



**Special Board of Directors Meeting
Budget Workshop**

Thursday, June 4, 2020 @ 5 p.m.

MINUTES

Directors Present

Director Kelly Long, Chair
Director Ed McFadden, Vice Chair/Secretary/Treasurer
Director Tim Holmgren
Director Gordon Kimball
Director Glen Pace
Director Candice Meneghin

Staff Present

Anthony Emmert, executive director
Eva Ibarra, clerk of the board

Public Present

Erin Gorospe, UWCD
Rachael Laenen, Kimball Ranches
Tim Moore, DBS&A
Tony Morgan, DBS&A
George Reid
Kris Sofley, UWCD
Ambry Tibay, UWCD
Steve Zimmer

Call to Order - First Open Session 5:15p.m.

Chair Long called the meeting to order at 5:15p.m. She asked the Clerk of the Board to take roll call. All Board members (Holmgren, Kimball, Meneghin, Pace, McFadden and Long) were present.

1. Pledge of Allegiance

Chair Long asked everyone to join her in reciting the Pledge of Allegiance

Chair Long asked if there were any public comments. None were offered

2. Discussion of Proposed FY 2020-21 Budget for the FPB GSA and Proposed Groundwater Extraction Rates for the same period.

Motion

Mr. Emmert began by presenting a powerpoint (see attached) that depicted the Agency’s activities over the past year and what was on the schedule to be completed in FY 20-21. He discussed the IWCD groundwater modeling work which was not being billed to the Agency but was being used as “matching funds” for the DWR \$1.5 million grant the Agency was awarded. proposed monitoring wells which the Agency plans to use to fill in the Data Gaps regarding the basins’ condition. He said that the ad hoc budget and rate setting committee recommended keeping the groundwater extraction rate the same as it has been for the past FY 2019-20 (\$12 per acre foot).

Mr. Emmert reported that once reimbursements were received from DWR on the grant and projects for the Agency were completed, the groundwater extraction rate would be reduced to \$4 per acre foot. He reminded the Board that the Groundwater Sustainability Plans for both basins are required to be updated every five years, which will benefit from the Agency’s ongoing monitoring program. He said the goal was to keep the budget as slim as possible.

Mr. Emmert also advised the Board that it cannot officially adopt rates without a public hearing that has been noticed 20 days in advance. The first Public Hearing Notice will be published in the Fillmore Gazette on June 11 and a second, subsequent notice will be published in the Fillmore Gazette on June 25. Both notices will also appear on the paper’s online newsfeed.

Mr. Emmert then turned it over to Erin Gorospe, UWCD Controller, and she walked everyone through the spreadsheet that showed expenses for FY 2019-20 to date and projected revenue and expenses for FY 2020-21.

The Board asked about the \$800,000 expense for the monitoring wells and Mr. Emmert said that while staff was looking at sites for the wells near the fish hatchery and Hallow Drive, the site decision should really be driven by where the data gaps are within the GSA boundaries. He said that staff and the ad hoc committee thought it would be prudent to budget \$200,000 for site selection and easement or permit work in FY 2020-21, and then move the remaining \$600,000 for monitoring well construction costs to the FY 2021-22 budget.

Mr. Emmert said that this time next year, perhaps earlier, staff would prepare a request for bids for the well construction and that by fall 2021 the construction should be complete.

Director Meneghin asked if \$200,000 was enough to secure easements and Mr. Emmert said he didn't know but they would get started as soon as possible on site selection. He said a lot of the costs will depend on property owners' willingness to work with the Agency. He said that at present, sites were being looked at on the west end of Fillmore, where the Nature Conservancy has property, or the City of Santa Paula, or the State's property at the fish hatchery. Mr. Emmert said that not much space was needed and that it would basically be a pipe sticking out of the ground. Since it is not a producing well, there is no rehab needed. Mr. Emmert also suggested using the Agency's existing cooperative relationships to request visits to collect data.

Chair Long asked why the budget is being set with a negative and Mr. Emmert said based on the ad hoc committee recommendations, the proposed budget will be amended to move \$600,000 of the well monitoring expense to the next fiscal year.

Vice Chair McFadden asked Mr. Emmert if moving \$600,000 of well costs into the FY 2021-22 budget would also have an impact on the consultant's cost, perhaps lowering those costs for the FY 2020-21 budget period. Mr. Emmert said that the heavy work for the consultants is getting the tech and outreach done, which would be in summer of 2021 through the end of they year when the consultant would be writing the final product. He mentioned Stillwater Sciences folks, the database and stakeholder outreach as additional expense areas that have picked up quite a bit. Vice Chair McFadden said that rather than spending money to install wells sooner, to push that expense back a bit is the right thing to do. Mr. Emmert added that neither UWCD or DBS&A included monitor well data in the initial GSPs.

