

**AGENDA
GROUNDWATER BANKING JOINT POWERS AUTHORITY
FINANCE COMMITTEE MEETING**

April 28, 2021
3:00 PM

Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspend certain requirements of the Ralph M. Brown Act. Members of the public may not attend this meeting in person.

Participation by members of the Committee will be from remote locations. Public access and participation will only be available telephonically/electronically.

To virtually attend the meeting and to be able to view any presentations or additional materials provided at the meeting, please join online using the link and information below:

Via Web: <https://zoom.us/j/85801981010>
Meeting Number (Access Code): 858 0198 1010
Meeting Password: 249125
Telephone Dial In: (669) 900-6833

As courtesy to the other participants, please mute your phone when you are not speaking.

PLEASE NOTE: Participants joining the meeting will be placed into the lobby when the Committee enters closed session. Participants who remain in the "lobby" will automatically be returned to the open session of the Committee once the closed session has concluded. Participants who join the meeting while the Committee is in closed session will be placed in the waiting room. When the Committee has returned to open session, the participants will be automatically added to the meeting.

CALL TO ORDER 3:00 PM

ROLL CALL Peer Swan, Roy Pierucci, Cheryl Clary, Megan Misuraca

PUBLIC COMMENT NOTICE

If you wish to address the Committee on any item, please submit a request to speak via the "chat" feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing mmisuraca@rrbwsd.com before 5:00 pm. on Tuesday, April 27, 2021.

ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE.

1. Consideration and Approval of Committee Meeting Minutes

- a. Special Finance Committee Meeting- September 30, 2020
- b. Special Finance Committee Meeting- March 12, 2021

2. Actual vs. Budget Results Through March 2021 (Cheryl)

3. Proposed Budget FY 2021-2022 (Cheryl/Fiona)

4. Insurance Update (Rob)

5. Adjournment

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection by contacting Megan Misuraca at mmisuraca@rrbwsd.com. If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available to the public at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically during the meeting.

Accommodations: Upon request, the Committee will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at the meeting. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to mmisuraca@rrbwsd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

**BOARD OF DIRECTORS
GROUNDWATER BANKING JOINT POWERS AUTHORITY
MINUTES OF THE FINANCE COMMITTEE MEETING**

September 30, 2020
1:00 PM

Note: This meeting was conducted by teleconference pursuant to and in conformance with Executive Order N-29-20 relating to public meetings during the State of Emergency that was declared as a result of COVID-19.

Committee Members and Alternates Present

Peer Swan
Roy Pierucci
Eric Averett
Cheryl Clary

Committee Members and Alternates Absent

None

Others Present

Dan Raytis- Belden, Blaine, Raytis
Rob Jacobson- IRWD
Fiona Sanchez- IRWD
Paul Weghorst-IRWD
Paul Cook- IRWD
Doug Reinhart-IRWD

Call to Order

Director Swan called the meeting to order at approximately 1:00 p.m.

Public Comment Notice

There were no public comments.

1. Consideration of 2020/2021 Budget

Ms. Clary and Mr. Averett reviewed the proposed 2020/2021 budget and recommended that the Committee recommend Board approval of the budget as presented and authorize the cash call for the first quarter. Mr. Averett also explained that the cash calls will be submitted to the Board for approval. A motion was made by Director Pierucci and seconded by Director Swan to recommend Board approval and adoption of the 2020/2021 budget and authorize a cash call for the first quarter costs. A roll call vote was taken and the motion was unanimously passed.

2. Consideration of Groundwater Banking Authority Financial Policies

Ms. Clary and Mr. Averett reviewed various financial policies with the Committee, which included the following: Policy for Expenditure Authorization; Policy for Competitive Bidding; Policy for Change Orders and Variances; and Policy for Professional Services. Director Swan recommended various revisions and additions to the Policy for Expenditure Authorization and Policy for Change Orders and Variances; Mr. Raytis represented that he would make the changes to those policies as recommended before consideration of the policies by the Board. There were no suggested revisions to the Policy for Competitive Bidding or the Policy for Professional Services. A motion was made by Director Swan with a second by Director Pierucci to recommend Board approval of the following policies with the changes and additions suggested by Director Swan: Policy for Expenditure Authorization; Policy for Competitive Bidding; Policy for Change Orders and Variances; and Policy for Professional Services. A roll call vote was taken and the motion was unanimously passed.

