

Board of Directors
Bruce E. Dandy, President
Robert Eranio, Vice President
Daniel C. Naumann, Secretary/Treasurer
Sheldon G. Berger
Lynn E. Maulhardt
Edwin T. McFadden III
Michael W. Mobley



UNITED WATER CONSERVATION DISTRICT
“Conserving Water since 1927”

Legal Counsel
Anthony H. Trembley

General Manager
Mauricio E. Guardado, Jr.

MINUTES
REGULAR BOARD MEETING
Wednesday, December 14, 2016, 12:00 P.M.
Board Room, UWCD G.I. “Irv” Wilde Headquarters
106 North 8th Street, Santa Paula, California

Directors Present:

Bruce Dandy, President, Division 5
Robert Eranio, Vice President, Division 3
Daniel C. Naumann, Secretary/Treasurer, Division 6
Sheldon G. Berger, Division 7
Lynn Maulhardt, Division 4
Edwin T. McFadden, Division 1
Michael W. Mobley, Division 2

Staff Present:

Mauricio E. Guardado, Jr., General Manager
Anthony H. Trembley, Legal Counsel
Mike Ellis, Operations & Maintenance Manager
Anthony Emmert, Deputy General Manager
Jim Grisham, Engineering Manager
John Lindquist, Senior Hydrogeologist
Catherine McCalvin, Environmental Planning & Conservation Manager
Tony Morgan, Deputy General Manager/Groundwater Resources Manager
Christy Ramirez, Executive Coordinator
Tina Rivera, Chief Financial Officer
Kris Sofley, Executive Assistant/ Clerk of the Board
Clayton Strahan, Senior Park Services Officer
Jason Sun, Senior Hydrogeologist/Modeler

Visitors Present:

Frank Brommenschenkel
Shana Epstein, Ventura Water
Tim Gallagher, 20/20 Network
Gordon Kimball, Fillmore Basin Pumpers Association
Jeanette Lombardo, CFAA, CWA, AAW
Dave Souza, Pleasant Valley County Water District

1. FIRST OPEN SESSION 12:00 P.M.

President Dandy called the Board meeting to order. District Legal Counsel Mr. Trembley announced that, as detailed in the agenda’s Exhibit A, in Executive Session the Board would discuss items 1.1 Conference with Real Property Negotiators; 2.1 A.-F. Conference

with Legal Counsel – Existing Litigation; and 2.2 one case of anticipated litigation National Marine Fisheries Service fish passage issues at the Freeman Diversion.

1.1 Public Comments

Information Item

No public comments were offered.

1.2 EXECUTIVE (CLOSED) SESSION 12:05 P.M.

The Board discussed matters outlined on the agenda's attached Exhibit A.

2. SECOND OPEN SESSION AND CALL TO ORDER 1:03 P.M

Called to order by President Dandy.

2.1 Pledge of Allegiance

The Pledge of Allegiance was led by Director Naumann.

2.2 Public Comment

No public comment was offered.

2.3 Approval of Agenda

Motion to approve the agenda, Director Naumann; Second, Director Eranio. Voice vote: Seven ayes (Berger, Dandy, Eranio, Maulhardt, McFadden, Mobley, Naumann), none opposed. Motion approved unanimously.

2.4 Oral Report Regarding Executive (Closed) Session

Information Item

In accordance with Government Code Section 54957.1(a), Mr. Trembley stated that there was no action to report coming out of Executive (closed) session.

