

Cuyama Basin Groundwater Sustainability Agency

Board of Directors

Derek Yurosek Chairperson, Cuyama Basin Water District
Lynn Compton Vice Chairperson, Co. of San Luis Obispo
Das Williams Santa Barbara Co. Water Agency
Cory Bantilan Santa Barbara Co. Water Agency
Glenn Shephard Co. of Ventura
David Couch Co. of Kern

Paul Chounet Cuyama Community Services District
George Cappello Cuyama Basin Water District
Byron Albano Cuyama Basin Water District
Jane Wooster Cuyama Basin Water District
Tom Bracken Cuyama Basin Water District

Agenda

September 6, 2017

Agenda for a meeting of the Cuyama Basin Groundwater Sustainability Agency Board of Directors to be held on Wednesday, September 6, 2017 at 4:00 PM, at the Cuyama Valley Family Resource Center, 4689 CA-166, New Cuyama, CA 93254

In compliance with the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services, to participate in this meeting, please contact Matt Young at (805) 568-3546 by 4:00 p.m. on the Friday prior to this meeting. Agenda backup information and any public records provided to the Board after the posting of the agenda for this meeting will be available for public review at 4885 Primero Street, New Cuyama, California. The Cuyama Basin Groundwater Sustainability Agency reserves the right to limit each speaker to three (3) minutes per subject or topic.

- 1. Call to order**
- 2. Roll call**
- 3. Pledge of Allegiance**
- 4. Approval of Minutes of the August 2, 2017 Meeting**
- 5. Receive and discuss an update on Grant Assistance efforts**
- 6. Receive and discuss a report from ad-hoc committee for Executive Director position and possible action to appoint Executive Director**
- 7. Receive and discuss report from ad-hoc committee for GSP Preparation Consultant**
- 8. Receive and discuss report from ad-hoc committee for RFQ for Legal Services and possible action to appoint Legal Counsel**
- 9. Receive and discuss an update on GSA insurance options and possible action to enter contract for insurance.**
- 10. Receive and discuss report from ad-hoc committee for advisory committee and possible action to appoint advisory committee members.**
- 11. Public comment for items not on the Agenda**

At this time, the public may address the Board on any item not appearing on the agenda that is within the subject matter jurisdiction of the Board. Persons wishing to address the board should fill out a comment card and submit it to the board chair prior to the meeting. Unscheduled comments will be limited to three minutes.

12. **Adjourn**

Cuyama Basin Groundwater Sustainability Agency (GSA)

DRAFT Board of Directors Meetings Minutes

August 2, 2017

Cuyama Valley Family Resource Center, 4689 CA-166, New Cuyama, CA 93254

The Cuyama Basin GSA Board of Directors met in regular session at 4:00 pm.

PRESENT: Directors: Paul Chounet, Tom Bracken, George Cappello, Byron Albano, Lynn Compton, Das Williams, Cory Bantilan, Glenn Shephard

Alt. Directors: Matt Klinchuch, Brad DeBranch, Ryan Schultz

ABSENT: Directors: David Couch, Jane Wooster, Derek Yurosek (Alternate appeared as substitute for a Director)

1. Call to order

Vice Chair Compton calls the meeting to order at approximately 4 PM.

2. Roll call

Secretary Berg calls roll of the Board (shown above).

3. Pledge of allegiance

The pledge of allegiance is led by Vice Chair Compton.

4. Approval of minutes of the June 30, 2017 meeting

Vice Chair Compton: opens the floor to comments.

Directors: Director Cappello requests that the minutes be edited to spell his name correctly.

Motion by: Director Cappello moves to approve the minutes as amended.

Second by: Director Shephard.

Motion passes unanimously.

5. Review and discuss from ad-hoc committee for budget and funding

Vice Chair Compton: Introduces the item, and asks staff to provide a brief overview of committee meeting held just prior to the GSA Board meeting.