The meeting was adjourned at 1:58 p.m.

ATTEST:

Authority Secretary

**BOARD OF DIRECTORS
GROUNDWATER BANKING JOINT POWERS AUTHORITY
MINUTES OF THE FINANCE COMMITTEE MEETING**

March 12, 2021
1:00 PM

Note: This meeting was conducted by teleconference pursuant to and in conformance with Executive Order N-29-20 relating to public meetings during the State of Emergency that was declared as a result of COVID-19.

Committee Members and Alternates Present

Peer Swan
Roy Pierucci
Cheryl Clary

Committee Members and Alternates Absent

Others Present

Doug Gosling- Braun Gosling, ALC
Dan Raytis- Belden, Blaine, Raytis
Megan Misuraca- RRBWSD
Rob Jacobson- IRWD
Fiona Sanchez- IRWD
Paul Weghorst-IRWD
Paul Cook- IRWD
Dan Bartel- RRBWSD

Call to Order

Director Swan called the meeting to order at approximately 1:00 p.m.

Public Comment Notice

There were no public comments.

1. Reconciliation Update-

Ms. Clary reviewed the reconciliation of costs incurred by Rosedale and Irvine in furtherance of the Groundwater Banking JPA. A motion was made by Director Pierucci with a second by Director Swan to recommend Board approval of the reconciliation with the final true up amount of \$230,629.24 due from Rosedale to IRWD. A roll call vote was taken and the motion was unanimously passed.

2. Consideration and Possible Action of Auditors Proposal for FYE 2021 Audit-

Ms. Clary reviewed the proposal from Davis Farr, LLP to perform the FYE June 30, 2021 audit. A motion was made by Director Pierucci with a second by Director Swan to recommend Board approval of the proposal from Davis Farr, LLP in the amount of \$5,000 for the FYE June 30, 2021 audit. A roll call vote was taken and the motion was unanimously passed.

3. Consideration and Possible action on the Adoption of Investment Policy-

Mr. Jacobson reviewed the Investment Policy with the Finance Committee. A motion was made by Ms. Clary with a second by Director Pierucci to recommend Board approval of the 2021 Investment Policy as presented. A roll call vote was taken and the motion was unanimously passed.

4. Consideration and Possible Action on the Adoption of Professional Services Agreement-

Ms. Sanchez reviewed the proposed standard Professional Services Agreement with the Finance Committee. A motion was made by Director Pierucci with a second by Ms. Clary to recommend Board approval of the Professional Services Agreement for use by the JPA and its staff when engaging professional services providers. A roll call vote was taken and the motion was unanimously passed.

5. Consideration and Possible Action on the Adoption of Shared Services Agreement-

Mr. Bartel reviewed the Shared Services Agreement with the Finance Committee. During the discussion, Mr. Bartel asked the committee members if they approved of the JPA members' staffs taking the agreement to the members' respective Boards of Directors prior to consideration by the JPA Board; all members indicated their approval of that process. A motion was made by Ms. Clary with a second by Director Swan to recommend Board approval of the Shared Services Agreement in substantially the form presented. A roll call vote was taken, and the motion unanimously passed.

6. GM Report

Mr. Gosling briefed the Board on the Groundwater Banking JPA Bylaws regarding the position of General Manager due to the separation of Mr. Averett from Rosedale-Rio Bravo Water Storage District employment. Staff requested that a special Board of Directors meeting be held to resolve the position vacancy. By consensus the Committee agreed that the matter of appointing a General Manager should be considered by the JPA Board at its next meeting. No action was taken.

i. Status of JPA Formation Tasks-

Fiona Sanchez called the committee's attention to the updated JPA Formation Task sheet included in the committee packet. No discussion was had.

The meeting was adjourned at 1:31 p.m.

ATTEST:

Authority Secretary

April 28, 2021
Prepared by: May Geng / Sophia Phuong
Reviewed by: Cheryl Clary
Agenda Item: 2

GBJPA Quarterly Unaudited Actual to Budget Report FY2020-21

DISCUSSION:

The quarterly unaudited actual to budget report for the nine-month period ended March 31, 2021 is attached as Exhibit "A". The report is separated between expenditures charged to capital (tasks 1.0- 928.0) and operating expense (tasks 699134-699112).

