

**U S L R G M A**

## Upper San Luis Rey Groundwater Management Authority

Greg Kamin – Chairman  
Roland Simpson – Treasurer  
Steve Wehr - Director

Tim Lyall – Vice Chairman  
Rich Stehly – Director  
Bill Pankey – Director

Michael Perricone- Secretary  
Chuck Bandy – Director  
Roland Skumawitz - Director

### I. Call to order

### II. Pledge of Allegiance

### III. Roll Call

### IV. Approval of the Agenda

### V. Public Comment

### VI. Consent Calendar

- a) Approval of Minutes from November 15, 2022
- b) Approval of Accounts Paid and Payables
- c) Acceptance of Monthly Financial Reports – November 2022

### VII. Action Discussion


- a) Proposed Resolution Consenting to Enter the Joint Protection Programs of the Association of California Water Agencies / Joint Powers Insurance Authority and Rescinding Resolution No. 04-2022.

*Background:* The Board approved Resolution No. 04-2022 at the September Board meeting; however, due to the timing of the Insurance application being approved by JPIA at their November Board meeting, JPIA has asked us to approve the resolution again.

*Recommendation:* That, should the Board agree, they approve the resolution as presented.

- b) Review and Possible Approval of Well Permit Verification Application

*Background:* At the November Board meeting the Board was presented with a draft Well Permit Application. At that time the Board directed staff to make specific revisions to



the document, which have been completed. The revised Application is being presented for a second review and possible approval.

*Recommendation:* That the Board approve and / or modify the application as presented.

c) Review and Possible Selection of a Cost-of-Service Study Consultant

*Background:* At the October 18<sup>th</sup> Board meeting the Board directed staff to research possible consultants to perform a cost-of-service study. At the time of the November 15<sup>th</sup> Board meeting, staff had only received one proposal and IB Consulting Inc. declined to submit a proposal due to its current workload. Staff was then directed to reach out to additional consultants if possible and return with additional proposals at the December meeting. The proposals from SCI Consulting Group and Carollo Engineers, Inc. are presented for review and possible selection.

*Recommendation:* That the Board select a consultant to perform the Rate Study or Direct staff to obtain additional proposals if possible.

d) Proposed Resolution Authorizing Checking, Savings and Investment Accounts with Various Banking Institutions and Rescinding Resolution 03-2022.

*Background:* At the August 2022 Board meeting the Board authorized Treasurer Simpson and Administrator Reeh to establish a checking account with California Bank and Trust and to be authorized signers on that account. This resolution adds the other officers of the Authority as signers on said account. This addition is necessary for the Administrator to properly process payments to Yuima Municipal Water District; as neither Treasurer Simpson nor Administrator Reeh can appropriately sign Authority checks written to Yuima. When payments for management fees, etc. are issued to Yuima, two of the other administrators will be contacted for signature.

*Recommendation:* That, should the Board agree, they approve the Resolution as presented.



**VIII.**

**IX. Closed Session**

- a) Conference with Legal Counsel – Pending Litigation – 1 case, San Luis Rey Indian Water Authority v. Pauma Valley Groundwater Sustainability Agency – Pursuant to Government Code Section 54956.9

**X. Other Business**

Update on the SGMA Implementation Grant Application

Next Regular Meeting, Tuesday, January 17, 2023

**XI. Adjournment**

# CONSENT CALENDAR

# UPPER SAN LUIS REY

## Groundwater Management Authority

### MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

**Date:** November 15, 2022

**Time:** 3:05 p.m.

#### Call to Order

The Special Meeting of the Board of Directors of the Upper San Luis Rey Groundwater Management Authority was held at the offices of the Yuima Municipal Water District at 34928 Valley Center Rd., Valley Center, California on Wednesday, the 15<sup>th</sup> day of November, 2022. The meeting was called to order at 3:05 p.m. and the Pledge of Allegiance was performed.

#### Roll Call – Determination of Quorum

Administrator Reeh conducted the roll-call and a quorum of the Board was established.

##### Directors In Attendance

Tim Lyall

Greg Kamin

Roland Simpson

Bill Pankey

Michael Perricone

Steve Wehr

Rich Stehly

Jack Hoagland

Bill Pankey

Chuck Bandy

Andy Mathews - Alternate  
Director

##### Others In Attendance

Amy Reeh

Jeffrey Armstrong, Interim GM, PVCSD

Jeremy Jungreis (via videoconference)

#### Approval of the Agenda

Upon motion being offered by Director Perricone, second by Director Wehr the Agenda of the meeting was approved and carried unanimously by the following roll-call vote, to wit:

AYES: Kamin, Wehr, Lyall, Perricone, Simpson, Stehly, Pankey, Bandy, Matthews,

NOES: None

ABSTAIN: None

ABSENT: None

## Public Comment

Jeff Armstrong the Interim General Manager at Pauma Valley Community Services District gave a public comment.

## Consent Calendar

With motion being offered by Director Lyall and seconded by Director Stehly, the Minutes of the October 18, 2022 meeting were approved by the following roll-call vote, to wit:

AYES: Kamin, Wehr, Perricone, Simpson, Stehly, Pankey, Lyall, Bandy, Matthews  
NOES: None  
ABSTAIN: None  
ABSENT: None

## Action Discussion

### **Resolution 5-2022 Authorizing the Administrator of the Authority to Submit an Application and Execute an Agreement with State of California Department of Water Resources for the SGMA Implementation Grant.**

Following a brief discussion, Chair Kamin asked for Public Comment, \_\_\_\_\_ . Director Simpson moved approval of Resolution 5-2022 Authorizing the Administrator of the Authority to Submit an Application and Execute an Agreement with the State of California Department of Water Resources for the SGMA Implementation Grant. The Motion was seconded by Director Bandy. After Chair Kamin called for Public Comment, to which none was received, *Resolution 5-2022 Authorizing the Administrator of the Authority to Submit an Application and Execute an Agreement with State of California Department of Water Resources for the SGMA Implementation Grant* was approved and carried unanimously by the following roll-call vote, to wit:

AYES: Kamin, Wehr, Lyall, Perricone, Simpson, Stehly, Pankey Bandy, Matthews  
NOES: None  
ABSTAIN: None  
ABSENT: None

### **Approve Expenditure to Contract with Landstedt Consulting Services to assist with SGMA Implementation Grant Preparation.**

Following a brief discussion, Chair Kamin asked for Public Comment, hearing no public comment, Director Wehr moved to approve expenditure to contract with Landstedt Consulting Services to assist with SGMA Implementation Grant Preparation. The Motion was seconded by Director Perricone. After Chair Kamin called for Public Comment, to which none was received, *Approval of Expenditure to Contract with Landstedt Consulting Services to assist with SGMA Implementation Grant Preparation* was approved and carried unanimously by the following roll-call vote, to wit:

AYES: Kamin, Wehr, Lyall, Perricone, Simpson, Stehly, Pankey, Bandy, Matthews  
NOES: None  
ABSTAIN: None  
ABSENT: None

### **Review and Possible Approval of Well Permit Verification Application.**

Following discussion, and with revisions being offered by the Board, approval of this item was tabled for additional information and review of revisions at December's meeting.

### **Discussion and Staff Direction on Cost-of-Service Study Scope of Work.**

Administrator Reeh gave the Board an update on the Cost-of-Service Study Scope of Work. The Board directed staff to seek additional proposals for the study and bring back to the Board in December.

### **Approval of the 2022-2023 Fiscal Year Budget.**

Following a brief discussion, Chair Kamin asked for Public Comment, hearing no public comment, Director Wehr moved to approve the 2022-2023 Fiscal Year Budget. The Motion was seconded by Director Bandy. After Chair Kamin called for Public Comment, to which none was received, *Approval of the 2022-2023 Fiscal Year Budget* was approved and carried unanimously by the following roll-call vote, to wit:

AYES: Kamin, Wehr, Lyall, Perricone, Simpson, Stehly, Pankey, Bandy, Matthews  
NOES: None  
ABSTAIN: None  
ABSENT: None

### **Closed Session**

The Board entered Closed Session at 4:11 p.m. to discuss one case: San Luis Rey Indian Water Authority V. Pauma Valley Groundwater Sustainability Agency – Pursuant to Government Code §54956.9.

The Board exited closed session at 4:37 p.m.

