

**OF THE
MEETING OF THE
BEDFORD-COLDWATER
GROUNDWATER SUSTAINABILITY AUTHORITY**

May 16, 2019

Board Present

Paul Rodriguez, TVWD
Phil Williams, EVMWD
Jacque Casillas, City of Corona

Staff Present

Jeff Pape, TVWD
Katie Hockett, City of Corona
Margie Armstrong, EVMWD
Parag Kalaria, EVMWD
Terese Quintanar, EVMWD
Victor Harris, Stantec
Manuel Serpa, Olivarez Madruga Lemieux O'Neill, LLP

1. CALL TO ORDER AND ROLL CALL

The meeting of the Bedford-Coldwater Groundwater Sustainability Authority was held at its principal offices located at 22646 Temescal Canyon Road, Temescal Valley, California. The meeting was called to order by Chairman Rodriguez at 4:00 p.m.

2. PUBLIC COMMENT – None.

3. CONSENT CALENDAR

A. Approval of Minutes of the February 21, 2019 Meeting

B. Ratification of Demands

C. Receive and File Financial Statement

ACTION: Vice-Chairman Williams made a motion, Director Casillas seconded and the motion carried unanimously to approve Consent Calendar Items 3.A. and 3.B.

Referencing Consent Calendar Item 3.C, Director Casillas asked if the cost for the logo was \$4,000 or if there was more work involved. Mr. Harris responded that in this case, there were many different versions and also includes more continuous work on the website. The \$10,000 for the website includes the cost for hosting, continual updating and anything we need to post to the public. In the future, the cost for the website will decrease, as this is mostly attributed to the initial setup. The vendor charges \$100 per

hour and we might need his services for very few more hours moving forward. There was also an instance of malware that he took care of that was included in that cost.

ACTION: Director Casillas made a motion, Vice-Chairman Williams seconded and the motion carried unanimously to approve Consent Calendar Item 3.C.

4. BUSINESS CALENDAR

A. Approval of Amendment No. 1 to Service Agreement with Elsinore Valley Municipal Water District (MO# 22)

Ms. Armstrong explained this is an administrative change to the agreement between the Bedford-Coldwater JPA and EVMWD for administrative support, accounts payable, annual audits and other services. The original agreement references EVMWD employees, which are employed by another JPA and the amendment is to clarify that the employees identified as Elsinore Valley Municipal Water District Employees are employed by the Water Employee Services Authority (WESA). WESA provides Worker's Compensation Insurance for said employees. There is no fiscal impact associated with making this revision.

Rodriguez thanked Ms. Armstrong for following up to see to this amendment to clarify the agreement.

ACTION: Vice-Chairman Williams made a motion, Director Casillas seconded and the motion carried unanimously to:

1. Approve Amendment No. 1 to Service Agreement with Elsinore Valley Municipal Water District.

B. Adoption of Reserve Policy (MO# 23)

Ms. Armstrong explained this is a very simple reserve policy and it is intended to provide funding for the JPA in cases there are expenses beyond what is budgeted and provided by member agencies. The proposed policy provides non-operating and operating reserves, and both are proposed at 25% each. On the non-operating, it is more important for the GSP preparation and other larger bills. We have a grant for \$1M for the preparation of the GSP and it also involves matching funds. Reimbursement for grants is done on a quarterly basis, and there is a gap of about 60 days before we are reimbursed. There might be a point where additional advance may be necessary, but staff will discuss this with the Board if and when that is needed.

Chairman Rodriguez commented that because we meet quarterly, it makes sense to build a reserve. He asked about the rationale for the 25%. Ms. Armstrong explained that up to this point the expenses have been low, but we expect operating expenses to increase. After this fiscal year, we will review our expenses to determine if that 25% should be adjusted. Vice Chairman Williams asked for the review to take place when the

budget is reviewed. Ms. Hockett added that submittals are made to DWR quarterly. Chairman Rodriguez voiced the importance of knowing future needs and concern for requirement to bill the member agencies large amounts to fund the reserves and importance of build the reserves.