2.5 Board Communication

Information Item

Directors reported on meetings attended over the past month and upcoming meetings for next month. In addition, Director Berger reported that Mauricio, along with Susan Mulligan of Calleguas and Steve Wickstrum of Casitas) did a wonderful job at the AWA GM's Breakfast last month and that it was the organization's best attended breakfast with over 140 in attendance. Director Berger also reminded the Board that on the third Thursday of January (19), the AWA Breakfast will feature NOAA's weather prognosticator who will deliver his weather predictions for the upcoming year. Director Naumann reported on the various seminars he and others attended at the ACWA Conference in Anaheim and shared information gleaned from these sessions with the Board. Director Dandy reported on his tour of the Camrosa Desalter and offered to share his photos with the Board. Director Dandy

also reported that he attended his last LAFCO meeting on behalf of the District after six years of service. Director Dandy also commented on the District's dinner with Calleguas during the ACWA Fall Conference and encouraged Mr. Guardado to organize similar events in the future.

2.6 General Manager's Report

Information Item

The General Manager reported on various activities that occurred over the past month, including a lengthy phone conversation with Congresswoman Brownley's natural resources legislative assistant in D.C. regarding various water initiatives and legislation, who invited Mr. Guardado to visit D.C. and to keep the lines of communication open. Mr. Guardado also reported that the Gualco Group was encouraging him to plan a trip to Sacramento in January to meet with legislators. Mr. Guardado also reported on conversations with Calleguas' GM Susan Mulligan regarding an East West regional pipeline project connecting to Ventura's system, about a seven mile pipeline. Director Berger recounted a similar project with Ventura and encouraged Mr. Guardado to research that past project. Mr. Guardado told the Board he was leaving the meeting early to travel to Sacramento to meet with legal counsel Paul Simmons and NMFS' Lisa VanAtta.

2.7 Oaths of Office – United Water Conservation District Divisions 4, 5, 6 and 7

Action Item

Clerk of the Board Kris Sofley administered the oath of office to Directors Lynn Maulhardt, District 4; Bruce Dandy, District 5; Daniel C. Naumann, District 6 and Sheldon Berger, District 7 after running unopposed in the November 8, 2016 election. Each director starts a new four-year term of office as of December 14, 2016.

3. CONSENT CALENDAR: All matters listed under the Consent Calendar are considered to be routine by the Board and will be enacted by one motion. There will be no separate discussion of these items unless an item is pulled by a Board member from the Calendar. Pulled items will be discussed and acted on separately by the Board. Members of the public who want to comment on a Consent Calendar item should do so under Public Comments. (ROLL CALL VOTE REQUIRED).

Director Berger asked to abstain from voting as he wasn't in attendance at the last Board meeting and couldn't attest to the Minutes from that meeting. Legal counsel Mr. Trembley suggested that the Board act of item 3A separately from the remaining items on the Consent Calendar. With that,

3A. Approval of Minutes

Motion

Director Maulhardt moved to approve the Minutes for the Regular Board meeting of November 9, 2016; Second, Director Mobley. Roll call vote: six ayes (Dandy,

Eranio, Maulhardt, McFadden, Mobley, Naumann); no nays; one abstain (Berger).
Motion approved unanimously

Motion to approve items 3B through 3D on the Consent Calendar, Director Naumann; Second, Director McFadden. Roll call vote: seven ayes (Berger, Dandy, Eranio, Maulhardt, McFadden, Mobley, Naumann); no nays. Motion approved unanimously.

B. Groundwater Basin Status Reports

Information Item

Receipt of enclosed Monthly Hydrologic Conditions Report for the District.

C. Audited FY 2015-16 Comprehensive Annual Financial Report

Information Item

Receipt of audited Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016.

D. Monthly Investment Report

Information Item

Report on the District's investments and the availability or restriction of these funds.

4. MOTION ITEMS (By Department)

Administration Services – Tina Rivera and Christy Ramirez

4.1 Shared Parking Lot Agreement

Motion

Mr. Emmert advised the Board that legal counsel Mr. Trembley had made some clarifying changes to the proposed agreement, renaming it as a Shared Facilities Agreement, and had provided an updated version of the agreement (attachment A) to the Board. Ms. Rivera explained that Melgar Photo Studio would use the District's parking lot on weekends in exchange for the District's use of Melgar Photo Studio for meetings during the week. No money changes hands, both entities will provide reciprocal insurance riders and there is no penalty for United if the agreement is terminated.