The nine-month year to date total expenditures were \$842 thousand compared to a budget of \$968 thousand. Actual expenditures were \$126 thousand or 13% under budget. This is primarily due to less actual expenditures than budgeted for engineering project planning and designing partially offset by unbudgeted costs incurred for property pre-acquisition work. Exhibit "A" provides additional details and comments.

RECOMMENDATION:

Receive and File.

LIST OF EXHIBITS:

Exhibit "A" – GBJPA Quarterly Actual to Budget Report FY2020-21

Exhibit A
Groundwater Banking Joint Powers Authority
Unaudited Actual to Budget Report
Fiscal Year 2020-21
Period Ended March 31, 2021

Task / Account	Task / Account Name	Unaudited Actual 3/31/21	Budget 3/31/21	Budget (Over) /Under	Budget Variance %	Approved FY2020-21 Budget	Unaudited Actual - Inception to 3/31/21	Comment
Kern Fan Groundwater Capital Project								
1.0	Engineering - Planning and Design Staff	\$135,326	\$246,202	\$110,876	45%	\$389,753	\$325,341	
1.1	Grant Administration and Reporting	3,174	1,229	(1,945)	-158%	1,639	5,734	
1.15	CWC and USBR Feasibility Studies	45,947	12,940	(33,007)	-255%	12,940	137,593	Staff Time related to Federal Grant
1.16	JPA Administration	34,033	78,944	44,911	57%	101,169	43,608	Staff Time
1.4	Supplemental Environmental Impact Report	17,296	7,785	(9,511)	-122%	7,785	22,163	
1.5	Agreements with State Agencies	1,433		(1,433)	-100%		1,433	
1.8	Property Pre-Acquisition Work and Geophysical Study	49,410		(49,410)	-100%		49,410	Belluomini property geotech survey
2.0	Accounting and Financial Reporting	22,371	16,595	(5,776)	-35%	22,127	24,938	Initial system set up and testing
3.0	Engineering Design - Outside	2,817		(2,817)	-100%		2,817	
6.0	Legal JPA	48,304	52,500	4,196	8%	61,500	108,509	
900.0	Preliminary Design Report and Feasibility Report	71,527	154,590	83,063	54%	181,590	344,572	
906.0	Development of Agreement with FWS		10,000	10,000	100%	10,000	11,420	
908.0	Development of Agreement with DWR	44,175	20,000	(24,175)	-121%	20,000	165,906	Modeling related to USBR grant application
914.0	Permanent Easements					15,000		
918.0	Environmental	341,739	367,197	25,458	7%	382,197	385,527	Consulting related to Environmental Impact Report
922.0	Permitting					15,000		
928.0	PG&E Service					15,000		
	Capital Project Total	817,552	967,982	150,430	16%	1,235,700	1,628,971	
Operating Expense								
699134	Administration/Management	24,116		(24,116)	-100%		24,116	Staff Time on Accounting
699136	Bank Charges	141		(141)	-100%		141	
699112	Supplies	409		(409)	-100%		409	
	Operating Expense Total	24,666	0	(24,666)	-100%	0	24,666	
Total		\$842,218	\$967,982	\$125,764	13%	\$1,235,700	\$1,653,637	

April 28, 2021
Prepared by: Sophia Phuong
Reviewed by: Cheryl Clary
Agenda Item: 3

GBJPA Proposed FY2021-22 Budget

DISCUSSION:

Exhibit "A" is the proposed budget for the Fiscal Year (FY) 2021-22. The proposed total \$39.7million budget includes \$39.5 million for Capital and \$0.1 million for operating expense. Staff is proposing a one year budget versus a multi-year budget as there are too many unknowns to reasonably estimate expenditures beyond this fiscal year.

As shown in Exhibit "A", the proposed \$39.7 million budget for the FY2021-22 reflects an increase of \$38.4 million compared to the prior year's \$1.2 million approved budget. The increase is primarily due to assumed land acquisitions and the starting of some construction during FY2021-22.

A cash call is requested in July 2021 for a total of \$534 thousand which includes approximately \$65 thousand for FY2020-21 remaining expenditures and \$469 thousand based on the proposed FY2021-22 first quarter budget. The cash calls exclude any funding for land acquisitions which will be requested with separate calls as needed. Each partner will be requested to fund \$267 thousand into the GBJPA bank account in July 2021.