*Report from closed session: There was no report from closed session.*

### **Other Business**

Administrator Reeh gave a brief report on the status of the ACWA Membership and ACWA/JPIA Insurance.

Next Regular Meeting, Tuesday, December 20, 2022.

## Adjournment

The meeting of the Board of Directors of the Upper San Luis Rey Groundwater Management Authority was adjourned at 4:40 p.m. until the next meeting on December 20, 2022 at 3:00 p.m.

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Michael Perricone, Secretary

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Greg Kamin, Chairman



**Upper San Luis Rey Groundwater Management Authority**  
**Check Detail**  
July through November 2022

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<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Item</u>	<u>Paid Amount</u>
Bnk F...	11/30/2022	Monthly Service Charge		-13.00
TOTAL				-13.00
1000	11/18/2022	Association of California Water Agencies		-232.09
TOTAL				-232.09





## Upper San Luis Rey Groundwater Management Authority

12/14/22

## Balance Sheet

Accrual Basis

As of November 30, 2022

	<u>Nov 30, 22</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
10000 · General Checking	184,697.97
Total Checking/Savings	184,697.97
Accounts Receivable	
11400 · Accounts Receivable - Members	117,446.53
Total Accounts Receivable	117,446.53
Total Current Assets	302,144.50
<b>TOTAL ASSETS</b>	<b><u>302,144.50</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	330,492.72
Total Accounts Payable	330,492.72
Total Current Liabilities	330,492.72
Total Liabilities	330,492.72
Equity	
Net Income	-28,348.22
Total Equity	-28,348.22
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>302,144.50</u></b>

Upper San Luis Rey Groundwater Management Authority

Profit & Loss

July through November 2022

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	<u>Jul - Nov 22</u>
<b>Income</b>	
40000 · Member Agency Contributions	302,339.59
40800 · Miscellaneous Income	50.00
<b>Total Income</b>	<u>302,389.59</u>
<b>Expense</b>	
60000 · Yuima Management Fee	9,984.16
60001 · Yuima Non-Contract Expense	302,339.59
60100 · Bank Service Charges	13.00
60300 · Legal Expense	18,168.97
60600 · Membership Fees	232.09
<b>Total Expense</b>	<u>330,737.81</u>
<b>Net Income</b>	<u><u>-28,348.22</u></u>

## Upper San Luis Rey Groundwater Management Authority General Ledger As of November 30, 2022

Type	Date	Num	Name	Memo	Split	Amount	Balance
<b>10000 · General Checking</b>							0.00
Deposit	09/27/2022		Opening Deposit	Opening Dde...	40800 · Miscell...	50.00	50.00
Deposit	11/14/2022			Deposit	-SPLIT-	184,893.06	184,943.06
Check	11/18/2022	1000	Association of Califo...	2022/2023 M...	60600 · Memb...	-232.09	184,710.97
Check	11/30/2022	Bnk Fee	Monthly Service Ch...		60100 · Bank ...	-13.00	184,697.97
Total 10000 · General Checking						184,697.97	184,697.97
<b>11000 · Accounts Receivable - Grants</b>							0.00
Total 11000 · Accounts Receivable - Grants							0.00
<b>11400 · Accounts Receivable - Members</b>							0.00
Invoice	10/17/2022	100	Pauma Valley Com...		40000 · Memb...	92,446.53	92,446.53
Invoice	10/17/2022	101	Pauma Municipal W...		40000 · Memb...	92,446.53	184,893.06
Invoice	10/17/2022	102	Yuima MWD		40000 · Memb...	92,446.53	277,339.59
Invoice	10/17/2022	103	USLRCD		40000 · Memb...	25,000.00	302,339.59
Payment	11/14/2022		Yuima MWD		12000 · Undep...	-92,446.53	209,893.06
Payment	11/14/2022		Pauma Valley Com...		12000 · Undep...	-92,446.53	117,446.53
Total 11400 · Accounts Receivable - Members						117,446.53	117,446.53
<b>12000 · Undeposited Funds</b>							0.00
Payment	11/14/2022		Yuima MWD		11400 · Accou...	92,446.53	92,446.53
Deposit	11/14/2022		Pauma Municipal W...	Deposit	10000 · Gener...	-92,446.53	0.00
Deposit	11/14/2022		Yuima MWD	Deposit	10000 · Gener...	-92,446.53	-92,446.53
Payment	11/14/2022		Pauma Valley Com...		11400 · Accou...	92,446.53	0.00
Total 12000 · Undeposited Funds						0.00	0.00
<b>17760 · Inventory</b>							0.00
Total 17760 · Inventory							0.00
<b>15000 · Land</b>							0.00
Total 15000 · Land							0.00
<b>15100 · Wells</b>							0.00
Total 15100 · Wells							0.00
<b>15200 · Pumps</b>							0.00
Total 15200 · Pumps							0.00
<b>15300 · Meters</b>							0.00
Total 15300 · Meters							0.00
<b>15400 · Equipment</b>							0.00
Total 15400 · Equipment							0.00
<b>17100 · Accum. Depreciation - Wells</b>							0.00
Total 17100 · Accum. Depreciation - Wells							0.00

**Upper San Luis Rey Groundwater Management Authority**  
**General Ledger**  
**As of November 30, 2022**

Type	Date	Num	Name	Memo	Split	Amount	Balance
<b>17200 · Accum. Depreciation - Pumps</b>							0.00
Total 17200 · Accum. Depreciation - Pumps							0.00
<b>17300 · Accum. Depreciation - Meters</b>							0.00
Total 17300 · Accum. Depreciation - Meters							0.00
<b>17400 · Accum. Depreciation - Equipment</b>							0.00
Total 17400 · Accum. Depreciation - Equipment							0.00
<b>20000 · Accounts Payable</b>							0.00
Bill	09/15/2022	102022	Yuima Municipal Wa...	Management ...	60000 · Yuima ...	-7,403.70	-7,403.70
Bill	10/11/2022	947244	Best, Best & Krieger	Special Litigat...	60300 · Legal ...	-8,430.00	-15,833.70
Bill	10/11/2022	947245	Best, Best & Krieger	General Coun...	60300 · Legal ...	-980.00	-16,813.70
Bill	10/14/2022	112022	Yuima Municipal Wa...	November Ma...	60000 · Yuima ...	-1,375.26	-18,188.96
Bill	10/18/2022	10202...	Yuima Municipal Wa...	Member Shar...	60001 · Yuima ...	-302,339.59	-320,528.55
Bill	11/02/2022	949247	Best, Best & Krieger	Special Litigat...	60300 · Legal ...	-2,144.00	-322,672.55
Bill	11/02/2022	949246	Best, Best & Krieger	General Coun...	60300 · Legal ...	-595.00	-323,267.55
Bill	11/04/2022	943553	Rutan & Tucker, LLP	General Coun...	60300 · Legal ...	-2,415.00	-325,682.55
Bill	11/14/2022	122022	Yuima Municipal Wa...	December Ma...	60000 · Yuima ...	-1,205.20	-326,887.75
Bill	11/18/2022	945225	Rutan & Tucker, LLP	Special Litigat...	60300 · Legal ...	-3,604.97	-330,492.72
Total 20000 · Accounts Payable						-330,492.72	-330,492.72
<b>24000 · Payroll Liabilities</b>							0.00
Total 24000 · Payroll Liabilities							0.00
<b>30000 · Opening Balance Equity</b>							0.00
Total 30000 · Opening Balance Equity							0.00
<b>32000 · Retained Earnings</b>							0.00
Total 32000 · Retained Earnings							0.00
<b>40000 · Member Agency Contributions</b>							0.00
Invoice	10/17/2022	100	Pauma Valley Com...	Member Shar...	11400 · Accou...	-92,446.53	-92,446.53
Invoice	10/17/2022	101	Pauma Municipal W...	Member Shar...	11400 · Accou...	-92,446.53	-184,893.06
Invoice	10/17/2022	102	Yuima MWD	Member Shar...	11400 · Accou...	-92,446.53	-277,339.59
Invoice	10/17/2022	103	USLRRCD	Member Shar...	11400 · Accou...	-25,000.00	-302,339.59
Total 40000 · Member Agency Contributions						-302,339.59	-302,339.59
<b>40100 · Grant Funds</b>							0.00
Total 40100 · Grant Funds							0.00
<b>40500 · Assessments - Groundwater</b>							0.00
Total 40500 · Assessments - Groundwater							0.00
<b>40600 · Interest Earned</b>							0.00
Total 40600 · Interest Earned							0.00