No public comments were raised.

Motion to authorize the General Manager to enter into a reciprocal contractual agreement with Melgar Photo Studio to share facilities between both entities as

described in further detail in revised Attachment A, Director McFadden; Second, Director Maulhardt. Voice vote, seven ayes (Berger, Dandy, Eranio, Maulhardt, McFadden, Mobley and Naumann); no nays. Motion carried unanimously.

Environmental, Planning and Conservation Department – Catherine McCalvin

4.2 MSHCP Development - Amendment to Agreement with Rincon Consultants – \$43,000

Motion

No board questions or public comments were raised. Motion to authorize the General Manager to execute an amendment to the professional services agreement with Rincon Consultants for additional scope of work associated with developing the Multiple Species Habitat Conservation Plan (MSHCP) and authorize the expenditure of \$43,000, Director Naumann; Second, Director Berger. Roll call vote: seven ayes (Berger, Dandy, Eranio, Maulhardt, McFadden, Mobley, Naumann); no nays. Motion carries unanimously.

Director Naumann exited the proceedings at 1:35 p.m.

5. PRESENTATIONS AND MONTHLY STAFF REPORTS (By Department)

Administration Services – Tina Rivera and Christy Ramirez

5.1 Monthly Administrative Services Department Report

Information Item

Ms. Rivera reported on Administration Department activities, including the completion of the CAFR report that was presented in the Board packets. The Incode system has been separated into two tracks – finance and utility training – going live on finances by early March 2017 and live on utility billing by June 2017. PTP reporting on AIA to the Fox Canyon GMA was completed and the District incurred no surcharges for the last fiscal year. Ms. Rivera reported, in response to President Dandy’s request for information on the District’s outstanding bonds, that the District currently had \$16.6 million of debt. The District’s financial advisor’s debt analysis, conducted in May of 2016, deemed the District’s debt capacity to be about \$48.8 million. That capacity didn’t include debt service payments made in October, so Ms. Rivera estimates the District’s debt capacity would now be at about \$50 million. President Dandy asked when the \$16.6 million of debt was due and Ms. Rivera responded that the current debt is structured over three bond issuances, and that she’d have to check the dates and come back to President Dandy with that information, but that it was included in the District’s current financial auditing

statements. No board questions or public comments were raised.

Outreach, Legislative, Grants & Training Report – Christy Ramirez

5.2 Outreach, Legislative, Grants and Training Report Information Item

Ms. Ramirez reported that the Legislature in Sacramento is in recess. Incumbents re-elected include Congresswoman Brownley and Senator Hannah Beth Jackson as well as several water district board of directors from Calleguas and Casitas as well as the District's four board members. Gualco is reviewing the current Water Resources Development Act of 2016, recently approved by both Houses in DC and signed by the President, and will provide a comprehensive report on how that will impact the District.

No board questions or public comments were raised.

Engineering Department – Jim Grisham

5.3 Monthly Engineering Department Report Information Item

Mr. Grisham reported on the status of various water resources and land use planning efforts and department programs affecting the District, including, the repairs on Unit 1 of the Hydroplant have been completed; Well 18 drilling has been completed and the casing is in place with test pumping to be performed in the weeks ahead; PTP site reviews continue by the Engineering department; haven't heard much from the City of Oxnard regarding the Rice Avenue overpass, but the District is still working with the city to revise the initial plans; Lake Piru building to be delivered in March and site work will commence once the County planning permits are obtained. No board questions or public comments were raised.

5.4 2015 Ventura County Multihazard Mitigation Plan Information Item

Mr. Grisham said he will be bringing this back to the Board in January for approval but wanted the Board to be aware of the 2015 Ventura County Multi-Hazard Mitigation Plan, which is required to get FEMA funding. The plan has been posted and included in the Board packet for review. No board questions or public comments were raised.