Carolyn Berg (County of San Luis Obispo Staff): Provides an overview of the first ad hoc committee meeting, consisting of Director Compton, Director Bracken, Director Chounet, and Director Bantilan, and staff Matt Young, Carolyn Berg, and Matt Klinchuch. The committee was charged with preparing a recommended budget and funding plan. During the first meeting, the committee developed an initial annual budget, separating items into either administrative or technical categories, and providing a range of estimated costs per item. Next steps will include, seeking Executive Director review and comment (once hired), developing funding source options, then returning for the GSA Board's consideration.

Directors: No comments.

No action at this time.

6. Consider staff review of responses to RFQ for Grant Assistance and select consultant

Matt Young (Santa Barbara County Water Agency Staff): Provides an overview of the Request for Qualifications process conducted, reviewed statements received from three firms (Dudek, RMC, Provost & Pritchard), and described staff's review/selection process. Staff recommends RMC, given their experience, proposed effort and cost.

Directors: Director Chounet asks if the firm can meet State's expedited process (9 weeks). Mr. Young notes that RMC's proposal identifies an 8-week process to develop a grant application. Director Albano wonders whether RMC being selected for this effort would prevent the firm from also proposing on the GSP effort. Ernest Conant, Cuyama Basin Water District Staff, does not believe so.

Motion by: Director Bantilan moves to authorize execution of a contract with RMS with a not-to-exceed amount of \$40,000.

Second by: Director Chounet.

Motion passes unanimously.

7. Consider responses to RFQ for Executive Director Position

Matt Young (Santa Barbara County Water Agency Staff): Provides an overview of the Request for Qualifications process conducted and reviewed statements received from three firms (Richard G. Sweet, Bondy Groundwater Consulting, Hallmark Group) just prior to today's Board meeting. Staff recommends that the GSA Board form an ad hoc committee to review the statements.

Directors: Vice Chair Compton asks if any Directors or Alternates will volunteer to participate on said ad hoc committee. Director Bracken, Director Cappello, and Director Williams volunteer to participate.

Motion by: Director Shultz moves to establish an ad hoc committee of the GSA Board, consisting of Director Bracken, Director Cappello, and Director Williams, to consider Executive Director statements of qualifications/ interview candidates, and return for the GSA Board's consideration.

Second by: Director Bracken.

Motion passes unanimously.

8. Consider responses to RFQ for GSP Preparation Consultant

Matt Young (Santa Barbara County Water Agency Staff): Provides an overview of the Request for Qualifications process conducted and reviewed statements received from four firms (Dudek, Hydrometrics, RMC, Amec-Foster Wheeler) just prior to today's Board meeting. Staff recommends that qualified firms be invited to submit detailed proposals (rather than simple qualifications submitted initially), and that the GSA Board form an ad hoc committee to review the proposals.

Directors: Vice Chair Compton asks if any Directors or Alternates will volunteer to participate on said ad hoc committee. Director Bracken, Director Cappello, and Director Chounet volunteer to participate.

Motion by: Director Albano moves to establish an ad hoc committee of the GSA Board, consisting of Director Chounet, Director Yurosek (not present but volunteered), and Director Albano, to consider GSP Preparation Consultant proposal, and return for the GSA Board's consideration.

Second by: Director Williams.

Motion passes unanimously.

9. Consider responses to RFQ for Legal Services

Matt Young (Santa Barbara County Water Agency Staff): Provides an overview of the Request for Qualifications process conducted and reviewed statements received from three firms (Brownstein, Hyatt Farber & Schreck, Klein, DeNatale & Goldner and McMurtrey, Hartsock & Worth) just prior to today's Board meeting. Staff recommends that the GSA Board form an ad hoc committee to review the statements.

Directors: Vice Chair Compton asks if any Directors or Alternates will volunteer to participate on said ad hoc committee. Director Wooster (not present but volunteered), Director Shultz, and Director Shephard volunteer to participate, with Ernest Conant as staff support.

Motion by: Director Chounet moves to establish an ad hoc committee of the GSA Board, consisting of Director Wooster, Director Shultz, and Director Shephard, to consider legal services statements of qualifications, and return for the GSA Board's consideration.

Second by: Director Williams.

Motion passes unanimously.