**Upper San Luis Rey Groundwater Management Authority**  
**General Ledger**  
**As of November 30, 2022**

Type	Date	Num	Name	Memo	Split	Amount	Balance	
<b>40700 · Delinquent Assessment Fee</b>							0.00	
Total 40700 · Delinquent Assessment Fee							0.00	
<b>40800 · Miscellaneous Income</b>							0.00	
Deposit	09/27/2022		Opening Deposit	Opening Dde...	10000 · Gener...	-50.00	-50.00	
Total 40800 · Miscellaneous Income							-50.00	-50.00
<b>40900 · Well Permit Processing Fee</b>							0.00	
Total 40900 · Well Permit Processing Fee							0.00	
<b>40901 · Undesirable Results Eval. Fee</b>							0.00	
Total 40901 · Undesirable Results Eval. Fee							0.00	
<b>60000 · Yuima Management Fee</b>							0.00	
Bill	09/15/2022	102022	Yuima Municipal Wa...	Management ...	20000 · Accou...	7,403.70	7,403.70	
Bill	10/14/2022	112022	Yuima Municipal Wa...	November Ma...	20000 · Accou...	1,375.26	8,778.96	
Bill	11/14/2022	122022	Yuima Municipal Wa...	December Ma...	20000 · Accou...	1,205.20	9,984.16	
Total 60000 · Yuima Management Fee							9,984.16	9,984.16
<b>60001 · Yuima Non-Contract Expense</b>							0.00	
Bill	10/18/2022	10202...	Yuima Municipal Wa...	Member Shar...	20000 · Accou...	302,339.59	302,339.59	
Total 60001 · Yuima Non-Contract Expense							302,339.59	302,339.59
<b>60100 · Bank Service Charges</b>							0.00	
Check	11/30/2022	Bnk Fee	Monthly Service Ch...		10000 · Gener...	13.00	13.00	
Total 60100 · Bank Service Charges							13.00	13.00
<b>60200 · Insurance Expense</b>							0.00	
Total 60200 · Insurance Expense							0.00	
<b>60300 · Legal Expense</b>							0.00	
Bill	10/11/2022	947244	Best, Best & Krieger	Special Litigat...	20000 · Accou...	8,430.00	8,430.00	
Bill	10/11/2022	947245	Best, Best & Krieger	General Coun...	20000 · Accou...	980.00	9,410.00	
Bill	11/02/2022	949247	Best, Best & Krieger	Special Litigat...	20000 · Accou...	2,144.00	11,554.00	
Bill	11/02/2022	949246	Best, Best & Krieger	General Coun...	20000 · Accou...	595.00	12,149.00	
Bill	11/04/2022	943553	Rutan & Tucker, LLP	General Coun...	20000 · Accou...	2,415.00	14,564.00	
Bill	11/18/2022	945225	Rutan & Tucker, LLP	Special Litigat...	20000 · Accou...	3,604.97	18,168.97	
Total 60300 · Legal Expense							18,168.97	18,168.97
<b>60400 · Audit Expense</b>							0.00	
Total 60400 · Audit Expense							0.00	
<b>60500 · General &amp; Administrative</b>							0.00	
Total 60500 · General & Administrative							0.00	



**Upper San Luis Rey Groundwater Management Authority**  
**General Ledger**  
**As of November 30, 2022**

Type	Date	Num	Name	Memo	Split	Amount	Balance
<b>60600 · Membership Fees</b>							0.00
Check	11/18/2022	1000	Association of Califo...	2022/2023 M...	10000 · Gener...	232.09	232.09
Total 60600 · Membership Fees						232.09	232.09
<b>60700 · Permits &amp; Licenses Expense</b>							0.00
Total 60700 · Permits & Licenses Expense							0.00
<b>60800 · Micellaneous Expense</b>							0.00
Total 60800 · Micellaneous Expense							0.00
<b>60900 · Professional Services</b>							0.00
Total 60900 · Professional Services							0.00
<b>60901 · Prof. Services - GPS Consultant</b>							0.00
Total 60901 · Prof. Services - GPS Consultant							0.00
<b>60902 · Prof. Services - Rate Study</b>							0.00
Total 60902 · Prof. Services - Rate Study							0.00
<b>60903 · Prof. Services - Engineering</b>							0.00
Total 60903 · Prof. Services - Engineering							0.00
<b>60904 · Prof. Services - GW Monitoring</b>							0.00
Total 60904 · Prof. Services - GW Monitoring							0.00
<b>61000 · Depreciation Expense</b>							0.00
Total 61000 · Depreciation Expense							0.00
<b>66000 · Payroll Expenses</b>							0.00
Total 66000 · Payroll Expenses							0.00
<b>No acct</b>							0.00
Total no acct							0.00
<b>TOTAL</b>						<b>0.00</b>	<b>0.00</b>

**Upper San Luis Rey Groundwater Management Authority**  
**Check Detail**  
July through November 2022

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<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Item</u>	<u>Paid Amount</u>
Bnk F...	11/30/2022	Monthly Service Charge		-13.00
TOTAL				-13.00
1000	11/18/2022	Association of California Water Agencies		-232.09
TOTAL				-232.09

**Upper San Luis Rey Groundwater Management Authority**  
**Deposit Detail**  
 July through November 2022

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<u>Type</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Amount</u>
<b>Deposit</b>	<b>09/27/2022</b>	<b>Opening Deposit</b>	<b>10000 · General Ch...</b>	<b>50.00</b>
			40800 · Miscellaneo...	-50.00
TOTAL				-50.00
<b>Deposit</b>	<b>11/14/2022</b>		<b>10000 · General Ch...</b>	<b>184,893.06</b>
Payment	12/06/2022	Pauma Municipal Water D...	12000 · Undeposite...	-92,446.53
Payment	11/14/2022	Yuima MWD	12000 · Undeposite...	-92,446.53
TOTAL				-184,893.06

4:20 PM

12/14/22

**Upper San Luis Rey Groundwater Management Authority**  
**A/P Aging Summary**  
**As of November 30, 2022**

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	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>
Best, Best & Krieger	0.00	2,739.00	9,410.00	0.00	0.00	12,149.00
Rutan & Tucker, LLP	0.00	6,019.97	0.00	0.00	0.00	6,019.97
Yuima Municipal Water District	0.00	1,205.20	303,714.85	7,403.70	0.00	312,323.75
<b>TOTAL</b>	<b>0.00</b>	<b>9,964.17</b>	<b>313,124.85</b>	<b>7,403.70</b>	<b>0.00</b>	<b>330,492.72</b>

**Upper San Luis Rey Groundwater Management Authority**  
**A/R Aging Summary**  
**As of November 30, 2022**

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	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>
<b>Pauma Municipal Water District</b>	92,446.53	0.00	0.00	0.00	0.00	92,446.53
<b>USLRRCD</b>	25,000.00	0.00	0.00	0.00	0.00	25,000.00
<b>TOTAL</b>	<u><u>117,446.53</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>117,446.53</u></u>

**ACTION / DISCUSSION**

RESOLUTION NO. 05-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
**UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY**  
CONSENTING TO ENTER THE JOINT PROTECTION  
PROGRAMS OF THE ASSOCIATION OF CALIFORNIA  
WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY  
AND RESCINDING RESOLUTUION NO. 04-2022

WHEREAS, pursuant to the provisions of Section 990, 990.4, 990.8, and 6500 of the Government Code, this Groundwater Management Authority wishes to enter into an agreement with various other districts entitled "Joint Powers Agreement: Creating the Association of California Water Agencies/Joint Powers Insurance Authority" (the Authority), for the purpose of participating in the Joint Powers Insurance Authority created thereby, which since its formation has provided for and administered joint protection programs as more fully set forth in said agreement; and

WHEREAS, said joint protection programs offer significant advantages to this Groundwater Management Authority in terms of cost, liability protection, property protection, workers' compensation protection, and services, and entering such programs, on the conditions hereinafter set forth, appears to be in the best interest of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY:

Section 1. That Upper San Luis Rey Groundwater Management Authority hereby consents pursuant to the above-mentioned Joint Powers Agreement, and the resolutions and policies enacted in implementation of such Agreement, to enter said joint protection programs.