Director Kimball said the timing for the wells is not data driven but rather by the grant rules and restrictions. Mr. Emmert said he asked the grant manager if the GSA amended the grant agreement to remove the wells would that have an impact on the 75/25 match in future and the grant manager advised him to stick with what the Agency has for the grant terms to continue as is. Director Kimball asked a question about the grant terms and completion deadline. Mr. Emmert said the grant is to be completed and invoiced by December 31, 2021. By January 2022, the Agency should be uploading the GSPs to DWR. He added that submitting the final grant report and invoice needs to be done in fall 2021. Mr. Emmert than reminded the Board that location drives the next scope of work.

Vice Chair McFadden proposed the budget change of dropping the \$800,000 expense for monitoring wells to \$200,000 for the FY 2020-21 budget. Mr. Emmert said he thought that was adequate to get to drilling, and would flip the projected end balance from negative \$315,000 to something better.

Chair Long asked if there were any other comments or questions.

Director Pace said he had a question on the budget. He said under income there is a \$669,000 groundwater extraction but a year end projection of \$242,000. Mr. Emmert said it's a cash and accrual system. Ms. Gorospe added that the billing period goes from July through December 2019, with invoices sent out in March 2020, and the next billing cycle of January through June 2020, invoices are sent out in September 2020. The revenue reflected in 2020, \$243,000 in cash, is reflective of that timing difference and also projections for a lower pumping volume, which puts it at \$15,000 under budget.

Director Pace said it looks like expenses for 19-20 are under budget for everything, which is good, and the proposed budget for 20-21 expectations for revenue are close so we feel comfortable for the next cycle. Mr. Gorospe said cash projection is as expected with approximately \$300,00 accrued and paid in October or November of 2020.

Vice Chair McFadden said that groundwater extractions are being impacted by a late start for tree crops, the hemp issue and grow crops have been canceled. He added that while he doesn't have a crystal ball to project the weather for the next 12 months, he believes a lot of land will not be farmed in that period.

Chair Long asked if the Board would approve an amendment to the budget so that it doesn't show a negative balance? Mr. Emmert said that he proposes a change in the line item of Capital Expense of \$800,000, reducing that to \$200,000 and moving the remaining \$600,000 to FY 2021-22 to cover the construction of the monitoring wells.

Vice Chair McFadden asked Erin if his predictions were used for pumping projections. Ms. Gorospe replied that there is an expected decrease in pumping volume rate of about 11,000 acre feet was used as a best estimate. She added that by moving the \$600,000 to FY 2021-22 the cash balance looks much better and there is even a bit of a cushion if pumping goes even lower than projected. Vice Chair McFadden said it was a conservative, safe budget for now.

Director Meneghin asked about legal fees? Mr. Emmert said that it was intended to have legal review charges to check out the projected well sites regarding easements, et cetera, which would be covered by the \$200,000 remaining in the FY 2020-21 budget.

Chair Long asked for a motion. Vice Chair McFadden moved to adopt the FY 2020-21 budget as amended; Second, Director Meneghin. Roll call vote: six ayes (Holmgren, Kimball, Meneghin, Pace, McFadden, Long); none opposed. Motion carries unanimously 6/0.

Mr. Emmert said the actual Budget adoption would occur at the June 18 Board meeting, followed by the Stakeholder Engagement Workshop on June 25 and a Special Board meeting on July 2 to hold the Public Hearing on groundwater extraction rate setting for the FY 2020-21 billing periods.

Ms. Sofley asked if the \$12 per acre foot groundwater extraction rate could also be added to the amended FY 2020-21 budget, and at the June 18 meeting the Board would be presented with a Resolution for adopting the amended budget for FY 2020-21 in its final form.

Vice Chair McFadden added that as Treasurer for the GSA, he really appreciates all the hard work Erin and Tony have done in preparing the budget.

3. Public Comments

Chair Long asked if there were any other comments or questions from the public. None were offered.

ADJOURNMENT 6:02p.m.

Chair Long adjourned the meeting at 6:02p.m. to the next Regular Board Meeting on Thursday, June 18, 2020 or *call of the Chair*.

ATTEST:



Kelly Long, Chair, FPB GSA Board of Directors

I certify that the above is a true and correct copy of the minutes of the Fillmore and Piru Basins Groundwater Sustainability Agency's Special Board of Directors – Budget Workshop meeting of June 4, 2020.

ATTEST:



Eva Ibarra, Clerk of the Board