10. Consider GSA insurance options

Alternate Director Klinchuch: Provides an overview of his research into insurance companies. He found that many insurance companies are not familiar with SGMA or GSAs, and therefore were reluctant (if not entirely opposed) to insuring the Cuyama Basin GSA. He offers that it might be worth asking other GSAs what they are planning to do.

Directors: Discussions arise regarding how coverage relates to JPA related section, and whether the full coverage is needed now, before specific assets are owned. Directors requested more information to make an informed decision. Arne Anselm, Ventura staff, is asked to provide Mr. Klinchuch with any insights gained from Fox Canyon Groundwater Management efforts. Mr. Klinchuch will coordinate with staff of other agencies to see what other options may exist.

No action at this time.

11. Review and discuss report from ad-hoc committee for advisory committee

Ad Hoc Committee Verbal Report: Director Williams provides a brief overview of the committee's work to understand and establish a (stakeholder) advisory committee. He notes their aim is to have a diverse advisory committee, that is prepared to invest some time in gaining the background, foundational knowledge needed, and in order to prepare for meetings or review of SGMA related documents. The committee anticipates that the level of effort for advisory committee members could range from 5 -30 hours per month, depending on their focus at that time. The ad hoc committee develop a draft advisory committee application (handout).

Public Comment: Casey Walsh, Lynn Carlile, Gene Zannon, Mike Posta, Julia Warner

Directors: Director Bracken notes the importance of advisory committee engagement. Discussion ensues about limitations and process of stakeholder representation and public comment. Director Chounet notes that advisory committee chair could have more than typical 3-minute limit when presenting reports from advisory committee to the GSA Board, and Director Bantilan notes that the agenda could include a standing item for advisory committee report(s). Discussion ensues about communication between GSA Board and advisory committee representative at meetings, with the intent of understanding recommendations and input from the advisory committee; as well as the importance of advisory committee input having a clear nexus to implementing SGMA and developing/implementing

a GSP. Discussions ensues about GSA Board composition per Joint Exercise of Powers Agreement (JPA), which also establishes advisory committee as a mechanism to engage stakeholders and basin users. Directors discuss nature of advisory committees and applicability of Brown Act, insurance, etc. Alternate Elliott will revise the application, send out through the Family Resources Center/ post to SBCWA website, and will collect advisory committee applications through August 25th.

No action at this time.

12. Public comment

Vice Chair Compton: opens the floor to public comment without response.

Director Williams notes the great turnout, and how better decisions are made when communities pay attention and engage in processes.

13. Adjourn

Vice Chair Compton adjourns the Cuyama Basin GSA Board of Directors meeting at approximately 5:07.

I, Carolyn Berg, temporary Secretary to the Cuyama Basin Groundwater Sustainability Agency Board of Directors, do hereby certify that the foregoing is a fair statement of the proceedings of the meeting held on Wednesday, August 2, 2017, by the Cuyama Basin Groundwater Sustainability Agency Board of Directors.

CAROLYN BERG

Dated: September 6, 2017

TO: Cuyama Basin Groundwater Sustainability Agency Board of Directors

DATE: September 6, 2017

SUBJECT: Agenda Item #9: Consider GSA Insurance Options

Recommendation

Consider current insurance options available for the Cuyama Basin GSA

Discussion

On June 30, 2017, the Board of Directors directed Matt Klinchuch, General Manager of the Cuyama Basin Water District, to review insurance options and quotes needed for the GSA.

To provide context to the insurance requirements by the Cuyama Basin GSA, the Joint Exercise of Powers Agreement (JPA) for Cuyama Basin GSA, Section 16.3 is referenced. *“The GSA shall procure appropriate policies of insurance providing coverage to the GSA and its Directors, officers and employees for general liability, errors and omissions, property, workers compensation, and any other coverage the Board deems appropriate. Such policies shall name the Members as additional insureds.”*

On August 2, 2017, GSA Board of Directors discussed options between two insurance agencies, the California Association of Mutual Water Companies (**Cal Mutuals**) and the Special District Management Authority (**SDRMA**), who responded to the Cuyama Basin GSA request for quotes. The Board tabled the decision until additional information on options are provided and, subsequently, to see if other insurance agencies are interested, if allowed additional time to respond to the request. However, to no prevail the other insurance agencies responded and declined to offer coverage for the Cuyama Basin GSA. In addition, Mr. Klinchuch reached out to ACWA JPIA, an insurance agency, who will offer insurance coverage for GSAs. However, ACWA JPIA also declined due to the Cuyama Basin GSA being ineligible due to the a pre-existing membership requirement by the ACWA.