Section 2. That the Groundwater Management Authority hereby elects to join the **Liability Program** sponsored by the Authority.

Section 3. That the Groundwater Management Authority hereby selects \$2500.00 as its Retrospective Allocation Point (RAP) for the first partial year of participation under the Authority's cost allocation formula for liability exclusive of Dam Failure Liability.

Section 4. That the Treasurer of this Groundwater Management Authority, is hereby authorized to pay to the ACWA/Joint Powers Insurance Authority its first deposit premium.

Section 5. That the Secretary of the Board of Directors of this Groundwater Management Authority is directed to certify a copy of this resolution and to forward the same resolution and the signed Joint Powers Agreement promptly by mail to the Association of California Water Agencies/Joint Powers Insurance Authority, P.O. Box 619082, Roseville, California, 95661, at which time coverage will commence the 1<sup>st</sup> day of December, 2022.

PASSED, APPROVED, AND ADOPTED this 20<sup>th</sup> day of December 2022 by the following roll-call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Michael Perricone, Secretary

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Greg Kamin, President





## **UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY APPLICATION AND PROCEDURES FOR WELL PERMIT VERIFICATION**

The Applicant is submitting an application (“County Application”) to the County of San Diego (“County”) Environmental Health & Quality (“DEHQ”) for a permit to construct a water well. Pursuant to Paragraph 9 of Executive Order N-7-22, before County DEHQ may grant said County Application for a new or modified well permit within the Upper San Luis Rey Valley Groundwater Basin (DWR No. \_\_\_\_\_), the County must first obtain a written verification (“Well Verification”) from the Upper San Luis Rey Groundwater Management Authority (“Authority” or “USLRGMA”), which serves as the exclusive GSA for the Upper San Luis Rey Valley Subbasin (“Subbasin”), a Department of Water Resources designated medium priority subbasin.

Well Verification is subject to approval by the Authority under the following conditions:

- 1) Submission by the well owner/operator of a complete application for review by the Authority to evaluate and determine whether the proposed new or modified well will be consistent with any sustainable groundwater management program established in the Groundwater Sustainability Plan (GSP) adopted by Authority (as successor to the Pauma Valley Groundwater Sustainability Agency), and would not decrease the likelihood of achieving a sustainability goal for the Subbasin;
- 2) Submission to the Authority of a one-time fee to cover the Authority’s costs for application processing and the evaluation for undesirable results and consistency with the adopted GSP
- 3) Agreement by the applicant to comply with all applicable Authority regulations, fees and management actions.

An applicant wanting to construct a new or modified well must submit a final approved copy of this application, signed by the Administrator of the Authority, to the San Diego County DEHG to prior to the County approving your Water Well Permit Application form.

**APPLICANT**

Applicant Name/Position: \_\_\_\_\_

Applicant Mailing Address: \_\_\_\_\_

Applicant Contact Information (phone/email): \_\_\_\_\_

APN Number of new or modified well location: \_\_\_\_\_

**APPLICANT - OWNER (if different from Applicant)**

Owner Name/Position: \_\_\_\_\_

Owner Mailing Address: \_\_\_\_\_

Owner Contact Information (phone/email): \_\_\_\_\_

**Request Type:**

- New Non-De Minimis Well
- New De Minimis Well (less than 2-acre feet per year)
- Replacement Well
- Alteration or Modification of an Existing Well

**Information Required to Process Request:**

- Complete County Application**
- Site Vicinity Information:**
  - Map of any existing wells on the parcel, including the original well(s) that will be Abandoned for a Replacement Well, relative to the proposed well.
  - Map of other existing wells within 500 feet of the proposed well.
  - Summary and Map of proposed irrigated area and crop type information, or other information summarizing the proposed well water use.

**Proposed Well Information:**

- Assessor's Parcel Number(s) for:
  - Proposed Well: \_\_\_\_\_
- Latitude: \_\_\_\_\_; Longitude: \_\_\_\_\_
- Elevation: \_\_\_\_\_ ft amsl
- Irrigated areas(s): \_\_\_\_\_
- Proposed Pump Flow Rate (GPM): \_\_\_\_\_
- Proposed annual production of well (acre feet): \_\_\_\_\_
- Estimated groundwater levels at the time of the County Application in the Proposed Well or Modified Well based on best estimate from other wells in the vicinity of the proposed well or measurement in the well to be modified: \_\_\_\_\_

**If the application is for a replacement well:**

**Original Well Information** (if Original Well Completion Report information is

- Assessor's Parcel Number(s)
- Original Well Coordinates and Elevation:
  - Latitude: \_\_\_\_\_; Longitude: \_\_\_\_\_
  - Elevation: \_\_\_\_\_ ft amsl
- Original Well Construction Information (based on video-log or well survey)
  - Total Depth: \_\_\_\_\_ ft bgs
  - Screened Intervals: \_\_\_\_\_ ft bgs
  - Well Diameter: \_\_\_\_\_ in
  - Attach well Completion Report if available.
- Documentation of original well pump flow rate (GPM):
  - Estimated (method used and assumptions), or
  - Measured (method, data provided)
- Documentation of original well annual production (acre feet):
  - Estimated (method used and assumptions), or
  - Measured (method, data provided)

**Fully Executed Well Verification Request Agreement**

**With my signature below, I hereby commit to the following (please check all boxes).**

- Any new well, or well modification shall be conducted by a California-licensed well Drilling contractor.
- If the application is for a replacement well, the original well will no longer be used for water production once the proposed replacement well is operational.

- I consent to the installation of a flow meter by the Authority for the purposes of recording the production of the well.
- I will submit the following information to Authority upon the completion of the well:
  - a. The Well Driller’s Log with the as-built well construction information
  - b. Other information and data associated with well construction including, but not limited to, well development data (e.g. pumping rates, depth-to-water measurements), water quality test results and the final pumping rate.
- I agree to be invoiced, and pay the USLRGMA a one-time fee to cover the costs for application processing and the evaluation for Undesirable Results.
- Additional Information:

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The Applicant hereby requests that the Authority review the County Application, and this well verification request, including the Well Verification Request Agreement, attached hereto as Attachment A, and the supplemental materials requested herein, (collectively, “Well Verification Request”) to determine whether to issue a Well Verification.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

## Attachment A

### WELL VERIFICATION REQUEST AGREEMENT

This Well Verification Request Agreement (“Agreement”) is by and between the undersigned Applicant and the Authority. In consideration of the following mutual covenants set forth herein and for other consideration, including the not limited to the Authority’s time and resources spent on evaluation of the Applicant’s Well Verification Request, the receipt and sufficiency of which is hereby acknowledged, the Applicant and Authority hereby agree as follows:

**1. Indemnification.** As part of the County Application and Well Verification Request pursuant to Governor Newsom’s Executive Order N-7-22, the Applicant, individually and collectively agree to indemnify, defend (with counsel approved by the Authority within its reasonable discretion), and hold harmless the Authority, Yuima Municipal Water District, Upper San Luis Rey Conservation District, Pauma Municipal Water District, Pauma Valley Community Services District, San Luis Rey Municipal Water District and all their respective officers, elected officials, members, employees, consultants, contractors, and agents (individually and collectively the “GMA Parties”) as follows:

- A. From and against any and all claims, demands, actions, proceedings, lawsuits, losses, damages, costs, judgments, and/or liabilities of any kind arising out of, related to, or in connection with the County Application, Well Verification Request and Well Verification, or to attack, set aside, void, or annul, in whole or in part, an approval by Authority of any part of the County Application, Well Verification Request and Well Verification.
- B. From any and all causes whatsoever, including the acts, errors, or omissions of the Applicant and his, her, its, and/or their respective officers, officials, employees, agents, consultants, and contractors (hereinafter “Claim”) with regard to the well(s) and verification requested herein; and
- C. For any and all costs and expenses (including but not limited to attorneys’ and consultants’ fees and costs) incurred by the GMA Parties in connection with any Claim except where such indemnification is prohibited by law.

