authority

Board Members:

SIERRA HIGHLANDS EASTERN SIERRA CSD INDIAN CREEK-WESTRIDGE CSD WHEELER CREST CSD TRI VALLEY GWMD	John Camphouse Ron Stone Luis Elias Glenn Inouye Dave Doonan	COUNTY OF MONO CITY OF BISHOP COUNTY OF INYO BIG PINE CSD KEELER CSD STARLITE CSD	Fred Stump Chris Costello Dan Totheroh BryAnna Vaughan Daniel Cutshall
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March 14, 2019

The Owens Valley Groundwater Authority meeting was called to order at 2:01 p.m. at the Bishop Fire Training Center, Bishop, CA.

1. Pledge of allegiance

Aaron Steinwand led the pledge of allegiance.

2. Public Comment

Holly Alpers with the Inyo Mono Regional Water Management Group (IRWMG) relayed to the Board there was a GSA forum in Sacramento next week and was verifying the OVGA or area representative would be attending. She stated it was important for the area to be represented.

3. Introductions

The Board introduced themselves with two absences, Sierra Highlands and Keeler CSD.

4. Approval of minutes from the January 10, 2019 OVGA Board meeting

The Chairperson requested a motion to approve the minutes of the January 10, 2019 meeting, first by Dave Doonan, second by Luis Elias. Motion passed 9 yes (40 votes) 0 abstentions, 2 absent (4 votes).

5. Board Member Reports

The Chairperson pended this item.

6. Basin Boundary Modification and separation of Starlite CSD from OVGA

Daniel Cutshall stated now that Starlite is no longer eligible to be a member of the OVGA, this Board should remove Starlite's seat, release Starlite from the JPA, and requested a letter that those actions have been taken on March 14, 2019. He stated that Starlite CSD wished to thank the OVGA for all the support in the efforts of the basin boundary modification. John Vallejo stated the mechanism to remove Starlite from the Board is found in article VI, sec. 1.5 of the JPA, "the majority of members may terminate a member for cause" and he described the effect this action will have on funding and voting shares. Daniel Cutshall made a motion to remove Starlite's seat from the OVGA Board with a second by Chris Costello. Motion passed 9 yes (40 votes) 0 abstention's, 2 absent (4 votes). The Chairperson recommended Inyo staff draft the letter to Starlite and Dr. Steinwand will sign.

The Board and staff discussed returning to their respective Boards to decide on additional funding/shares among other options. John Vallejo stated the share of the funding has to change, due to the formula; all funding members have now become partially funding members. The Board and staff discussed the shares/votes/funding in detail. The Chairperson stated the question he has would be if the JPA is modified by removing the two votes vacant by the removal of Starlite (change to 42 instead of 44), then funding contributions and vote shares remain the same and stated it is premature to start asking the individual entities for additional funding. Dan Totheroh suggested the Board remain as they are until it is decided if additional seats will be added. The Board's decision was to remain without changes to votes/shares at this time.

7. Financial Report

Amy Shepherd, Auditor Controller, presented the financial reports and stated the OVGA's cash balance is \$192,047.78. The Board and staff discussed the grant budget vs member contributions.

8. Status of Proposition 1 Grant Advance Payment Request

Dr. Steinwand stated the grant advance would provide up to 50% cash advance of the grant total and that staff has submitted the required paperwork to the State requesting \$334,115 which reflects the 5% retention. He stated we should have an answer by April 5 and if the advance is awarded, the funds are required to be expended by May, 2020. Dr. Steinwand stated based on the consultant's schedule, there should be no issue expending those funds prior to the May deadline. The Chairperson thanked Inyo staff for the work on the grant advance payment request.

9. DBS&A invoice

Dr. Steinwand stated the first invoice from the consultant for services in the approximate amount of \$22,385 for the period of 12/26/18 – 2/10/19 has been received and paid per his authority provided by this Board under the purchasing policy. He stated an additional invoice in the approximate amount of \$5,000 has been received and is under review.

10. Presentation of draft 2019-2020 OVGA budget

- a. Budget narrative
- b. Discussion of OVGA Insurance
- c. Discussion of Reserve Policy
- d. Discussion of Staff Services contracts
- e. Discussion of Hydrologic Consulting contract

Dr. Steinwand stated the OVGA is operating under the three (3) year Developmental Budget adopted in 2017; the JPA requires submission of a draft annual budget by April 1 of each year; and the budget provided in table 1 is an amendment to the budget adopted in 2017. Dr. Steinwand reviewed the OVGA member contributions and where they will be allocated as well as the grant funding; stated this budget is significantly different from the developmental budget of 2017 primarily because of more realistic staff costs and additional contractor costs; discussed the anticipated expenses of the proposed contracts for the OVGA staff as well as the hydrologic consulting contract with Dr. Harrington; stated the particulars of the staff contracts will be discussed in closed session; and they each have a "cap" for a not to exceed amount. The Board and staff discussed this item in detail. Philip Anaya stated stakeholder engagement will add great value. Dr. Steinwand stated a final 2019-2020 budget will be presented in April.

