



Salinas Valley Basin

Groundwater Sustainability Agency

www.svbgsa.org

BOARD OF DIRECTORS REGULAR MEETING AGENDA

JANUARY 11, 2018
3 P.M.

CITY HALL ROTUNDA, 200 LINCOLN AVENUE
SALINAS, CALIFORNIA 93901

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. General Public Comment

Members of the public may comment on matters within the jurisdiction of the agency that are not on the agenda. Public comments generally are limited to two (2) minutes per speaker; the Chair may further limit the time for public comments depending on the agenda schedule. Comments on agenda items should be held until the items are reached. To be respectful of all speakers and avoid disruption of the meeting, please refrain from applauding or jeering speakers.

5. Special Board Matters

- a. Presentation on the Brown Act and Conflicts of Interest

6. Consent Items

All matters listed under the Consent Agenda may be enacted by one motion unless a member of the Board, audience, or staff requests discussion or a separate vote.

- a) Approve December 14, 2017 regular meeting minutes.
- b) Receive December 2017 Monthly Financial Report.

7. Scheduled Items

Receive staff report, Directors' questions, public comments, Directors' comments and consider Board action on each of the following items.

- a) Adopt Budget and Finance Committee and Executive Committee Meeting Schedules
- b) Provide Direction to Staff on Formation of a Technical Advisory and Planning Committee
- c) Approve issuance of Request for Statements of Qualifications for Fee Analysis and Rate Setting Services

8. General Manager's Report

- a) Update on Ninety Day Work Plan
- b) Update on Consultant Selection for GSP
- c) Update from Department of Water Resources

9. Directors' Reports

10. Future Agenda Items

11. Closed Session

12. Adjournment

MEETING ACCOMMODATION

Disability-related modification or accommodation, including auxiliary aids or services, may be requested by any person with a disability who requires modification or accommodation in order to participate in the meeting. Requests should be referred to Ann Camel, Clerk to the Board at camela@svbgsa.org or 831-471-7519 as soon as possible but by no later than 5 p.m. two business days prior to the meeting. Hearing impaired or TTY/TDD text telephone users may contact the Agency by dialing 711 for the California Relay Service (CRS) or by telephoning any other service providers' CRS telephone number.

VIEWING MEETINGS

Live meetings are televised on Channel 25 at www.youtube.com/thesalinaschannel. The recorded meeting schedule may be viewed at <http://tinyurl.com/salinas25>

AGENDA POSTING

The meeting agenda was posted on January 5, 2018 at www.svbgsa.org, at the City Clerk's Office, in the City Hall Rotunda, 200 Lincoln Avenue, Salinas, CA 93901 and at Monterey County Offices, 1441 Schilling Place, Salinas, CA.

**BOARD OF DIRECTORS
UNOFFICIAL MEETING MINUTES
DECEMBER 14, 2017 REGULAR MEETING**

1. CALL TO ORDER

Chairperson Gunter called the meeting to order in the Salinas Rotunda at 4 p.m.

2. ROLL CALL

Present:

Chairperson Joseph Gunter
Director Luis Alejo (arrived at 4:10 p.m.)
Director Janet Brennan
Director Brenda Granillo
Director Bill Lipe
Director Michael McHatten
Director Steve McIntyre
Director Colby Pereira
Director Adam Secondo
Director Ron Stefani

Absent:

None

Also Present:

Gary Petersen, General Manager; Les Girard, Agency Counsel; Ann Camel, Clerk of the Board

3. PLEDGE OF ALLEGIANCE

4. GENERAL PUBLIC COMMENT

5. SPECIAL BOARD MATTERS

- a. Matteo Crow requested the Board to endorse the Water Supply and Water Quality Bond Act for the November 2018 ballot.

Director Alejo arrived at the meeting at 4:10 p.m..

In response to Directors, Mr. Crow confirmed that most of the funded projects could be outside of Monterey County, but the bill does not reference any specific area other than Fresno.

Norm Groot stated that the Monterey County Farm Bureau has not taken a position, but the proponents' summary indicates that only 42% of the funding is not designated and would be competed for State wide.

Eric Tynan stated that Castroville is applying for State grant funding based on a recently completed study.

Sebastian stated that his organization has been conducting studies for disadvantaged communities, but requires sponsors to apply for funding.

Director McIntyre believes the endorsement is premature. Director Granillo would like the Advisory Committee to consider the request for endorsement. Director Brennan requested that Mr. Crow provide more information to the Advisory Committee on Monterey County's eligibility for funding. Director Alejo stated that funding throughout the State is needed.