The indemnification obligation of the Applicant does not apply to the GMA Parties’ where liability is the result of the sole negligence or willful misconduct of Authority and/or its members

**2. Defense.** Applicant shall permit the GMA Parties, with the GMA Parties’ sole discretion, to direct and participate in the defense of any Claim, including but not limited to, use of GMA Parties’ counsel to defend the Claim, but such participation shall not relieve the Applicant of any obligation imposed by this Agreement. In the alternative, the GMA Parties shall have the right not to participate in the defense.

**3. Obligations.** This Agreement and the obligations of the Applicant set forth herein shall remain in full force and effect throughout any and all stages of review, reconsideration, challenge, or litigation, including any and all appeals of any lower court decrees, orders, or judgments, and regardless of whether the Applicant has brought any claim, action, or demand against the GMA

Parties. The obligations of the Applicant under this Agreement shall survive and apply regardless of whether any GMA approval is invalidated, set aside, expires, or is abandoned for any reason.

The Applicant is solely responsible for compliance with all local, state, and federal laws and for obtaining necessary authorizations, approvals, and/or permits from other local, state, and federal agencies. Any failure of the Applicant to comply with applicable laws or to obtain necessary authorizations, approvals, and/or permits shall not invalidate this Agreement or excuse the obligations of the Applicant under this Agreement except where such indemnification is prohibited by law.

**4. Successors and Assigns.** The obligations of Applicant under this Agreement shall be binding upon each and every of their respective successors, assigns, and transferees of any interest in the water well permit or water well that is the subject of the County Application. The Applicant shall cause all successors, assigns, and transferees to be so obligated; provided that the Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate, or otherwise transfer any of the obligations of this Agreement, and notwithstanding a change in ownership or any transfer or conveyance of any interest in the water well permit or water well that is the subject of the County Application.

**5. Stipulation, Release, or Settlement.** The Applicant shall not execute, pay, or perform pursuant to, any stipulation, release, settlement agreement, or other disposition of the matter on any Claim unless the Authority and GMA Parties have approved the stipulation, release, or settlement agreement in writing, such approval not to be unreasonably withheld. In no case shall the Applicant assume, admit, or assert any fault, wrongdoing, or liability on the part of the GMA Parties as a condition of or as part of any stipulation, release, settlement, or otherwise.

**6. Acknowledgments.** The Applicant acknowledges by their initials the following as understood and true:

\_\_\_\_\_ I acknowledge that the SGMA requires that the Authority, as the exclusive GSA for the Subbasin, sustainably manage the groundwater resources of the Basin.

\_\_\_\_\_ I acknowledge that the Agency is authorized by SGMA to limit extractions within its jurisdiction including extractions from a well permitted pursuant to the County Application and that a well permit issued by County DEHQ does not guarantee the extraction of any specific amount or quality of water now or in the future. (Wat. Code, § 10726.4(a)(1).)

\_\_\_\_\_ I acknowledge the Authority cannot and does not guarantee any defined water use, water level, or water quality in the Basin, and that Authority is prohibited from issuing the verification required by Executive Order N-7-22 if doing so would be inconsistent with any sustainable groundwater management program established in the GSP for the Subbasin or would decrease the likelihood of achieving a sustainability goal identified in the GSP.

\_\_\_\_\_ I acknowledge and agree to pay the reasonable cost, as determined by the Authority by resolution, to review the County Application and Well Verification Request.

\_\_\_\_\_ I acknowledge the Authority is not responsible for or otherwise liable for any costs, investments, or payments related to any groundwater well permitted pursuant to the County Application, including pumping fees, extraction limits, costs related to well failure, well deepening, increased maintenance, replacement, or operational costs.

\_\_\_\_\_ I acknowledge that the proposed water well, as applicable, will be operated in compliance with all current and future laws, rules, and regulations, including, but not limited to, compliance with any applicable provisions of the Plan such as well registration, well metering and groundwater production reporting requirements.

\_\_\_\_\_ I acknowledge that, if the Authority issues a Well Verification, the Authority does not make any representation, assurance or warrant as to whether the use of the well permitted by County DEHQ, once constructed, will be or become inconsistent with any sustainable groundwater management program established in the Plan and/or decrease the likelihood of achieving the sustainability goal for the Basin.

\_\_\_\_\_ I acknowledge and certify that to the best of my knowledge that the information contained in the County Application and Well Verification Request is true and accurate.

\_\_\_\_\_ I acknowledge that any Well Verification issued by the Authority is based on the information contained in the County Application and Well Verification Request and on the representations of the Applicant set forth therein. Any Well Verification is made only upon information known at the time it is made. The Department of Water Resources has not yet approved the GSP for the SubBasin and the Agency may be required to revise or amend the Plan in a manner that impacts any Well Verification issued by the Agency.

**7. No Waiver.** Any failure, actual or alleged, on the part of the GMA Parties to monitor or enforce compliance with any of the requirements or provisions of this Agreement shall not be deemed as a waiver of any rights on the part of the GMA Parties.

**8. Authority.** Each person signing this Agreement represents and warrants that such person has the power, is duly authorized, and has the capacity to enter into this Agreement and that this Agreement is a valid and legal agreement binding on the Applicant and enforceable in accordance with its terms.

**9. California Law.** This Agreement is governed by the laws of the State of California. Any litigation regarding this Agreement or its contents must be filed in the County of San Diego, if in state court, or in the federal district court nearest to San Diego County, if in federal court.

**10. Severability.** If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

**11. Complete Agreement.** This Agreement shall constitute the complete understanding of the parties with respect to the matters set forth herein. No party is relying on any other representation, oral or written.

**12. Counterparts.** This Agreement may be signed in counterparts and must be signed by all Applicant(s).

The Applicant and Agency agree to be bound by the terms of this Agreement as of the last date signed below.

**APPLICANT:**

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**APPLICANT - OWNER (Owner, if different than Applicant):**

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**AUTHORITY:**

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



November 9, 2022

Amy Reeh  
Upper San Luis Rey Groundwater Management Authority  
P.O. Box 984,  
Pauma Valley, CA 92061

Subject: SGMA Cost-of-Service and Rate Study

Dear Ms. Reeh,

Thank you for reaching out to Carollo regarding the opportunity to provide a SGMA cost-of-service and rate study for the Upper San Luis Rey Groundwater Management Authority (GMA). Per your request, we have developed the attached project proposal. The total estimated budget for the project is \$49,946 based on time and materials.

Carollo views this study as an opportunity to collaborate with GMA staff and the Board of Directors to implement effective and equitable SGMA rates to fund the GMA's current and future programs and activities. As this study would be the GMA's first SGMA rate implementation, it is imperative that the GMA selects a team that is an industry leader in both utility finance and engineering expertise. The following attributes set our team apart:

- **Industry Leadership:** As the nation's largest environmental consulting firm specializing exclusively in water and wastewater, Carollo is a leader in system and financial planning for municipal utilities. Over the past several years, Carollo has created one of the most sought-after rate consulting practices in the United States.
- **Engineering-Based Cost of Service Expertise:** Our combination of engineering and financial knowledge produces a cost-of-service analysis that is backed by engineering principles so you can clearly relate rates charged to a customer to the service that they are provided.
- **Experienced Team:** The individuals included on the proposed project team have collectively provided more than 200 financial planning studies for utilities across the country.

Carollo looks forward to the opportunity to work with you and stands ready to begin work as soon as the GMA decides to move forward. Should you have any questions regarding this proposal, please contact me at (972) 339-0783.

Sincerely,

CAROLLO ENGINEERS, INC.



Jennifer Ivey, PE



Alex Bugbee



**WATER**  
OUR FOCUS  
OUR BUSINESS  
OUR PASSION

# SGMA Cost-of-Service and Rate Study

## Project Summary



### Background

The Upper San Luis Rey Groundwater Management Authority (GMA) recently approached Carollo to provide a proposed scope of work and budget to perform a cost-of-service and rate study aimed at developing a rate structure under the GMA's Sustainable Groundwater Management Act (SGMA) authority. The SGMA rates would provide a source of revenue for the GMA to fund its current activities and to implement the programs outlined in the January 2022 Groundwater Sustainability Plan (GSP). Currently, all of the GMA's costs are funded through contributions from the GMA's participating agencies – the Pauma Valley Community Services District, the Upper San Luis Rey Resource Conservation District, and the Yuima Municipal Water District (YMWD). GMA activities are currently managed by YMWD.