ACTION: Director Casillas made a motion, Vice Chairman Williams seconded and the motion carried unanimously to:

1. **Adopt the Reserve Policy.**

C. **Appointment of ACWA JPIA Representatives (MO# 24)**

Ms. Armstrong explained this is a requirement of being a member of the Association of California Water Agencies (ACWA). The Representative and Alternate Representative need to be members of the JPA Board. Director Williams explained there are two meetings per year of the JPIA, preceding the ACWA Conference. Director Casillas expressed uncertainty for availability to attend the JPIA meetings. Mr. Serpa explained that the ACWA Conference is very informative, and that Vice Chairman Williams could represent both EVMWD and BCGSA at the meetings. Chairman Rodriguez voiced willingness to be an Alternate. Director Casillas would fill in as the Alternate Representative if necessary, and all members were encouraged to attend the ACWA Conference.

ACTION: Chairman Rodriguez made a motion, Director Casillas seconded and the motion carried unanimously to:

1. **Appoint Vice Chairman Williams as the ACWA JPIA Representative for BCGSA, and Chairman Rodriguez as the Alternate Representative.**

D. **Approval of FY 2019-2020 Budget (MO# 25)**

Mr. Harris reported we have a good handle on next year's expenses. The GSP Administrator is Stantac and the JPA Administrator is EVMWD. The website numbers are conservative, and legal counsel, auditor, insurance, and bank fees are based on existing expenses.

The GSP development is \$800,000 over the next two years. The grant funding of \$1M will evolve slowly, as invoicing and delays will cause lags. The GSP implementation includes projects that might involve things like monitoring well construction, monitoring devices, and land acquisition and we estimate a total of \$2.5M over the next few years. We are estimating for the next five years and the unknown is the implementation of the projects, involving future decisions on which projects to build and when.

Mr. Pape added that grant funding was mostly based on projects, and we had to list in the grant application the projects we were planning to do, and since our agencies are already monitoring, this will be done once GSP is finalized.

Chairman Rodriguez inquired about the negative numbers showing in the Non-Operating and Operating budgets for 2021-22 and 2022-23. Ms. Armstrong clarified that the negative numbers pertain to reserves, and we are keeping the reserve level at 25%. Since the Non-Operating budget is reduced in those years, BCGSA will not need as much money in the reserves. Later, the higher Non-Operating budget will drive that number higher. Chairman Rodriguez stated that we should have zero as being budgeted, not a negative number. Discussion followed regarding clarity in reporting. Director Casillas requested a footnote to clarify that whether the Operating Reserve is zero or negative number, and there was concurrence to clarify via footnote (4).

Chairman Rodriguez commented that it is likely that grant reimbursements will lag. He asked if we can invoice for grant reimbursement on a progress basis. Ms. Armstrong answered that we submit on a quarterly basis, whether or not the milestone is complete. Mr. Pape also commented that we must spend our local share first, in order to receive grant reimbursement and timing can be an issue. Our agencies may have to contribute additional funds in the meantime.

Ms. Armstrong explained the 2020 member contributions. Grant reimbursement of \$300,000 is anticipated, and member contribution carry over is \$114,835. Total Member Contribution is approximately \$1.1M, or \$369,555 (FY 2020) and \$339,817 (FY 2021) per agency. She confirmed that these amounts have been incorporated into EVMWD's budget. Ms. Hockett explained that the budget numbers identified today will be submitted for the Council's consideration, and confirmed there is money in their fund. Chairman Rodriguez added that the funding had been discussed by his agency as well.

ACTION: Vice-Chairman Williams made a motion, Director Casillas seconded and the motion carried unanimously to:

1. **Adopt the BCGSA FY 2019-20 Budget.**
- E. **Approval of a Professional Services Agreement for Bedford Coldwater Sub-basin Groundwater Sustainability Plan Development (MO# 26)**

Mr. Harris reported that the contractor collected all raw data for GSA and the Plan development will be the next step. In April, the RFP was distributed for the development of the document, minus a few things to be handled by staff. Proposals were due on April 30, 2019. This RFP was advertised on planet bids, plus 13 other qualified firms were notified. We received two proposals; Todd Groundwater and Wildermuth Environmental. These were rated by agency staff and Stantec, and the combined score indicated that Todd Groundwater was the favored vendor, with a better proposal and approach. Both firms are qualified. Wildermuth Environmental's proposal was \$629,000, and Todd Groundwater's was \$1.16M. Cost analysis was done, and it was concluded that Wildermuth underbid the job and Todd overbudgeted, particularly in areas where Stantec or agency staff would handle the tasks. Mr. Harris pointed out the excess effort in some areas, such as stakeholder outreach, and requested a revision from Todd Groundwater.