Upon motion by Director Lipe and second by Director Calcagno, the Board voted unanimously to take no action. Ayes: Directors Alejo, Brennan, Calcagno, Granillo, Lipe, McHatten, McIntyre, Pereira, Secondo, Stefani, and Chair Gunter. Noes: None. Abstain: None. Absent: None.

6. CONSENT ITEMS

Upon motion by Director McIntyre and second by Director Brennan, the Board voted unanimously to approve the Consent Agenda. Ayes: Directors Alejo, Brennan, Calcagno, Granillo, Lipe, McHatten, McIntyre, Pereira, Secondo, Stefani, and Chair Gunter. Noes: None. Abstain: None. Absent: None.

The Consent Agenda contained the following items:

- a. Approved November 9, 2017 regular meeting minutes.
- b. Received November 2017 Monthly Financial Report.
- c. Received Status Report on Regional Government Services Task List

7. SCHEDULED ITEMS

- a. Adopt RESOLUTION adopting Bylaws for conduct of Board business.

Les Girard, Agency Counsel, reviewed the changes requested at the November Board meeting.

Upon motion and second, the Board voted unanimously to adopt RESOLUTION 2017-18 adopting Bylaws for conduct of Board business. Ayes: Directors Alejo, Brennan, Calcagno, Granillo, Lipe, McHatten, McIntyre, Pereira, Secondo, Stefani, and Chair Gunter. Noes: None. Abstain: None. Absent: None.

- b. Consider changes to SVBGSA Board regular meeting schedule and location.

General Manager Gary Petersen reported that a change in the current meeting schedule or location is necessitated by the City's Traffic and Transportation Commission's change in meeting time.

In response to Abby Taylor Silva, Mr. Petersen stated that there would be meetings in other locations in keeping with the bylaws.

Upon motion by Director Granillo and second by Director McIntyre, the Board voted unanimously to change the start time from 4 p.m. to 3 p.m. on the second Thursday of each month in the Salinas Rotunda. Ayes: Directors Alejo, Brennan, Calcagno, Granillo, Lipe, McHatten, McIntyre, Pereira, Secondo, Stefani, and Chair Gunter. Noes: None. Abstain: None. Absent: None.

- c. Approve Ninety Day Work Plan to formulate consensus agreement on how best to immediately address Sea Water Intrusion in the 180/400 Ft. Aquifer.

Gary Petersen reported that the Monterey County Water Resources' Agency Board asked for recommendations to return in ninety days, with an update in forty-five days. He would establish a working group and schedule this item for the Advisory Committee's January 18, 2018 meeting. He would like to keep the working group size a manageable number of nine or ten members. Director Granillo offered Cal Water's technical assistance. Mr. Petersen and Mr. Girard answered Directors' questions. Director Calcagno stated that he does not support any agreements to give water to the Monterey Peninsula.

Ann Myhre stated that much of the heavy lifting was done several years ago, including suggestions resulting in the Castroville project and the Salinas Valley Reclamation project, and phase 2 to capture water midway has never been implemented.

Bill Carrothers questioned why it is taking so long to gather the critical data.

David Morisoli offered to serve on the working group.

Tom Virsik referred to his written comments. The Agency should take seriously the deadline for comments on the draft Groundwater Management BMP. Perhaps the California Constitution should prohibit water extraction if a grower's conversation with him is true regarding contributions to seawater intrusion.

Christopher Bunn stated that there is a short list of very destructive wells that should be destroyed by owners during this ninety days before another season of extractions.

Abby Taylor Silva, Grower-Shipper Association, supports the ninety day option and the Agency's leadership in providing alternatives to a moratorium.

Norm Groot, Monterey County Farm Bureau, supported the recommendation. The CSIP option should be optimized, e.g. the pump station.

Upon motion by Director Lipe and second by Director McIntyre, the Board voted unanimously to approve the Ninety Day Work Plan. Ayes: Directors Alejo, Brennan, Calcagno, Granillo, Lipe, McHatten, McIntyre, Pereira, Secondo, Stefani, and Chair Gunter. Noes: None. Abstain: None. Absent: None.

- d. Approve Issuance of Request for Qualifications to prepare a Groundwater Sustainability Plan for the Salinas Valley Basin Groundwater Sustainability Agency.

Scott Wagner, California Water Service Company, recommended three additions to the RFQ to give the Board more information: 1) consultants should provide an overview plan on how they feel they could balance the Basin; 2) under qualifications, it would be valuable to have consultants share their knowledge of the State's Best Management Practices; and 3) in their task breakdown,

they should share whether a new groundwater model is needed or a change to an existing model is needed.

Tom Virsik referenced the suggested changes to the RFQ in his letter.

In response to Directors' comments, Mr. Petersen stated that he would include some of Mr. Wagner's and Mr. Virsik's recommendations, and that he would ensure that the USGS model is referenced in the RFQ.