The SGMA statute provides funding authorities to enable Groundwater Sustainability Agencies (GSAs), such as the GMA, to carry out their groundwater management responsibilities. The SGMA divides rate and fee authorities into pre- and post-Plan (GSP or Alternative Plan) adoption. Before adoption of a Plan, Water Code Section 10730 controls rate and fee authorities; after adoption of a Plan, Water Code Section 10730.2 controls rates and fee authorities. Having adopted its GSP in January 2022, the GMA's rates and fees would be subject to the requirements of Water Code Section 10730.2 which states:

*A groundwater sustainability agency that adopts a groundwater sustainability plan pursuant to this part may impose fees on the extraction of groundwater from the basin to fund costs of groundwater management, including, but not limited to, the costs of the following:*

- Administration, operation, and maintenance, including a prudent reserve.
- Acquisition of lands or other property, facilities, and services.
- Supply, production, treatment, or distribution of water.
- Other activities necessary or convenient to implement the plan.

### Project Tasks

To complete the study, Carollo will collect the necessary data and develop a revenue requirement forecast to define the level of SGMA rate revenues needed to fund the GMA's activities. Those revenue requirements will be used along with the results of an analysis of pumping records to develop proposed SGMA rates. Lastly, Carollo will provide assistance to the GMA through the rate implementation process. A detailed scope of work for each task is attached.

### Scope Assumptions

The analysis will be completed based on available financial, engineering, and operational information provided by the GMA. Limited estimations of operating costs such as estimated staff costs based on YMWD's labor rates and GMA identified FTE and meter installation costs based on YMWD's typical costs are anticipated and included in the scope and budget. However, as developed and presented in this document, the scope and budget does not include the development of a full-fledged operating budget.

### Proposed Budget

The proposed total budget to complete the project, based on time and materials, is \$49,946. A detailed breakdown of each task's expected labor hours and costs is attached.

### Task 1: Data Collection and Kickoff

Carollo will hold a virtual project kick-off meeting with GMA staff. The meeting will outline key objectives, determine priorities, and, if necessary, modify the scope of work. In advance of the kick-off meeting, Carollo will submit a detailed data request outlining the financial, operational, and engineering data needed to complete the study. The kickoff meeting will also serve as a review point for the study data.

### Task 2: Revenue Requirements

Carollo will develop a revenue requirement forecast for the USLR GMA's SGMA activities and develop a recommended reserve policy. The revenue requirement analysis will focus primarily on revenue sufficiency over the next 5 years based on the GMA's projected operating, capital, policy, regulatory, and management needs as allowed to be recovered through SGMA rates per Water Code Section 10730.2. A longer-term review will also be completed in order to avoid potential rate shocks after the initial study period.

The results of the revenue requirement task will define the levels of rate increases necessary to fund ongoing expenditures and to meet the GMA's policy goals.

### Task 3: Pumper Data Analysis

Carollo will analyze the GMA's available pumping data, ideally for the past three to five years. The analysis will be used to:

- Develop projected pumping volumes that will serve as the basis for the calculated SGMA rates.
- Identify de minimis users and, to the extent possible, understand their typical production.
- Estimate the potential rate impacts to users based on the rates developed in Task 4.

### Task 4: SGMA Rate Calculation

Carollo will evaluate up to three (3) rate structure options based on the types and magnitude of costs to be recovered via the SGMA rates, the amount of revenue to be recovered via fixed and/or variable (extraction based) rates, and the customers who will be subject to the rates. Carollo will work with GMA staff to select the most appropriate rate structure(s) and develop them for inclusion in the report and potential adoption by the GMA's Board of Directors.

**Task 2, 3, and 4 Deliverables:** *Microsoft Excel Revenue Requirements and Rate Calculation Model*

### Task 5: SGMA Rate Memorandum

Draft and final versions of a cost-of-service and rate study report will be prepared to present the methodology, assumptions, process, and findings of the analysis and its recommendations. The report will document the need for a SGMA rate and projected rate increases, multi-year revenue requirements, and the proposed structure to support the rate implementation process. Comments on the draft report will be incorporated into the final report.

**Task 5 Deliverables:** *Draft and Final Memoranda in electronic format*

### Task 6: Rate Implementation Assistance

Carollo will provide support to the GMA throughout the SGMA rate implementation process including providing input and information for the rate noticing process, proving presentation materials and presenting at Board and public meetings, and assisting in answering questions from the Board and the public as they arise.

The proposed project budget anticipates three (3) virtual workshops with staff and participation in two (2) virtual Board Meetings. The budget also includes optional per meeting costs for in-person attendance by Carollo staff if in-person meetings are required.

**Task 6 Deliverables:** *Microsoft PowerPoint Presentation*

SGMA Cost-of-Service and Rate Study  
Attachment B: Project Budget



Upper San Luis Rey Groundwater Management Authority  
SGMA Cost-of-Service and Rate Study  
Proposed Project Budget

Task	Cost-of-Service and Rate Study	Principal-In-Charge	PM/ Principal Analyst	QA/QC	Analyst	Admin Support	Total Hours	Total Labor Cost	PECE <sup>(1)</sup>	Total
		J. Ivey	A. Bugbee	C. Berg	K. Nocera					
	<i>Employee Rate</i>	\$318	\$215	\$287	\$140	\$125			\$14	
Task 1	Data Collection and Kickoff	4	4	-	10		18	\$ 3,532	\$ 252	\$ 3,784
Task 2	Revenue Requirements	2	10	2	32		46	7,840	644	8,484
Task 3	Pumper Data Analysis	2	8	2	20		32	5,730	448	6,178
Task 4	SGMA Rate Calculation	2	12	2	24		40	7,150	560	7,710
Task 5	SGMA Rate Memorandum	4	16	4	32	6	62	11,090	868	11,958
Task 6	Rate Implementation Assistance	8	32	-	12		52	11,104	728	11,832
<b>Grand Total</b>		<b>22</b>	<b>82</b>	<b>10</b>	<b>130</b>	<b>6</b>	<b>250</b>	<b>\$ 46,446</b>	<b>\$ 3,500</b>	<b>\$ 49,946</b>

Task	Onsite Meetings (Optional)	Principal-In-Charge	Project Manager	Total Hours	Total Labor Cost	PECE <sup>(1)</sup>	Expenses <sup>(2)</sup>	Total
		J. Ivey	A. Bugbee					
	<i>Employee Rate</i>	\$318	\$215			\$14		
<b>5</b>	<b>Additional Cost per Onsite Meeting</b>							
5.a	Jennifer Ivey (PIC) Onsite Meeting	8	-	8	\$ 2,544	\$ 112	\$ 1,500	\$ 4,156
5.b	Alex Bugbee (PM) Onsite Meeting	-	8	8	1,720	112	2,000	3,832

Notes:

(1) Project Equipment and Communication Expense charged per labor hour.

(2) Includes travel, lodging, and per diem.

Tuesday, November 29, 2022

**Submitted via email**

Amy Reeh (amy@uslrgma.com)

Amy Reeh, Administrator  
Upper San Luis Rey Groundwater Management Authority  
PO Box 984  
Pauma Valley, CA 92061

**Re: Proposal for Fee Study Development**

Dear Ms. Reeh:

**SCI Consulting Group** and teammate, Larry Walker Associates, Inc. (LWA), (hereto collectively referred to as “the SCI Team”) are pleased to submit, for your review, this proposal to provide consulting services related to the development of a Rate and Fee study (“Fee Study”) for the Upper San Luis Rey Groundwater Management Authority (“USLRGMA” or the “Authority”). The SCI Team has direct experience in data and fee analysis, and rate setting for public agencies specifically with respect to setting fees and rates pursuant to Propositions 26 and 218 as they relate to the Sustainable Groundwater Management Act (SGMA). SCI will serve as the prime contractor and LWA will subcontract with SCI.

We understand that the Authority would like to establish a stable and reliable funding mechanism to support its efforts in managing the Upper San Luis Rey Valley Subbasin (“Subbasin”). We also understand that there are complex legal, regulatory, and political issues relating to groundwater basin management and that various stakeholders have an interest in the management of the Basin.