With the declines and ineligibility for insurance coverage, the insurance options for the Cuyama Basin GSA remain relatively unchanged since the August 2nd Board meeting. The discussion for the different options are provided below along with a summary comparison table included as Attachment 1 for side-by-side comparison.

Cal Mutuals

The first insurance program is provided by the Joint Powers Risk and Insurance Management Authority (**JPRIMA**) through Cal Mutuals. JPRIMA provides a range of options for Commercial Excess Liability coverage. The range of options for Commercial Excess ranges from no coverage (\$0) up to \$2,000,000 (occurrence & aggregate). The other insurance offerings for General Liability and Public Officials & Management Liability include limits at \$1,000,000 per occurrence and \$10,000,000 aggregates. The annual period for coverage runs from April 1st through March 31st. Annual premiums range from \$7,489 (No Excess Liability) to \$8,742 (\$2 million Excess Liability), but will be prorated this first year from \$4,732 to \$5,518, respectively. Hired and Non-Owned Auto Coverage was not on the original quote, but if included the annual premium would increase by \$276. The insurance offered through JPRIMA is fully insured and not assessable (i.e. members will not see fees or charges beyond the annual premium).

To bind coverage, the GSA must provide a 'No Loss' letter confirming no known losses or concern for loss since formation, a copy of this year's budget, a copy of the GSA's bylaws, and a signed member agreement to join JPRIMA. There is also an initial three (3) year commitment to stay with the program.

SDRMA

The second insurance option is through the Property/Liability Program through SDRMA. This option includes General, Public Officials & Management, and Commercial Excess coverages along with Property and Crime coverage. These latter two cannot be removed from the coverage and may not be necessary, since the GSA does not own property or have employees. All coverages are combined into three (3) limit levels of \$2,500,000; \$5,000,000; and \$10,000,000 and associated annual premiums of \$7,881.17; \$9,613.67; and \$13,947.67, respectively. The annual period for this program is July 1st through June 30th. These premiums will be prorated in the first year when all necessary binding documentation is completed. Additionally, this program is a partially self-funded pool where members can be assessed in the future beyond the annual premium. To date there has not been an assessment to program members.

Two additional components associated with this program are: 1) this program does not pay commissions, so the broker would need to add commission to these premiums, which in this case would be 6.5%, and 2) these quoted premiums include a 15% credit. The 15% credit must be earned or fees will be charged at the end of each year when audited. Credits can be earned through online trainings by Directors, attendance at functions, and possibly through the affiliations with the broker.

To bind coverage, the GSA must provide a 'No Loss' letter confirming no known losses or concern for loss since formation, a resolution by the Board authorizing execution of the JPA agreement, a signed member agreement to join SDRMA, and membership to the California Special Districts Association (adds estimated \$1,231 to annual cost). Like the JPRIMA insurance, an initial three (3) year commitment to stay with the program is also required.

Inverse condemnation coverage was discussed for both agencies. JPRIMA does not offer this coverage. SDRMA stopped offering this coverage last month. However, SDRMA will discuss the inverse condemnation coverage at their November board meeting to see whether or not to continue with the coverage.

Recommendation

Based on the current options available, and the unknowns regarding inverse condemnation coverage, the recommendation would be to go with the JPRIMA option including Commercial Excess Liability coverage at the \$2,000,000 limit. It is also recommended to include the Hired and Non-Owned Auto coverage to the General Liability package given the amount of travel by directors. This option is believed to provide the appropriate level of coverage at a cost-effective price.

An optional recommendation would be to have the Cuyama Basin GSA legal counsel, once hired, further investigate the options available.