Director Brennan moved to approve the RFQ with the revisions noted by Mr. Petersen. The motion was seconded by Director McIntyre and approved unanimously. Ayes: Directors Alejo, Brennan, Calcagno, Granillo, Lipe, McHatten, McIntyre, Pereira, Secondo, Stefani, and Chair Gunter. Noes: None. Abstain: None. Absent: None.

8. GENERAL MANAGER'S REPORT

Mr. Petersen provided updates on the following items:

- a. First GSA Symposium sponsored by Groundwater Resources Association of California tentatively scheduled for June 6 and 7, 2018 in Sacramento.
- b. Update on meeting with Paso Robles GSA's.
- c. Budget and Finance Committee meeting

9. DIRECTORS' REPORTS

10. FUTURE AGENDA ITEMS

Director Granillo would like to appoint Planning Committee members.

Abby Taylor Silva offered to help research the issue of the Basin boundary modification which is due in April, for the Board's consideration.

11. ADJOURNMENT

The meeting adjourned at 5:45 p.m.



STAFF REPORT

MEETING DATE: January 11, 2018

AGENDA ITEM: 6b

SUBJECT: Receive December 2017 Financial Reports

RECOMMENDATION:

It is recommended that the Board of Directors receive the financial reports.

BACKGROUND:

Section 10.2 of the Joint Exercise of Powers Agreement forming the Salinas Valley Basin Groundwater Sustainability Agency ("Agency") states "The Agency shall maintain strict accountability of all funds and report all receipts and disbursements of the agency on no less than a quarterly basis." Reports are being presented on a monthly basis.

DISCUSSION:

Attached are the following financial statements for the Agency thru December 31, 2017:

- Statement of Revenue & Expense - Budget vs. Actual – shows revenues exceeding expenditures by \$1,013,015
- Statement of Revenue and Expense - summarizes the activity by month.
- Balance Sheet – shows \$1,053,051 in cash and \$40,014 in payables
- Payment & Disbursement Report – shows detail of deposits and disbursements for the month of December with a net decrease of \$16,847

The Agency has set-up a CalTrust medium term account. In January, the Agency invested \$800,000 in that account.

FISCAL IMPACT:

None.

ATTACHMENT(S):

Financial Statements as stated above

PREPARED BY:

Roberto Moreno, RGS Senior Advisor

Salinas Valley Basin Groundwater Sustainability Agency
Statement of Revenue and Expense Budget vs. Actual
 July through December 2017

8:41 AM
 01/04/2018
 Accrual Basis

	<u>Jul - Dec 17</u>	<u>YTD Budget</u>	<u>FY18 Budget</u>
Ordinary Income/Expense			
Income			
440000 · Member Contributions	1,145,000	572,500	1,145,000
Total Income	<u>1,145,000</u>	<u>572,500</u>	<u>1,145,000</u>
Expense			
520000 · Administrative Services	75,508	173,738	382,224
530000 · Groundwater Sustainability Plan		103,636	228,000
530500 · Staff Attorney		46,583	102,482
540100 · Agency Financing Plan		22,727	50,000
540200 · Facilitation Services		18,182	40,000
540300 · Grant Writing / Lobbying	27,720	19,091	42,000
540400 · Outside Specialty Legal Svcs	3,621	36,364	80,000
550200 · Conferences / Training		3,409	7,500
550300 · Dues and Subscriptions		3,409	7,500
550600 · Insurance Expense	2,219	6,818	15,000
550700 · Legal Notices & Ads		4,545	10,000
550800 · Office Supplies		2,045	4,500
550900 · Postage and Delivery		1,364	3,000
551000 · Printing and Reproduction	2,625	4,545	10,000
551100 · Office Rent	800	18,182	40,000
551200 · Technology		5,909	13,000
551300 · Travel Expense		4,545	10,000
551400 · Bank Service Charges	20		
551500 · Recruitments	9,551		
551800 · Meals and Meeting Expenses	50		
551900 · Board Expenses	9,871		
Total Expense	<u>131,985</u>	<u>475,092</u>	<u>1,045,206</u>
Net Ordinary Income	1,013,015	97,408	99,794
Other Income/Expense			
Other Income			
702000 · Interest Income	22		
Total Other Income	<u>22</u>		
Net Other Income	<u>22</u>		
Net Income	<u><u>1,013,037</u></u>	<u><u>97,408</u></u>	<u><u>99,794</u></u>

Salinas Valley Basin Groundwater Sustainability Agency
Statement of Revenue and Expense
 July through December 2017