Environmental Planning & Conservation Department – Catherine McCalvin

**5.5 Monthly Environmental Planning & Conservation Department Report
Information Item**

Summary of environmental and regulatory issues of note to the District. Director Berger commented that now that Quagga have been found at Pyramid and Casitas, the District is going in a circle. Ms. McCalvin responded that the find of Quagga in Pyramid and Castaic has changed the whole game plan and that the eradication concept is on hold until further discussion. Director Berger said the liability issue isn't the District's alone and there are many questions which need to be answered. Mr. Strahan, Sr. Park Services Officer, added that he has been contacted by several agencies requesting information, advice and samples of inspection forms and tags being used at Lake Piru. Mr. Emmert stated that the Quagga issue was being shared by multiple agencies. Director Maulhardt added that the State had been aware of the quagga problem since 2007, with Lake Piru being the 29th infestation in the state, and the state needs to get involved in seeking a solution.

**5.6 Quagga Mussel Management Efforts Update
Information Item**

Summary of ongoing management and monitoring efforts related to the Lake Piru quagga mussel infestation. No board questions or public comments were raised.

Groundwater Department – Tony Morgan

**5.7 Monthly Groundwater Department Report
Information Item**

Summary of the monthly Groundwater Department activities. Department activities include, but are not limited to, updates to the Ventura Regional Groundwater Flow Model; the Santa Paula Basin Technical Advisory Committee; status of the Santa Paula Basin safe yield and practical measures studies; brackish water treatment feasibility study; upper Santa Clara River Chloride TMDL; hydrologic and well conditions statewide and locally; available Forebay storage; county well ordinance update; Fox Canyon GMA issues; City of Oxnard's GREAT Program; potential recycled water projects, including use of United's terminal reservoirs; user groups (including but not limited to Oxnard Plain and Pumping Trough Pipeline groups); local implementation of the Sustainable Groundwater Management Act of 2014 (including formation of groundwater sustainability agencies in the District's basins, stakeholder and basin user groups, joint powers or governance agreements, development of water markets, and potential basin boundary changes); and potential District solar power facilities. No board questions or public comments were raised.

5.8 Groundwater Model Update
Information Item

Staff update on the status of the groundwater flow model included an abbreviated version of the in-depth report presented to the Groundwater Committee earlier in the month. The current groundwater model being used by the District is much more detailed and has three different grid sizes, with a 2000 square foot grid computing much more quickly than a 500 square foot grid, for example. Mr. Morgan also said that the TAC was very pleased with how the model was constructed and the recent improvements on the calibrations of the model. Mr. Morgan then presented samples of data points and how they correlate with the groundwater model sampling. The department is now clarifying some of the clusters appearing outside the anticipated band of data. Mr. Morgan then presented several different examples of field measurements and how they correspond with the Groundwater model data which have substantiated that the model performance is consistent and the department is reasonably confident with the information the model is providing.

A small scale beta test on recycled water travel times in the Oxnard Forebay was done; a larger scale project was to determine the impact from decreased surface water diversions from the Freeman and what that might do to water levels on the Oxnard Plain. Another beta test project was looking at sustainable yield estimates for the Oxnard Plain and Pleasant Valley. Model and beta projects are focusing on sustainability criteria aspects at this time as this is the kind of information that will help the Board determine what type of projects and actions need to be addressed.

Director Maulhardt asked Mr. Morgan if the model took into account the opposite extremes during a 20 year period of time, such as 1993 to 2013. Mr. Morgan said the model does look at how long it takes to recover from big, deep droughts but one of the things the GSP needs to look at is what the more normal environment is. The beta testing hasn't addressed that yet. More complicated and nuanced tests need to be conducted. New supply projects will be incorporated into the next round of tests.

President Dandy asked Mr. Morgan to extract four or five slides to best represent the District's groundwater model to the community.