Attachments

Attachment 1: Summary Comparison Table

| | Option #1 | Option #2 |
|--|--|---|
| | JPRIMA | Property/Liability Program |
| Vendor | CalMutuals | SDRMA |
| Term Year | Annually 04/01 - 03/31 | Annually 07/01 - 06/30 |
| Coverage Provided | General Liability; Public Officials & Management; Commercial Excess | General Liability; Public Officials & Management; Commercial Excess; Property; and Crime |
| General Liability | \$1 M Per Occurance; \$10 M Aggregate; Deductible = \$5,000 | Limits to all coverages based upon Total selected (shown below) |
| Public Officials & Management | \$1 M Per Wrongful Act; \$10 M Aggregate; Deductible = \$5,000 | |
| Excess Liability | \$0, \$1 M, or \$2 M Per Occurance; \$0, \$1 M, or \$2 M Aggregate | |
| Total Annual Premium | No Excess - \$7,489 \$1M Excess - \$8,192 \$2 M Excess - \$8,742 | \$2.5M Limit - \$8,393.46 \$5M Limit - \$10,238.56 \$10 M Limit - \$14,854.27 |
| Prorated First Year? | Yes | Yes |
| Prorated Premiums | No Excess Liability - \$4,732 \$1M Excess Liability - \$5,172 \$2 M Excess Liability - \$5,518 | Determined once final application and binding items are submitted |
| Items Need to Bind Coverage | No Loss Letter confirming no known losses or concern for loss since time of formation | No Loss Letter confirming no known losses or concern for loss since time of formation |
| | Copy of Budget and Bylaws | Resolution by GSA authorizing excution of JPA Agreement |
| | Signed member agreement and contract to join JPRIMA | Signed member agreement and contract to join SDRMA |
| | Requires 3 year commitment (through 2021) | Annual membership to California Special Districts Association and pay annual dues (\$1,231 based on estimated budget) |
| | | Requires 3 year commitment (through 2021) |

| | Option #1 | Option #2 |
|-----------------------------------|---|--|
| | JPRIMA | Property/Liability Program |
| Other Features/Notes | | |
| | Hired and Non Owned Auto Coverage' is option to include in the General Liability (adds \$276) | Includes Crime, cannot be removed from package |
| | JPRIMA Admin Fees included in premiums | Premiums include 15% credit, 15% must be earned through online trainings or conference attendance, if not earned then fees will be charged at annual audit |
| | Fully insured, not assessable | SDRMA does not pay commission, Broker would add 6.5% (Included in the premiums shown above) |
| | | Partially self-funded pool that can be assessed (to date no assessment on members) |
| Broker Contact Information | | |
| | Lloyd Turner INSURICA | Lloyd Turner INSURICA |
| | 246 E. Honolulu St. Lindsay, CA 93247 (559) 562-2527 lloyd.turner@insurica.com | 246 E. Honolulu St. Lindsay, CA 93247 (559) 562-2527 lloyd.turner@insurica.com |

TO: Cuyama Basin Groundwater Sustainability Agency Board of Directors

DATE: September 6, 2017

SUBJECT: Agenda Item #10: Receive and discuss report from ad-hoc committee for advisory committee and possible action to appoint advisory committee members.

Recommendation

Appoint seven recommended applicants to the GSA Advisory Committee.

Discussion

On June 30, 2017, the Board of Directors established an ad hoc committee to receive and review applications for membership on the Advisory Committee. Establishment of an advisory committee is required per the Joint Powers Agreement forming the Cuyama Basin GSA.

The ad hoc committee received twelve applications for Advisory Committee membership by the deadline of August 25, 2017. The ad hoc committee reviewed the applications and developed a list of seven recommended appointees. These appointees were chosen based on their representation of diverse geographic, economic, and land use interests.

The seven recommended appointees are as follows:

Robbie Jaffe
Brenton Kelly
Jake Furstenfeld
Louise Draucker
Mike Post
Joe Haslett
Brad DeBranch

All applicants have been notified of their status with respect to the ad hoc committee's recommendation, and have been invited to attend the Board meeting to add comment.