2:37 PM

01/03/2018

Accrual Basis

	<u>Jul 17</u>	<u>Aug 17</u>	<u>Sep 17</u>	<u>Oct 17</u>	<u>Nov 17</u>	<u>Dec 17</u>	<u>TOTAL</u>
Ordinary Income/Expense							
Income							
440000 · Member Contributions			1,145,000				1,145,000
Total Income			<u>1,145,000</u>				<u>1,145,000</u>
Expense							
520000 · Administrative Services		9,825	6,532	11,792	25,250	22,110	75,509
540300 · Grant Writing / Lobbying					12,865	14,855	27,720
540400 · Outside Specialty Legal Svcs					1,253	2,367	3,620
550600 · Insurance Expense				2,219			2,219
551000 · Printing and Reproduction		656	525	289	473	683	2,626
551100 · Office Rent					400	400	800
551400 · Bank Service Charges					20		20
551500 · Recruitments		1,658	6,705	1,188			9,551
551800 · Meals and Meeting Expenses				50			50
551900 · Board Expenses					8,123	1,749	9,872
Total Expense		<u>12,139</u>	<u>13,762</u>	<u>15,538</u>	<u>48,384</u>	<u>42,164</u>	<u>131,987</u>
Net Ordinary Income		-12,139	1,131,238	-15,538	-48,384	-42,164	1,013,013
Other Income/Expense							
Other Income							
702000 · Interest Income				4	18		22
Total Other Income				<u>4</u>	<u>18</u>		<u>22</u>
Net Other Income				<u>4</u>	<u>18</u>		<u>22</u>
Net Income		<u><u>-12,139</u></u>	<u><u>1,131,238</u></u>	<u><u>-15,534</u></u>	<u><u>-48,366</u></u>	<u><u>-42,164</u></u>	<u><u>1,013,035</u></u>

Salinas Valley Basin Groundwater Sustainability Agency
Balance Sheet
As of December 31, 2017

2:53 PM
01/03/2018
Accrual Basis
Dec 31, 17

ASSETS

Current Assets

Checking/Savings

100100 · Rabobank Checking

23,030.06

100200 · Rabobank Money Market

1,030,021.86

Total Checking/Savings

1,053,051.92

Total Current Assets

1,053,051.92

TOTAL ASSETS

1,053,051.92

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

200000 · Accounts Payable

40,014.44

Total Accounts Payable

40,014.44

Total Current Liabilities

40,014.44

Total Liabilities

40,014.44

Equity

Net Income

1,013,037.48

Total Equity

1,013,037.48

TOTAL LIABILITIES & EQUITY

1,053,051.92

Salinas Valley Basin Groundwater Sustainability Agency
Payment & Disbursement Report
December 2017 through December 2018

2:49 PM
01/03/2018
Accrual Basis

	Type	Date	Num	Name	Memo	Amount
Dec '17 - Dec 18	Bill Pmt -Check	12/12/2017	1010	Regional Government Servies	November contract services	-25,722.40
	Deposit	12/18/2017		MRWPCA	Deposit	20,000.00
	Bill Pmt -Check	12/19/2017	1007	Adam Secondo	SVBGSA- BOD Stipend 10 meetings March to November 2017	-1,000.00
	Bill Pmt -Check	12/19/2017	1008	Brenda Granillo	SVBGSA- BOD 7 meetings March to November 2017	-700.00
	Bill Pmt -Check	12/19/2017	1021	Colby Pereira	SVBGSA- BOD Stipend 10 meetings March to November 2017	-1,000.00
	Bill Pmt -Check	12/19/2017	1022	Glenn Church	SVBGSA- BOD Stipend 4 meeting, 72 miles- March to November 2017	-438.52
	Bill Pmt -Check	12/19/2017	1023	Janet Brennan	SVBGSA BOD Stipend inclues miles March through November	-1,082.97
	Bill Pmt -Check	12/19/2017	1024	Joe Gunter	SVBGSA- BOD Stipend 8 meeting March to November 2017	-800.00
	Bill Pmt -Check	12/19/2017	1025	Kimbley Craig	SVBGSA- BOD Stipend 1 meeting, 10 miles- March to November 2017	-105.35
	Bill Pmt -Check	12/19/2017	1026	Luis A. Alejo	SVBGSA Board Stipend 6 meetings March to November	-600.00
	Bill Pmt -Check	12/19/2017	1027	Michael McHatten	SVBGSA- BOD Stipend 10 meetings & 540 miles March to November 2017	-1,288.90
	Bill Pmt -Check	12/19/2017	1028	Office of the County Counsel of Monterey	Meeting with Gary Peterson and MCWD in regards to Prop 1 co op agreement	-1,253.30
	Bill Pmt -Check	12/19/2017	1029	Ronald J. Stefani	SVBGSA- BOD Stipend 10 meetings, 200 miles- March to November 2017	-1,107.00
	Bill Pmt -Check	12/27/2017	1030	Adam Secondo	Board stipend and expenses	-200.00
	Bill Pmt -Check	12/27/2017	1031	Brenda Granillo	Board stipend and expenses	-100.00
	Bill Pmt -Check	12/27/2017	1032	Colby Pereira	Board stipend and expenses	-200.00
	Bill Pmt -Check	12/27/2017	1033	Janet Brennan	Board stipend and expenses	-240.66
	Bill Pmt -Check	12/27/2017	1034	Joe Gunter	Board stipend and expenses	-200.00
	Bill Pmt -Check	12/27/2017	1035	Luis A. Alejo	Board stipend and expenses	-200.00
	Bill Pmt -Check	12/27/2017	1036	Michael McHatten	Board stipend and expenses	-386.67
	Bill Pmt -Check	12/27/2017	1037	Ronald J. Stefani	Board stipend and expenses	-221.40
Dec '17 - Dec 18						<u><u>-16,847.17</u></u>