RECOMMENDATION:

That the Committee review and recommend Board approval of the adoption of the FY2021-22 budget and the cash call in July 2021.

LIST OF EXHIBITS:

Exhibit "A" – GBJPA Proposed FY2021-22 Budget

Exhibit A
Groundwater Banking Joint Powers Authority
Proposed Budget
Proposed Budget FY2021-22

	FY2020-21 Actual (As of 03/31/21)	FY2020-21 Full Year Forecast (As of 3/31/21)	Approved FY2020-21 Budget	Proposed FY2021-22 Budget	\$ Increase /(Decrease)	% Increase /(Decrease)
Kern Fan Groundwater Capital Project						
Engineering - Planning and Design Staff	\$135,326	\$169,158	\$389,753	\$109,054	(\$280,699)	-72%
Grant Administration and Reporting	3,174	3,968	1,639	4,712	3,073	187%
CWC and USBR Feasibility Studies	45,947	57,434	12,940	34,370	21,430	166%
JPA Administration	34,033	42,541	101,169	109,354	8,185	8%
Supplemental Environmental Impact Report	17,296	21,620	7,785	89,948	82,163	1055%
Agreements with State Agencies	1,433	1,791	0	52,219	52,219	100%
Property Pre-Acquisition Work and Geophysical Study	49,410	61,763	0	87,572	87,572	100%
Accounting and Financial Reporting	22,371	27,964	22,127	0	(22,127)	100%
Engineering Design - Consultants	2,817	3,521	0	3,793,310	3,793,310	100%
Engineering CA&I- Outside	0	0	0	269,500	269,500	100%
Engineering CA&I - Staff	0	0	0	0	0	0%
Construction	0	0	0	8,704,949	8,704,949	100%
Land	0	0	0	23,065,000	23,065,000	100%
Legal JPA	48,304	60,380	61,500	196,772	135,272	220%
Preliminary Design Report and Feasibility Report	71,527	89,409	181,590	0	(181,590)	-100%
Development of Agreement with FWS	0	0	10,000	10,000	0	0%
Development of Agreement with DWR	44,175	55,219	20,000	20,000	0	0%
Permanent Easements	0	0	15,000	0	(15,000)	-100%
Habitat Credit Purchase	0	0	0	2,400,000	2,400,000	100%
Environmental	341,739	341,739	382,197	0	(382,197)	-100%
Permitting	0	0	15,000	195,000	180,000	1200%
PG&E Service	0	0	15,000	306,250	291,250	1942%
Bid Phase	0	0	0	75,000	75,000	100%
Capital Project Total	817,552	936,505	1,235,700	39,523,010	38,287,310	3098%
Operating Expense						
Administration/Management	24,116	30,145	0	122,000	122,000	100%
General Liability Insurance	0	0	0	1,350	1,350	100%
Legal	0	0	0	0	0	0%
Bank Charges	141	176	0	7,000	7,000	100%
Audit	0	5,000	0	5,000	5,000	100%
Supplies	409	409	0	0	0	0%
Operating Expense Total	24,666	35,730	0	135,350	135,350	100%
Total	\$842,218	\$972,236	\$1,235,700	\$39,658,360	\$38,422,660	3109%

April 28, 2021
Prepared by: Rob Jacobson
Agenda Item: 4

Recommendation for Insurance Coverage

DISCUSSION:

Section 12 of the Bylaws of the GBJPA states that the Finance Committee will recommend to the Board required insurance coverages for the JPA. The GBJPA Joint Powers Agreement includes a requirement for a general liability insurance policy with minimum coverage of \$5 million, as well as fidelity bonds for the General Manager, Treasurer and Assistant Treasurer.

Alliant Insurance Services contacted multiple providers for required general liability and bonding policies. Based on Alliant's search, the Association of California Water Agencies – Joint Powers Insurance Authority (ACWA-JPIA) provided the most competitive general liability coverage with an annual premium of \$750. Coverage is pending the GBJPA's acceptance as an ACWA member which is expected to occur at the June 4, 2021 ACWA Board meeting. Hartford is the recommended provider of bonding with \$250,000 coverage each for the General Manager, Treasurer and Assistant Treasurer. The total cost for bonding is estimated at \$3,000 per year.

RECOMMENDATION:

That the Committee recommend Board approval of the proposed general liability insurance policy and bonding coverage.

LIST OF EXHIBITS:

None.