By way of introduction, SCI is a California Chapter S Corporation formed in 1985 uniquely focused on revenue enhancement services for public agencies, including planning, designing, justifying and successfully establishing new districts, zones and associated revenues for their service and capital improvement needs, and managing special assessment levies.

The SCI Team is uniquely qualified to provide the Authority with the highest quality consulting services for the proposed tasks, as detailed in the follow section, because of our:

- Direct experience with all aspects of GSP implementation funding;
- Direct experience with public agencies engagement and funding analysis and strategy;
- Considerable success with fee, assessment and tax implementation (over 140 California successes);
- Propositions 13, 26 and 218 expertise; and
- Specific groundwater sustainability community outreach expertise.

## WORK PLAN AND APPROACH

Based on our current understanding of the project and the technical analysis and services needed by the Authority, we propose the following scope of work and approach:

**Task 1A: Kick-Off Meeting an Initial Data Gathering and Review.** The SCI Team will meet with USLRGMA staff to clarify and establish project communication, goals timelines and deliverables, and discuss best sources of data and additional information.

**Task 1B: Review of Subbasin GSP and Previous Board Discussions on Funding.** The SCI Team will review and evaluate the Upper San Luis Rey Valley Subbasin GSP, initial budget and implementation plan. Particular attention will be focused on elements that inform a well-founded fee structure, including parcel attributes, patterns of groundwater use, and availability of data that would likely make up the foundation of a funding mechanism's methodology. This understanding of groundwater use will likely be the basis of the fee program in the interim as the Authority looks to establish a robust metering program in the Subbasin. The SCI Team will also review meeting summaries related to discussions on proposed fee mechanisms in order to fully understand The Authority's perspective on funding, including preferences, concerns and needs.

SCI will focus on overall approach, compliance with Propositions 218 and 26, optimal revenue generation, reasonable and equitable distribution of revenue burden amongst various rate payers, administrative ease, legal defensibility, ease of understanding and other pertinent factors.

**Task 2: Evaluation of Rate and Fee Options and Recommendations to the Board.** Based upon our research in the previous tasks, input from Authority staff and other stakeholders, and our experience with numerous similar efforts, the SCI Team will prepare a rate and fee options presentation to the Board. The intention of this Board workshop will be to solicit key feedback from Board members regarding preferences in terms of methodology and approach. This will include pros and cons of funding options (including political viability, legal rigor, reliability, legislative factors, costs of implementation and maintenance, sustainability, and timeline).

### ***Deliverables***

- *Develop and present PowerPoint Recommendations Summary Presentation*

**Task 3: Coordination of Available Data with USLRGMA GSP and Funding Preferences.** The SCI Team will utilize data from the Upper San Luis Rey Subbasin's GSP, any available metered data, and any other relevant data that would inform an accurately proportional fee program. The coordination of these data sources will be used to establish a basis for charging well owners based on extraction. The SCI Team understands that it is the intention of the Authority to develop a robust metering program in the Subbasin. This approach would provide numerous benefits to groundwater users and other stakeholders, particularly as it relates to equity, proportionality, and potentially, conservation. The SCI Team also understands that while the Subbasin does have some meters in place, increasing the amount of metered wells will be a key component of further developing the methodology of a robust Fee Study.

A common approach to establishing a proportional fee program to support groundwater management is the development of a parcel database pertaining to characteristics relevant to groundwater use. However, given the Authority's plan to increase the number of meters in the Subbasin, such a comprehensive database would likely not be necessary. Instead, there will likely be a need for an interim approach that

utilizes the USLRGMA GSP model, any available metered data, and other potentially useful data sources relating to groundwater use in the Subbasin. This interim approach may be used as a bridge to a fully metered Subbasin in which all pumpers are charged according to their metered pumping data.

Due to this somewhat unique approach to establishing a fee program, the scope and cost of Task 3 has been reduced to reflect the relatively minimal work required to establish a fee methodology based largely on readily available data. Should the situation change, creating a need for the development of a parcel-specific database to inform the fee program's methodology, Task 3 will likely need to be revisited.

**Task 4: Community Engagement.** The SCI Team anticipates the need for at least one (1) community meeting in support of the development of a fee program for USLRGMA. We are prepared to develop a presentation at the PowerPoint level and associated messaging documents intended to inform the community of the fee program, its approach, and the effect it will have on well owners.

Deliverables:

- *Draft messaging documents, updated as needed (website content, FAQ, fact sheet, handouts, PowerPoint)*

**Task 5: Development of Fee and Rate Schedules Supported by a Fee Study.** The SCI Team will prepare a comprehensive Fee Study for the proposed programs and improvements to be funded. The preliminary work will include several rate structure options incorporating all necessary revenues, costs, fund balance targets, reserves, debt service considerations, and capital improvement scenarios. Compliance with all relevant legal requirements will be a primary focus of this Study. Depending on the type of fee implemented, Water Code § 10730, § 10730.2, Proposition 26, and Proposition 218 will likely provide the appropriate legal framework for implementation. Additionally, the Report will include other legal considerations and issues related to the fee methodology, appeal processes, and alternative revenue enhancement options. The process will build on the data gathered in previous tasks, including parcel data, community priorities, budgets, cost estimates, and multi-year proforma for all services.

The Fee Report's development is an iterative process and will be interwoven with the recommended early stakeholder outreach. This process varies depending on the community and will be tailored to fit the Authority's situation. SCI will present these fiscal plans, data review and analysis, and various fee scenarios to the Authority in at least one review session

Once Authority staff (and possibly the legal counsel) have reviewed the data and information, we will prepare a Draft Fee Report for a consolidated review by staff of the recommended rate structure and fee levels. After that review, SCI will prepare the Final Fee Report that satisfies the requirements of Articles XIIC and XIID of the California Constitution (Propositions 26 and 218), the Government Code, Water Code, and other relevant code sections. The Report will be prepared and signed by John Bliss, P.E., a registered Civil Engineer with extensive experience in this field. The Report will include a detailed description of the proposed fee structure for the programs and improvements, future capital and facility improvement needs, a detailed cost estimate, the rationale used for the fee apportionment, calculation of the specific proposed fee amount, any necessary maps or diagrams, and other elements.

Deliverables:

- *Preliminary Rate Scenarios – Spreadsheet & PowerPoint level*
- *Draft Groundwater Fee Study and supporting PowerPoint*
- *Final Groundwater Fee Study and supporting PowerPoint*

## **USLRGMA RESOURCES**

SCI will carry out all tasks specified in the Work Plan and any other related services, as appropriate, to prepare the Fee Study. The Authority would be responsible for the following:

- Meet or participate in video conference calls periodically with SCI as needed.
- Provide information and documentation regarding the Authority's current financial structure and Basin/community attributes needed to develop fee and tax methodologies.
- Assist with the review of the Fee Study and other information presented and prepared by SCI.
- Assist with planning, review, and coordination of action items.

## **ABOUT SCI CONSULTING GROUP**

Established in 1985, **SCI Consulting Group** is a recognized public finance consulting firm with leading expertise in assisting California public agencies with local funding of public services and improvements. We also possess industry-leading expertise with the important legal and procedural requirements for establishing fee programs, special taxes, Community Facilities Districts, Benefit Assessment Districts, and other local financing mechanisms. SCI has also formed and annually administers nearly 1,000 special taxes, assessments, and fees for over 175 public agencies throughout the State.

This expertise and experience will ensure that the Authority's goals and objectives are met successfully, collaboratively, on schedule, and on budget.

## **QUALIFICATIONS**

### **Experience with Funding Analysis for Implementation of Groundwater Sustainability Plans**

- Santa Rosa Plain GSA (Sonoma County)
- Sonoma Valley GSA (Sonoma County)
- Petaluma Valley GSA (Sonoma County)
- Ukiah Valley Basin GSA (Mendocino County)
- Butte Valley GSA (Siskiyou County)
- Scott Valley GSA (Siskiyou County)
- Shasta Valley GSA (Siskiyou County)
- Sierra Valley Groundwater Management District GSA (Sierra and Plumas Counties)
- Los Osos Basin Management Committee (San Luis Obispo County)

### **Successful Water (Groundwater, Storm Drainage, and Flood Control) Rate Studies**

- Santa Rosa Plain GSA
- Petaluma Valley GSA
- Sonoma Valley GSA
- City of Alameda
- City of Berkeley
- City of Cupertino
- City of Davis
- City of Los Altos



### **Successful Water-Related Funding Mechanism Results**

For agency-wide ballot measures, SCI has a success rate of over 94% with over 140 successful Proposition 218-compliant ballot measures to date. This is more than the number of new agency-wide Proposition 218-compliant measures by all other consulting firms in California combined. Recently we have completed seven benefit assessment implementations for flood control agencies (Reclamation Districts 349, 551, 765, 755, 817, 2103, and 2107), and have implemented storm drainage fees for the Cities of Davis, Del Mar, San Mateo, Santa Clara, and the Tahoe Resource Conservation District. SCI also recently developed Fee Studies for three GSAs in Sonoma County, and is currently developing a fee Study for the Cosumnes Groundwater Authority in Sacramento and Amador Counties.