STAFF REPORT

AGENCY MEETING DATE: January 11, 2018

AGENDA ITEM: 7a

SUBJECT: Standing Committee Schedules

RECOMMENDATION: Adopt Meeting Schedules

BACKGROUND: The Joint Exercise of Powers Agreement created to form the Joint Powers Authority (JPA) that provides governance structure for the Salinas Valley Basin Groundwater Sustainability Agency (GSA) provides for standing committees to be formed to support the work of the agency. Specifically, the agreement reads in part:

Section 8.1 – Committees Of The Board.

a) Board Committees. *The Board may from time-to-time establish one or more standing or ad hoc committees consisting of Directors to assist in carrying out the purposes and objects of the Agency, including but not limited to a Budget and Finance Committee, Planning Committee, and an Executive Committee. The Board shall determine the purpose and need for such committees. Meetings of standing committees shall be subject to the requirements of the Brown Act.*

DISCUSSION: The GSA Board has now formed the Budget and Finance, and Executive Committees. Working with committee members, staff is proposing that the Budget and Finance Committee meet on the 1st Thursday of each month and that the Executive Committee meet on the 4th Thursday of each month. Attached with this document are calendars for the standing meetings. Staff will begin the process of securing regular meeting locations, that will also be posted when available. Posting of meeting agendas including time and location will be completed in compliance with all Brown Act requirements.

It is expected that once the Planning Committee (PC) and the Technical Advisory Committee (TAC) form and begin meeting they will also publish calendars of meeting times and locations.

FISCAL IMPACT: The fiscal impact of forming committees is that of an individual's time. There may be some cost for support of meetings; however, it is expected that these costs would be absorbed by the Agency.

PREPARED BY: Gary Petersen General Manager

ATTACHMENT: Meeting Calendars

**SALINAS VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY
EXECUTIVE COMMITTEE
2018 REGULAR MONTHLY MEETING CALENDAR**

The Executive Committee regularly meets on the fourth Thursday of each month.

Executive Committee Members: Directors Gunter, McHatten, McIntyre, Pereira, and Stefani

January 25, 2018

February 22, 2018

March 22, 2018

April 26, 2018

May 24, 2018

June 28, 2018

July 26, 2018

August 23, 2018

September 27, 2018

October 25, 2018

November 22, 2018

December 27, 2018

**SALINAS VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY
BUDGET AND FINANCE COMMITTEE
2018 REGULAR MONTHLY MEETING CALENDAR**

The Budget and Finance Committee regularly meets on the first Thursday of each month.

Budget and Finance Committee Members: Directors Alejo, Brennan, Lipe, McHatten, Secondo

January 4, 2018

February 1, 2018

March 1, 2018

April 5, 2018

May 3, 2018

June 7, 2018

July 5, 2018

August 2, 2018

September 6, 2018

October 4, 2018

November 1, 2018

December 6, 2018



STAFF REPORT

AGENCY MEETING DATE: January 11, 2018

AGENDA ITEM: 7b

SUBJECT: Development of a Technical Advisory and Planning Committee to support development of the Groundwater Sustainability Plan(s)

RECOMMENDATION: Provide Direction to Staff on Formation of a Technical Advisory and Planning Committee.

BACKGROUND: Agency staff has applied for a California Department of Water Resources Grant to develop a Groundwater Sustainability Plan (GSP) for the seven sub basins or portion of sub basins that comprise the area within the Agency. Staff has also released a Request for Qualifications to acquire consulting services to support the development of the GSP(s). In an effort to support the planning process and ensure that maximum public input is included staff is proposing that the Board form two committees.