The Chairperson called a break at 3:14 pm and reconvened the meeting at 3:29 pm.

Dr. Steinwand provided a brief overview on the insurance quotes received with Golden State Risk Management Authority being the low quote. John Vallejo reminded the Board that the Executive Manager could move forward with the insurance on the authority provided to him under the purchasing policy; this does not need to be an agenda item.

Amy Shepherd presented the Board with a draft Reserve Policy. Dr. Steinwand stated \$13,290 was included in the draft 2019-2020 budget for the Reserve which fully funded over three years out of annual contributions. Dave Doonan stated he wanted the contribution to the Reserve Fund to be based on the year end fund balance and not have to "raise funds" to put into the Reserve Policy. Amy Shepherd stated the Board should choose the amount they want such as 16% of their contributions, 16% of year end fund balance, etc., in their Reserve Fund and how they choose to fund that each year to reach that amount is at their discretion.

The entire Board supported a contract with Dr. Bob Harrington for hydrologic consulting. Philip Anaya asked where the scope of duties for this contract is and how can there be public discussion without it. Dr. Steinwand stated after the contract scope of work with Dr. Harrington is discussed in closed session, it will come before the Board in open session for approval. At that time the public can weigh in. Dr. Steinwand stated what has been discussed is the Board would benefit having Dr. Harrington's expertise available to them to go through the groundwater sustainability plan process, the Board unanimously agreed. Philip Anaya supported the Board's decision to offer Dr. Harrington a contract.

11. Discussion of Associate and Interested Party Statements of Interest

Wendy Sugimura provided a detailed staff report regarding the inclusion of Associate and Interested Parties. She stated the things to consider are Board structure, public engagement, the Statements of Interest received, the two entities declining to submit letters of interest, and provided an analysis of the statements of interest received as well as advisory committees, SGMA Law, and JPA requirements. Ms. Sugimura provided details of various inclusion options. The Board, staff, and the public discussed this item in

detail and at length. Philip Anaya stated he would like someone on the Board familiar with the LTWA. The Board chose to wait until the next meeting to discuss whether to respond or not to the two entities declining to submit Letters of Interest. Mr. Anaya stated he feels a response to LADWP is necessary. The Board overall stated many different opinions such as, allowing the tribes to keep sovereignty, moving towards advisory committees, limiting seats to three categories of groups, or postponing adding seats. April Zrelak asked if the Board will decide on adding seats at the next meeting and will the Board inform the individuals personally when the Board will make that decision. The Chairperson stated hopefully there will be time on the next agenda to make recommendations. The Board requested of staff that a letter be sent to the entities that submitted a Statement of Interest to give them advance notice if the Interested Parties recommendation will be included on the agenda. Philip Anaya presented the relevant JPA sections to the OVGA Board members and stated the JPA forms the process for the inclusion. Ryan Smith of Crystal Geyser stated they submitted a Letter of Interest; this is an issue of representation; there are 100+ employees at Crystal Geyser that are public water system users and are dependent upon the groundwater resource; and he would appreciate the Board including Interested Parties in some form. Earl Wilson stated he is on a Technical Advisory committee for the Indian Wells Valley and provided information on the structure of their advisory committees. Mary Roper stated it's very important for the environmental group to be seated at the table, one seat for all the environmental groups. Ian Bell, Indian Valley Water Commission employee, stated interested parties are a tremendous free resource. Malcolm Clark stated he has been involved with the Sierra Club for many years; he believes environmental groups have experience working with ground water issues; and they bring experience to the table. He also stated as an individual he would like to support the inclusion of the mutual water companies and a tribal member representative. Ken Toy asked if the staff report was available online, Laura Piper stated yes, on the Water Department web page. Aaron Steinwand stated the Keeler CSD had no one available at this time to provide representation at the meeting but may in the future.

12. Reports from OVGA members' staff

This item was pended due to time constraints.

13. Discussion regarding future agenda items

This item was pended due to time constraints.

14. Set next meeting

This item was pended due to time constraints.

The Chairperson adjourned the regular meeting at 5:13 pm.

CLOSED SESSION

15. PUBLIC EMPLOYMENT [Pursuant to Government Code §54957] – Title: Executive Manager and staff services contracts

16. PUBLIC EMPLOYMENT [Pursuant to Government Code §54957] – Title: Legal Counsel

The OVGA reported there was no action taken during closed session that is required to be reported.

17. Adjourn

The Chairperson adjourned closed session at 6:00 pm.