

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

February 21, 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
Jesus Gastelum, EVMWD
Parag Kalaria, EVMWD
Terese Quintanar, EVMWD
Victor Harris, Stantec
Kelly Shugart, 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 November 15, 2018 Meeting

B. Ratification of Demands

C. Financial Statement

Chairman Rodriguez noted corrections to pages 2 and page 3 of the November 15, 2018 meeting minutes.

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

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

Chairman Rodriguez clarified for the record that Item 3.C was numbered incorrectly as 5.C, on the staff report.

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

4. BUSINESS CALENDAR

A. Receive and File the Audited Financial Statements for Fiscal Year Ending June 30, 2018 (MO# 21)

Margie Armstrong explained this is our first audited Financial Statement and referred to the Statement of Net Position, reporting our cash amount at \$290,596. Referencing the Statement of Revenues, Expenses, and Changes in Net Position, Ms. Armstrong relayed that financial statements have been produced on a quarterly basis and member contributions total \$103,815. Operating Expenses include fees paid to EVMWD, Stantec and other consultants, which total \$79,063. We have also had some legal fees and bank fees associated with opening the account. There has been a little interest income and member contribution used so far in this fiscal year.

Referencing the Statement of Cash Flows, Ms. Armstrong reported that this reflects cash in and out and is somewhat of a duplication of the Statement of Revenues, Expenses, and Changes in Net Position. Money coming in is member contribution and interest. Notes are regarding accounting policies, cash equivalents, and also mention what we allow in the Investment Policy adopted by this Board.

Director Casillas asked about the Required Supplemental Information and asked for clarification of that wording on page 2 of the Independent Auditors Report. Ms. Armstrong answered that for the first year we elected to keep it small and there were not a lot of activities through the Authority. This section was added for cost purposes, there was not anything there to report.

Chairman Rodriguez referenced page 6 and asked why the Operating Income is indicated as a negative number. Ms. Armstrong answered that the Operating Income has to tie back to the information on page 5, on the Non-Operating Interest and Income and total Non-Operating Revenue/Expenses and Total operating Income and Loss. It is shown as a negative number because interest is considered non-operating, but shows as a positive on the Operating side. When Auditors review the Statement of Cash Flows, they start with that net operating number. Chairman Rodriguez asked if it could be done differently, and Ms. Armstrong explained that this is the way the Statement must be structured. It is not within our discretion to change it. She explained that this will be reflected the same each year. Mr. Pape added that loss on the Operating side is made up by interest income. Ms. Armstrong continued that we cannot list the full amount of

member contribution as revenue because we didn't use the full amount. Chairman Rodriguez stated that because the prior year contributions are to cover current year expenses, and by definition will exclude interest, it appears to be dual entries that negate each other and appear off. He suggested the notes explain this for the layperson in the future.

5. ADMINISTRATOR'S UPDATE

Mr. Harris reported that conferences with staff are done monthly or more often. We have upgraded the website, after incident with malware. Director Casillas was added to the website and she thanked Ms. Hockett. The RFP is drafted and reviewed and will soon be placed on PlanetBids and individual consultants will also be notified and made aware of the opportunity. Todd Groundwater pulled all area data and compiled a report with basic basin information. Staff with DWR covered details of grant requirements, and we will pull together costs for the State, and the first progress report will be submitted shortly after June. Well canvas is underway by Todd Groundwater, and they are identifying wells to see if they still exist and if they can be fitted with monitoring equipment. Each well will be photographed and cataloged. The RFP will be released in a way to give consultants time for development of their proposal. Staff will review submittals and can present them for Board review in May.

For the benefit of Director Casillas, Jeff Pape reported that the Bedford-Coldwater basin is a sub-basin of the Elsinore Basin. Creating the Bedford-Coldwater JPA was a big endeavor. There were many meetings held, including lawyers of each agency, to draft the formation documents. Following formation, we sought consultants to help with administration. This group is unique, as there are two large districts and one small district. All three entities (EVMWD, City of Corona and the JPA) have their own GSAs. Each has applied for their own grant funds, so we rely on that experience. We have three grants for three basins, with three agencies involved. The Bylaws for the JPA took four or five months to draft and approve.

Answering Vice Chairman Williams, Mr. Harris stated that grant administration is done through Stantec. Stantec will do the bulk of the work, but the Department of Water Resources also recognizes Ms. Armstrong as the Administrator.

Chairman Rodriguez expressed concern that interest may be limited due to the short amount of time between submittal deadline and review. Mr. Harris answered that we may need to revise the dates to allow more time to review. Chairman Rodriguez warned against rushing the process to stay on schedule. Mr. Pape added that we will want to make sure we are in compliance with the grant requirements and we may be able to shorten time up and make the May board meeting, but there is no need to rush. Answering Chairman Rodriguez, Mr. Harris stated that not a lot of RFPs have been issued. Ms. Hockett added that many agencies have grant agreements coming out now. DWR is finalizing a kick-off meeting for the grant, so many agencies have not yet issued them. Mr. Harris stated that we are not the first to issue an RFP. Also, we are not a high

priority basin. There are no medium priority basins (or GSAs) that have not been awarded grants. Ms. Armstrong stated that we were "medium" priority but were downgraded to "low." We are proceeding as if we were still a "medium" priority. Mr. Pape stated that a lot of people will want to do the GSP, and that to get people out to the Technical Committee is very difficult. Once people are aware of us, there may be a lot of interest. Mr. Harris stated that the typical RFP defines regulations and we have determined that outreach to be done by staff. We don't expect a huge controversy. Looking at some of the RFPs, we are the early middle in getting ours out there. It is written to keep consultants from saying they don't understand. The data collection for the basin is done and stakeholder outreach is being done by staff will keep costs lower. Answering Chairman Rodriguez, Mr. Harris reported that a Stantec staff member who used to work for the State will be able to provide comments concerning the Delta or the Governor's actions.

6. LEGAL COUNSEL REPORT

Mr. Serpa relayed that an Agreement template was forwarded from Ms. Armstrong and it was reviewed and was found to be very solid and easily customizable. We will include the draft Agreement template with the RFP, without exception or explanation of exception upon submittal. Chairman Rodriguez commented that we have a good foundation amongst the three jurisdictions.

7. COMMENTS OF THE BOARD

Chairman Rodriguez welcomed Director Casillas and commented on the strength of our resolve to protect local water sources and minimize our dependence on outside sources. Forty percent of water sales are non-potable and this has been done by working with neighbors.

8. ADJOURN

There being no further business, the February 21, 2019 regular meeting of the Bedford-Coldwater Groundwater Sustainability Authority was adjourned at 4:40 p.m.

ATTEST:



 Phil Williams, Vice-Chairperson

APPROVED:



 Paul Rodriguez, Chairperson

Date: May 16, 2019

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