DISCUSSION: The GSP effort will require substantial input from those who will be required to comply with it over the implementation period. The proposed planning process will include regular updates, and opportunities for receiving input from both the Agency Board of Directors and the Agency's Advisory Committee. However staff believes it will be beneficial for the Board to also form a Technical Advisory Committee (TAC) and Planning Committee (PC) to further support the planning effort.

The TAC would be formed as a committee of technical advisors who are responsible for managing, interpreting and communicating information from the many models and studies that have been, and are being developed for the basin. This committee would be responsible for providing a "science based" understanding of the Salinas Valley Basin on which decisions and recommendations will be made. Potential members would be hydrologists from agencies with basin responsibility, outside consultants, and knowledgeable participants of the Advisory Committee. Board members or appointees would also be considered as potential candidates.

The PC would work with staff, members of the TAC and consultants to develop plans that would be communicated between the Board and the Advisory Committee. It is expected that the PC would meet more frequently and serve as information gatherers and communicators who will make recommendations to decision makers.

FISCAL IMPACT: The fiscal impact of forming committees is primarily that of an individual's time, although there may be some cost for meeting support; however, it is expected that these costs would be absorbed by the Agency or included in grant expenditures. A Memorandum of Understanding is being developed with the

Monterey County Water Resources Agency that will establish costs associated with gaining access to modeling and hydrological data to be used for planning purposes by the TAC

PREPARED BY: Gary Petersen General Manager



STAFF REPORT

AGENCY MEETING DATE: January 11, 2018

AGENDA ITEM: 7c

SUBJECT: Request for Statements of Qualifications for Fee Analysis and Rate Setting Services

RECOMMENDATION: Approve Issuance of Request for Qualifications

BACKGROUND: In the fall of 2014 the California legislature adopted, and the Governor signed into law, three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the “Sustainable Groundwater Management Act” (“SGMA”), that initially became effective on January 1, 2015. The purpose of SGMA, as set forth in California Water Code section 10720.1, is to provide for the sustainable management of groundwater basins at a local level by providing local GSA’s with the authority, and technical and financial assistance necessary, to sustainably manage groundwater.

To accomplish this SGMA required the designation of Groundwater Sustainability Agencies (“GSAs”) for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans (“GSPs”) plan for all medium and high priority basins as designated by the California Department of Water Resources. SGMA also required that the Basin have a designated GSA by no later than June 30, 2017, and an adopted GSP by no later than January 31, 2020, if a high or medium priority basin in critical overdraft, and no later than January 31, 2022, if a high or medium priority basin.

DISCUSSION: Various GSA eligible entities in the Salinas Valley Groundwater Basin succeeded in developing a GSA, establishing boundaries, and creating an organizational infrastructure by forming a Joint Powers Authority (the Agency) to provide a governance structure. Funding for the first two years of the Agency is provided by members of the JPA who agreed to make contributions to cover operational costs. The JPA Agreement reads in part:

Section 10.5 – Payments to The Agency. All costs and expenses of the Agency may be funded from: (i) voluntary contributions from third parties; (ii) grants; (iii) contributions from Members from time to time to supplement financing of the activities of the Agency; (iv) advances or loans from the Members or other sources; (v) bond revenue; and, (vi) taxes, assessments, fees and/or charges levied by the Agency under the provisions of SGMA or as otherwise authorized by law.

The intention of the Agency since inception has been to develop a funding mechanism that will pay for operational costs of the Agency, separate from contributions by members. Important to note that member contributions are not

prohibited from continuing to fund the Agency, they are however only guaranteed for the first two years of operations.

Additionally, the Agency will need to consider other funding mechanisms for the longer-term development and implementation of GSPs. The RFQ that is being proposed is designed to select a consultant that can provide these services.

FISCAL IMPACT: There is no fiscal impact in issuing the RFQ other than staff time. Once a consultant is selected any agreement for work will be approved by the GSA Board. There is a budget line item of \$50,000 for this specific process.

PREPARED BY: Gary Petersen General Manager

ATTACHMENT: Request for Qualifications

Salinas Valley Basin Groundwater Sustainability Agency

REQUEST FOR QUALIFICATION FOR GROUNDWATER SUSTAINABILITY AGENCY FEE/TAX/ASSESSMENT ANALYSIS AND RATE SETTING SERVICES

Deadline for Submission

5:00 p.m., Thursday, February 15, 2018

RE: REQUEST FOR STATEMENTS OF QUALIFICATIONS FOR FEE/TAX/ASSESSMENT ANALYSIS AND RATE SETTING SERVICES

INTRODUCTION

The Salinas Valley Basin Groundwater Sustainability Agency (“SVBGSA”) is requesting qualification submittals from consultants with experience in fee, tax and benefit assessment analysis, and rate setting for public agencies.