Director Maulhardt said it was very important to let people know that this contains many variables and may not be the total answer. There are no new supply projects, the model hasn't accounted for loss of water to requirements imposed by the National Marine Fisheries Service. He also said the USGS program is the standard for the U.S. and initially the number of acre feet thought to be available was much higher. This model is a significant change from that number and the District needs to be able to demonstrate that this is where the money has gone, in determining a more exact number for water use in obtaining sustainability.

Jeanette Lombardo asked if other factors had been included, such as Simi being more aggressive in their recycled water or likely reductions of diversions on the Freeman. Mr. Morgan said those factors have not been addressed, but will in future.

Director Maulhardt added that the model speaks to the fact that United is the leader in this area and this model will help to determine what projects are priorities and this is a significant presentation.

Ms. Lombardo added that the projects needed are not just United's responsibility. There has to be a regional prioritization, including Camarillo and Oxnard and someone needs to take the lead in setting up a regional overview of projects and address what the priorities are and how is paying for these project.

Mr. Morgan responded that the GSP consultant is going to have to determine which of the projects are real, which help to get us to sustainability and which don't help and that it isn't going to be a linear process.

Mr. Emmert added that as a tool, the groundwater model is essential in determining the value of a project and eliminating negative impact projects before they are undertaken.

5.9 Update on Joint Exercise of Powers Authority (JPA) for Formation of Groundwater Sustainability Agency (GSA) for Mound Basin and Piru-Fillmore Basins

Action Item

Mr. Morgan provided a brief update on the status of the draft JPA for formation of a GSA for the Mound basin and Piru-Fillmore basins. He reported that the County has changed negotiators. First major issue is the comment that the Mound basin board is that it is too ag heavy; from the County's perspective, United is an ag representative. One of the solutions was to drop it down to a four person board. Similar comments were made about the Piru-Fillmore basins.

The second major issue is who is going to serve on the GSA, the initial draft JPA language indicated elected representatives. County is pushing back on this and will likely appoint Public Works Director or go to other staff. City of Ventura has indicated their city council most likely won't serve and they'd most likely appoint General Manager for Ventura Water or other staff or even possibly a new hire.

Director Berger said there needs to be an odd number of members. He also thought most of the users in the Piru-Fillmore area were going to be agricultural.

President Dandy asked that, after ten years, would the City of Ventura not be interested in the second representative in the Mound basin?

Minutes
Regular Board Meeting
December 14, 2016

Shana Epstein, of Ventura Water, replied that, in the second ten years, they viewed that second seat as a shared seat. Three ag and two M&I seats in the Mound Basin, reminding the board that United is viewed as an ag representative.

Director Eranio stressed to Ms. Epstein that their assumption was incorrect.

Mr. Morgan said the message from the Groundwater Committee was that it was okay with the original proposal of a five member board; the board desired to have elected representatives as members and voting requirements were no unanimous votes.

Director Mobley said he agreed with that, but asked how that moved us forward if the County and the City are in disagreement with United.

Director Berger said he'd support the recommendations of the Groundwater committee.

Director Maulhardt said elected representatives was his preference and if they can't make the meeting, they can't make it. He said he'd add another idea of elected with no alternates. Director Berger agreed with Director Maulhardt, who was adamant about elected representatives being members of the GSAs, as they are accountable to the public they represent.

Director Maulhardt added that the GSA process is a massive public outreach process and if we do it right and give the constituents the opportunity to have their opinions heard by elected officials, it's consistent with the public process and alleviates some potential for litigation. Staff turnover in county and city government would create set-backs. The issue about too many ag people or too many city people, that's gaming the system, and hopefully by staying at a Director level the perspective will remain with the common good for the general public.

Director McFadden concurred with the elected officials from the city and county with no alternates for GSA members.

President Dandy summarized that the Board preferred elected officials with no alternates and a five person board.

At 3:02p.m. Director Berger exited the proceedings.

Shana Epstein clarified the City's position that the fifth seat could be staff, not an elected official.