### **Expertise in Propositions 13, 26 and 218**

Throughout designing and establishing new Proposition 13, 26, and 218-compliant fees, taxes, and benefit assessments, and working on these projects with many of the leading specialized attorneys in the State, we have gained unparalleled legal and Proposition 13, 26, and 218 compliance expertise.

### **ABOUT LARRY WALKER ASSOCIATES**

LWA is a privately-owned corporation providing environmental engineering and management services throughout California. Headquartered in Davis, California, LWA has regional offices in Santa Monica, Carlsbad, Berkeley, San Jose and Ventura, as well as an office in Seattle, Washington. Founded in 1979, LWA has been a partner, innovator, technical and analytical expert and industry leader, assisting municipalities and private businesses in navigating and solving complex and important environmental and public policy challenges. LWA provides a wide range of consulting services ranging from traditional water and wastewater engineering to highly specialized water resource management; groundwater modeling, scenario analysis and sustainable planning; surface water and groundwater monitoring; and stormwater and watershed management.

## REFERENCES

**Ann DuBay, Administrator**  
**Sonoma Valley and Petaluma**  
**Valley Groundwater Sustainability Agencies**  
404 Aviation Boulevard  
Santa Rosa, CA 95403  
(707) 524-8378  
ann.dubay@scwa.ca.gov

**Dan Heimel,**  
**Executive Director,**  
**Los Osos Basin Management Committee**  
San Luis Obispo County Public Works  
1055 Monterey Street  
San Luis Obispo, CA 93408  
(805) 459-8498  
danheimel@confluencees.com

**Amber Fisetta,**  
**Deputy Director of Transportation**  
**Ukiah Valley Basin Groundwater Sustainability**  
**Agency**  
501 Low Gap Road  
Ukiah, CA 95482  
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fisettea@mendocinocounty.org

**Andy Rodgers, Administrator**  
**Santa Rosa Plain Groundwater**  
**Sustainability Agency**  
2235 Mercury Way, Suite 105  
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**Natural Resources Specialist**  
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**Sean O'Shea,**  
**Administrative & Fiscal Manager**  
**City of Berkeley Public Works**  
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(213) 485-0587  
soshea@cityofberkeley.info

## FEE SCHEDULE / MANNER OF PAYMENT

Compensation for the development of a Fee Study and related consulting services as outlined in the Work Plan shall be a fixed fee of \$39,500. After the completion of each task, SCI shall submit an invoice.

<b>TASK</b>	<b>Fixed Fee</b>
Task 1: Initial Research and Planning	\$3,500
Task 2: Evaluation of Rate and Fee Options and Recommendations to the Board	\$6,500
Task 3: Coordination of Available Data with USLRGMA GSP and Funding Preferences	\$9,000
Task 4: Community Engagement	\$6,000
Task 5: Development of Fee and Rate Schedules Supported by a Fee Study	\$14,500
<b>TOTAL</b>	<b>\$39,500</b>

This scope of work includes up to one (1) in-person meeting. SCI will bill any additional meetings, if required, at the rate of \$1,500 per person per meeting. Incidental costs incurred by SCI for the purchase of property or statistical data, travel, and other out-of-pocket expenses incurred in performing the scope of work shall be reimbursed at actual cost and shall not exceed \$1,000 without prior authorization from the Authority.

## ADDITIONAL INFORMATION

**Employment Policies.** SCI does not and shall not discriminate against any employee in the workplace or against any applicant for such employment or against any other person because of race, religion, sex, color, national origin, handicap, age, or any other arbitrary basis. SCI Consulting Group ensures compliance with all civil rights laws and other related statutes.

**Conflict of Interest Statements.** SCI has no known past, ongoing, or potential conflicts of interest for working with the Authority, performing the Scope of Work, or any other service for this Project.

**Insurance.** SCI carries professional Errors and Omissions insurance in the amount of \$2 million per occurrence and \$2 million aggregate. SCI also carries general liability insurance in the amount of \$2 million per occurrence and \$4 million aggregate.

**Independent Contractor.** If selected, SCI shall perform all services included in this proposal as an independent contractor.

## PROJECT TEAM

If selected, Ryan Aston would serve as the project manager, and John Bliss would be principal-in-charge. Jerry Bradshaw, Senior Engineer, would also be involved as a senior advisor. Laura Foglia, Ph.D., would coordinate technical expertise in organizing relevant data in support of fee development. The four of us do not have any work commitments that would interfere with our responsiveness and ability to complete the project within a reasonable timeframe.

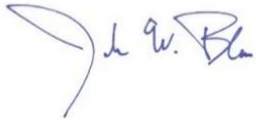
Ryan specializes in funding options for groundwater basins, including identifying viable methodologies and analysis of basin and community attributes that contribute to mutually beneficial funding solutions. Ryan has presented such findings at GSA Governing Board and Community Meetings and annual

conferences, most recently at the Groundwater Resources Association's Western Groundwater Congress. He graduated from the University of California, Santa Cruz, with a B.A. in Politics with emphases in political economy and municipal government.

If you have any questions or require additional information, please do not hesitate to contact me. Ryan can be reached at 707-430-4300 ext. 118 or via email at [ryan.aston@sci-cg.com](mailto:ryan.aston@sci-cg.com). John Bliss, President of SCI, can be reached at 707-430-4300 ext. 113 or via email at [john.bliss@sci-cg.com](mailto:john.bliss@sci-cg.com).

We look forward to the possibility of assisting the Authority with this important project and stand ready to proceed.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Bliss". The signature is stylized with a large, sweeping initial "J" and "B".

John Bliss, P.E., President, SCI Consulting Group

cc: Ryan Aston, SCI Consulting Group

**RESOLUTION NO. 06-2022**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF**  
**UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY**  
**AUTHORIZING CHECKING, SAVINGS AND INVESTMENT ACCOUNTS**  
**WITH VARIOUS BANKING INSTITUTIONS AND**  
**RESCINDING RESOLUTION 03-2022**

WHEREAS, by prior resolution this Authority has established checking, savings, and investment accounts with various banking institutions and authorized signers for the withdrawal or deposit of funds; and

WHEREAS, from time to time the board of directors or staff members change resulting in a change in the authorized signers.

NOW THEREFORE BE IT RESOLVED, that this Authority establish checking, savings, and investment accounts with various banking institutions and the Treasurer and Administrator of this Authority are hereby authorized to establish such accounts upon such terms as may be agreed with Bank, and the following persons:

Greg Kamin, Chairman	_____
Tim Lyall, Vice-Chairman	_____
Michael Perricone, Secretary	_____
Roland Simpson, Treasurer	_____
Amy Reeh, Administrator	_____

are authorized "any Two Acting Together" to withdraw funds from said accounts by check, drafts or other items including those done electronically, for and on behalf of this Authority.

RESOLVED FURTHER, that the authority hereby conferred shall remain in force until revocation thereof by sealed notification to Bank of such action by the Board of Directors of the Authority is received by Bank at the office where such accounts are maintained.

The undersigned, Secretary of Upper San Luis Rey Groundwater Management Authority, hereby certifies that the foregoing Resolution was adopted by the Board of Directors of said Authority at a regular meeting held December 20, 2022, and Resolution 03-2022 is hereby rescinded. That the signatures appearing on the Resolution are those of persons now duly authorized to sign on behalf of said Authority in accordance with said Resolution. Passed by the following roll count vote to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

ATTEST:

\_\_\_\_\_  
Greg Kamin, Chairman

\_\_\_\_\_  
Michael Perricone, Secretary