The SVBGSA is interested in an analysis for the levying of fees, taxes, or benefit assessments for 1) operations, and 2) projects. The SVBGSA is primarily interested in the consultant’s experience in relation to setting fees, benefit assessments, and taxes consistent with the limitations on such activity set forth in Articles XIII C and D of the California Constitution (Propositions 26 and 218), and specifically how they relate to the Sustainable Groundwater Management Act (“SGMA”). The services provided may include: review of current fees, assessments, taxes, and associated rates by other California Groundwater Sustainability Agencies, evaluation of fee/assessment/tax/rate alternatives, and development of fee/assessment/tax/rate schedules to fund the costs of annual operations of the SVBGSA, and costs for implementation of adopted Groundwater Sustainability Plans (“GSPs”), including projects. Services may also include preparing outreach materials and presenting at Advisory Committee and Board meetings.

Further information regarding SGMA can be found at
<http://water.ca.gov/groundwater/sgm/>.

If the SVBGSA determines to award a contract for services as a result of this request for qualifications (“RFQ”), a Scope of Work will be negotiated and a contract will be executed establishing the terms and compensation for the subject services. The SVBGSA does not guarantee work to any qualified firm or consultant.

The SVBGSA is interested in developing a revenue source for operations that can be imposed as a regulatory fee subject to approval by the Board. However, the SVBGSA is open any and all suggestions that a consultant can provide. Any revenue source has to have buy in from all stakeholders.

BACKGROUND INFORMATION

On September 14, 2014, Governor Brown signed into law three bills collectively referred to as SGMA. SGMA requires the formation of groundwater sustainability agencies (“GSAs”) in state-designated medium and high priority groundwater basins. The SVBGSA was formed on December 22, 2016 as a Joint Powers Authority by and between the County of Monterey, Water Resources Agency of the County of Monterey, Cities of Salinas, Gonzales, Soledad and King, Castroville Community Services District, and Monterey One Water (formerly the Monterey Regional Water Pollution Control Agency). The SVBGSA has jurisdiction over the Salinas Valley Groundwater Basin (“Basin”), which has seven sub-basins, plus that portion of the Paso Robles sub-basin within Monterey County.

The SVBGSA was formed for the purpose of developing, adopting, and implementing a GSP for the Basin and its sub-basins in order to implement SGMA’s requirements and achieve the sustainability goals outlined in SGMA. The SVBGSA intends to coordinate its activities where appropriate with surrounding GSAs and to involve the public and local stakeholder through outreach and engagement in developing and implementing the GSP. More information on the SVBGSA can be found at <http://svbgsa.org>.

SVBGSA Finances

The SVBGSA has an operating budget of \$1.2 million for each of fiscal years 2017-18 and 2018-19. This initial funding is provided by the member agencies. In order to continue operations past June 30, 2019, the SVBGSA needs to develop a funding mechanism for its operations while the GSP is developed. Once construction projects are determined, funding will also have to be developed for those projects.

In addition to having a funding mechanism in place prior to July 1, 2019, the chosen funding method needs to be decided on no later than the spring of 2019, or earlier, so that 1) municipalities providing water can set their rates appropriately in order to cover the cost of the GSA fees; 2) CPUC regulated water companies can obtain CPUC approval to recover the cost the GSA fees; and 3) agricultural companies have sufficient lead time to address how they recover the cost of the GSA fees.

SCHEDULE

To the extent achievable, the following schedule shall govern the RFQ. The SVBGSA reserves the right to modify the dates below:

Availability of the Request for Qualifications: **January 12, 2018**

Deadline for Submission of Interpretation and/or Questions: **January 31, 2018**

(All questions should be submitted via email to: morenor@svbgsa.org)