Director Eranio said his problem with this position was that staff are not directly accountable to the public they are representing.

Ms. Epstein said her city council recommended staff appointments to the GSA board.

Mr. Morgan then addressed basin boundaries, which, as he explained, the existing boundaries don't necessarily coincide with the boundaries of the Mound and Piru-Fillmore basin boundaries. Tim Moore updated the boundaries for the Mound and Piru-Fillmore basins based on Mr. Morgan's input. Mr. Morgan thereafter spoke with the DWR about the difference in boundaries and was instructed to submit the GSA applications with the existing DWR boundaries, but include a notice and maybe a map stating that when the DWR opens the basin boundary modification period, the GSAs will be petitioning for boundary modification. Using the original DWR boundaries creates numerous problems (overlapping adjudicated areas, for example) and Mr. Morgan said additional conversations will need to address these differences and get approval to submit the GSA application using the modified boundaries.

DWR has agreed to come to the next Santa Paula TAC meeting to discuss the issues that these boundaries are creating with regard to the formation of the GSAs.

Director Maulhardt suggested the Board begin discussions of dealing with the little slivers of areas outside the GSA's boundaries and how best to communicate those issues to the DWR. Mr. Morgan said he has communicated those concerns to the DWR and offered solutions for how to handle the boundary issues, but DWR isn't addressing the boundary issues until 2018. Mr. Morgan said he thinks a GSA could be created to address all of these little sliver areas and just sit on them until other GSA boundaries can be modified to absorb these specific areas. On the east end of the basin, the boundaries are clearer. Mr. Morgan said he hopes continued dialogue with DWR will help resolve this issue and is trying to identify other basins with similar issues who could collectively lobby the DWR to address the boundary issues before 2018.

Frank Brommenschenkel raised questions about Santa Paula and Piru-Fillmore basin boundaries, which Mr. Morgan was aware of.

Jeanette Lombardo offered to address the boundary issue with State Assemblywoman Jacqui Irwin and ask her office to help comprise legislation to address and correct this issue.

Operations and Maintenance – Mike Ellis

5.10 Monthly Operation and Maintenance Department Report Information Item

Mr. Ellis presented a report on the monthly operations and maintenance of District facilities including recent Cal-OSHA findings that the employee injury which

occurred in June was not the cause of any District violations. However, the District did receive citations for Cal OSHA form 300 log being filled out incorrectly and a Heat Illness Prevention Plan change that hadn't been documented, resulting in less than \$500 in fines. The problems have been corrected and the fines will be paid.

Working with EPCD staff, O&M staff removed cattails in the lower Piru Creek area, making the channel clear for future migration flow releases. Annual releases haven't been done for a number of years, which is why the vegetation has grown so much. Another project was testing the flow out of the large hydro unit, releasing most of the State Water the District received. O&M staff also performed some concrete work to diminish erosion from occurring. Instrumentation staff also installed a flow meter in the Freeman with data being shared with NMFS.

City of Oxnard contacted us when its staff damaged a PTP pipeline joint, O&M had to remove the damaged section, install a new section, weld it and put it back into service.

Well 16 is being prepared for rehabilitation and will be back in operation next week. OH Well No. 2A is on tap for refurbishment in January and new Well 18 is slated for late January, February.

No board questions or public comments were raised.

Park and Recreation Division – Clayton Strahan

5.11 Monthly Park and Recreation Department Report Information Item

Summary of the operations and items of note relative to the Lake Piru Recreation Area. No board questions or public comments were raised.

7. ADJOURNMENT 3:28 p.m.

The Board will adjourn to the **Regular Board Meeting on Wednesday, January 11, 2017** or call of the President.

ATTEST:


Director Daniel C. Naumann, Secretary/Treasurer

I certify that the above is a true and correct copy of the minutes of the Regular Board of Directors meeting of December 14, 2016.

ATTEST:


Kris Sofley, Clerk of the Board