Todd Groundwater's proposal was reduced to \$771,175 and staff requested approval of PSA for Todd Groundwater.

Mr. Pape explained that both proposals were discussed at length and Todd Groundwater was the preferred consultant, having had experience with the City of Corona, TVWD for the Bedford Basin work, and data compilation for BCGSA. They estimated incorrectly. Both billing rates were the same. Once Todd Groundwater was informed of the areas we thought were not needed, they came back with a reduced proposal. Chairman Rodriguez voiced that he was hopeful for a broader response.

Director Casillas asked for the scores for each proposal and commented that she prefers to see comparison tables. Mr. Harris explained that Wildermuth had 195 points total. Todd Groundwater had 193, but when weighting was taken into account Wildermuth's total was lower than Todd Groundwater. Director Casillas voiced that both requestors should be provided the same opportunity to amend proposals. Ms. Armstrong explained that Wildermuth scored higher in the less weighted categories and lower in the larger weighted categories, and that Todd Groundwater scored higher in these areas even before the reduction in proposal price (Wildermuth Env.: 38.8, Todd Groundwater: 39.6). She continued that Todd Groundwater's proposal was better and there was a better approach to the GSP development. Mr. Harris pointed out that the RFP states that we would negotiate with the selected contractor, and that he would provide the scoring to the Board. Director Casillas reiterated the need for transparent, consistent approach for consultants, and that a table showing differences would be useful. Mr. Serpa voiced that aside from price, it is important that they appropriately addressed our concerns. Mr. Harris reported that expenses for work not needed were removed. He added that he believes the scoring is fair and reasonable. Mr. Pape agreed that this is typically how it is done, and the standard is to negotiate. There is a difference between this RFP process and public works awards.

Chairman Rodriguez said that this is typical, but slightly different than what he is used to the benefit of having the scoring information for reference. The need for transparency seems even grater since we have only two proposals. He echoed Director Casillas' concerns and the need for budget information to also be included in the packet. Mr. Serpa pointed out that Todd Groundwater did not change the deliverables and that the deliverable breakdown is not by price. Mr. Harris confirmed, and that the deliverables were listed as tasks. Mr. Serpa stated that the process of Public Works project awards is much stricter.

In the future, budget breakdown and scoring tables including raw and weighted scoring data will be provided. Negotiation with selected firms will be done following the Board's selection of the firm. There was consensus on the importance of a fair and transparent process.

ACTION: Vice-Chairman Williams made a motion, Director Casillas seconded and the motion carried unanimously to:

1. Approve a Professional Services Agreement with Todd Groundwater for the Bedford Coldwater Sub-basin Groundwater Sustainability Plan Development

5. ADMINISTRATOR’S UPDATE

Mr. Harris reported that a lot has been accomplished since that last meeting. We continually update the website and have added the State’s logo, at the State’s request. We finalized an RFP and performed a well canvas to document elevations and conditions. The budget was prepared, and the progress report and invoice were prepared and submitted to the State on May 14, 2019. This was a huge effort and included a lot of detail. We are finalizing a State deliverable; the data management system. We need to document that for the State. We will begin with consultant and staff the work on the GSP.

6. LEGAL COUNSEL REPORT

Mr. Serpa commented on the PSA template, and that they update their templates each year. He opined that this template is up to date and should serve us well.

7. COMMENTS OF THE BOARD

Chairman Rodriguez commented that its great that we have questions. It would have been nice to have more proposals, but he is confident in Todd’s abilities. Director Casillas expressed that she is proud that we are doing this and being proactive.

8. ADJOURN

There being no further business, the May 16, 2019 regular meeting of the Bedford-Coldwater Groundwater Sustainability Authority was adjourned at 5:05 p.m.

ATTEST:

Phil Williams
Phil Williams, Vice-Chairperson

APPROVED:

Paul Rodriguez
Paul Rodriguez, Chairperson

Date: 8-15-19

Date: AUGUST 15, 2019