Closing date for the Request for Qualifications: **February 15, 2018**

Interview date for short listed firms (if needed): **February 27, 2018**

Board authorizes negotiations with selected firm: **March 8, 2018**

Approve contract with selected firm: **April 12, 2018**

Present recommendations to the Board: **October 11, 2018**

Action by Board on recommendations: **November 8, 2018**

New fees not requiring a vote in effect: **April 1, 2019**

New fees, taxes or assessments requiring a vote in effect: **TBD**

QUALIFICATIONS

1. Firm's Background and Experience:
 - a. Discussion of the firm's experience in water rate studies, cost of service analysis and rate design services for agencies of similar size and services provided.
 - b. Experience and qualifications of project manager and key project staff.
 - c. Experience in working with various rate structures for agencies of similar size and services provided. Identify experience working with other GSAs.
2. Experience with 5-year revenue requirement projections for recently formed agencies:
 - a. Discussion of firm's experience with short to mid-range financial planning for new public agencies and development of fees/rates to cover projected expenses of new public agencies.
3. Experience with limitations on the levying of fees, assessments, and taxes in California as set forth in Articles XIII C and D of the California state constitution (Propositions 26 and 218):
 - a. Demonstrated experience with development of fee-based rates.
 - b. Demonstrated experience with development of "tax"-based rates.
 - c. Demonstrated experience with development of benefit assessment based rates.
4. Experience with fee and rate design and implementation:
 - a. Discussion of experience working with citizen advisory committees and stakeholders in the rate design process.
 - b. Experience with creating compelling community outreach information pertaining to new fees and rates.
5. Additional pertinent information the SVBGSA should consider.
6. Ability to develop recommendations for the SVBGSA Board consideration by October 2018.
7. Ability to advise on the conduct of any proceedings necessary to implement fees or assessments not requiring a vote of the electorate by April 1, 2019
8. Ability to advise on the conduct of proceedings necessary to implement fees, assessments or taxes requiring a vote of the electorate.

SUBMISSION REQUIREMENTS

Proposals should be clearly marked on the outside of the envelope "SVBGSA Fee/Tax/Assessment Analysis and Rate Setting Proposal". All proposals must be received by 5:00 p.m. on the deadline date. Five printed proposals should be mailed or delivered to the following address:

Gary Petersen
SVBGSA General Manager
C/O City Clerk
City of Salinas
200 Lincoln Ave.
Salinas, CA 93901

In addition, a pdf version of the proposal on a flash drive should be included in the above described mailing/delivery, or sent electronically to Mr. Petersen at: peterseng@svbgsa.org

Proposals should contain the following:

1. Cover letter (no longer than 1 page)
The cover letter should convey a clear understanding of the requirements and objectives, and why the respondent is uniquely qualified to be awarded a contract.
2. Respondent's Qualifications
Responses to the items in the Qualifications section of this RFQ.
3. Proposed Respondent Team
The statement of qualifications shall identify the Project Manager who will be primarily responsible for providing services to the Agency, and other staff to be assigned to the team. Please include the qualifications, training, and certifications of the Project Manager, and all other staff who will perform the services outlined herein. Include a resume for each, listing education, experience, and expertise in this type of work.
4. Fee Schedule
This section should identify the billing rates for listed personnel, as well as other costs or expenses that would be charged in conjunction with the work.
5. Conflicts
This section should identify whether respondent anticipates it would need to obtain conflict waivers from any existing clients and how respondent anticipates addressing any potential conflicts with respect to any member of the SVBGSA and/or other GSAs.
6. References
The names, addresses, and telephone numbers of three (3) public agency clients who have contracted with the Respondent for services similar to those described in this RFQ within the last five years.
7. Proposed Scope of Work and Schedule

Submit a proposed scope of work and schedule that demonstrates how the consultant would proceed with the work within the timeframe specified, the proposed project elements, tentative list of data needs, opportunities for advisory committee and board participation, and approach to community outreach and engagement.

EVALUATION CRITERIA

The following criteria will be used by the Agency in evaluating submissions:

1. Experience and demonstrated competence of the identified key areas of service outlined in the Qualifications section of this RFQ.
2. Reference recommendations.
3. Comprehensive consultant fee schedule.
4. Thoroughness of submission.

The SVBGSA reserves the right to award a contract based on written responses only, however oral presentations and written questions for further clarifications may be required of some or all of the respondents.

Sincerely,

Gary Petersen
General Manager, SVBGSA

January 12, 2018



STAFF REPORT

AGENCY MEETING DATE: January 11, 2018

AGENDA ITEM: 10

SUBJECT: Future Agenda Items

RECOMMENDATION: Receive report

BACKGROUND:

Following is a list of items tentatively scheduled for future meetings.

DISCUSSION:

FEBRUARY 8, 2018

Pure Water Monterey
FY 2017-18 Mid-Year Budget Adjustments;
Authorize contract negotiations with selected consultant for GSP Planning Services
RGS Task List Status Report
Consider GSA Financial Policies

MARCH 8, 2018

Select Consultant for Rates Study (begin negotiations)
Approve Contract for GSP Planning Services
Receive Preliminary Budget for FY 2018-19

APRIL 12, 2018

Consider Approval of FY 2018-19 Budget
Approve Contract with Consultant for Rates Study
RGS Task List Status Report

MAY 10, 2018

Consider Approval of RGS Agreement for FY 2018-19

JUNE 14, 2018

Establish schedule of regular Board meetings for 7/1/18-6/30/18

FISCAL IMPACT: None

ATTACHMENT(S): None

PREPARED BY:

Roberto Moreno, Senior Advisor