

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda

**Monday, April 22, 2019
3:30 p.m. to 5:00 p.m.**

**Meeting Location: Woodland Community and Senior Center
2001 East Street, Woodland, Rooms 1 & 2**

NOTICE TO PUBLIC

Public documents relating to any open session item listed on this agenda that are distributed to all or most of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Yolo Subbasin Groundwater Agency's Administrative Office at 34274 State Highway 16, Woodland 95695.

In compliance with the Americans with Disability Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting please contact Donna Gentile at (530) 662-3211. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

All items on the agenda will be open for the public comment before final action is taken. Speakers are requested to restrict comments to the item as it appears on the agenda and stay within a three-minute time limit. The Chair has the discretion of limiting the total time for an item.

- 3:30 1. CALL TO ORDER AND DETERMINATION OF QUORUM**
- 3:33 2. APPROVE AGENDA AND ADDING ITEMS TO THE POSTED AGENDA** – In order to add an agenda item, it must fit into one of the following categories: a) A majority determination that an emergency (as designed by the Brown Act) exists; or b) A 4/5ths determination that the need to take action arose subsequent to the agenda being posted.
- 3:35 3. PUBLIC FORUM** – The Public may address the Yolo Subbasin Groundwater Agency Board of Directors on any item of interest not appearing on the agenda that is within the subject matter of the Yolo Subbasin Groundwater Agency.
- 3:40 4. REPORT OF THE CHAIR AND EXECUTIVE OFFICER**, pages 3 - 9
- 3:50 5. CONSIDERATION: CONSENT ITEMS**, pages 10 - 19
- a. Approve January 14, 2019 Board of Directors' Meeting Minutes, pages 11 - 13
 - b. Approve Fiscal Year 2018-2019 Budget Amendment: Audit Expense, pages 14 - 15
 - c. Receive Fiscal Year 2018-2019 Financial Statements: December 2018-March 2019, pages 16-19
- 3:55 6. CONSIDERATION: REVIEW OF FISCAL YEAR 2017-2018 INDEPENDENT FINANCIAL AUDIT**, Brian Nash, Richardson & Co., pages 20 - 23
- 4:10 7. UPDATE ON WATER LEGISLATION, REGULATORY & DELTA ISSUES**, Adam Robin, Northern California Water Association

- 4:15 8. CONSIDERATION: APPROVE NEW YSGA JPA MEMBERS**, page 24
- 4:20 9. CONSIDERATION: POSTPONE CONSIDERATION OF VOTING STRUCTURE AND EXPENSE ALLOCATION (2-Year Reopener; Agreement Article 5.11)**, page 25
- 4:25 10. CONSIDERATION: FORMALIZE TECHNICAL WORKING GROUP SUBCOMMITTEE**, page 26
- 4:30 11. UPDATE ON GROUNDWATER SUSTAINABILITY PLAN DEVELOPMENT**, page 27
- a. Groundwater Monitoring Program
- 4:50 12. MEMBERS' REPORTS AND FUTURE AGENDA ITEMS** – Yolo Subbasin Groundwater Agency Members are invited to briefly report on current issues and recommended topics for future Yolo Subbasin Groundwater Agency Board of Directors meetings.
- a. “White Area” Annexation
 - b. White Paper on Areas of Special Concern
- 4:59 13. NEXT MEETING** – Monday, June 17, 2019
- 5:00 14. ADJOURNMENT**

Consideration of items not on the posted agenda, items in the following categories: 1) majority determination that an emergency (as defined by the Brown Act) exists; or 2) a 4/5ths determination that the need to take action arose subsequent to posting of the agenda. I declare under penalty of perjury that the foregoing agenda for the April 22, 2019 meeting of the Board of Directors of the Yolo Subbasin Groundwater Agency (YSGA) was posted by April 19, 2019 and made available to the public during normal business hours at the following locations: Woodland Community and Senior Center, 2001 East Street, Woodland 95776 and the YSGA's office at 34274 State Highway 16, Woodland 95695.



Donna L. Gentile, Board Secretary

**Yolo Subbasin Groundwater Agency Board of Directors
Meeting Agenda Report**

MEETING DATE: April 22, 2019

AGENDA ITEM NO. 4

SUBJECT: Report of the Chair and Executive Officer

INITIATED OR ☐ BOARD

☒ INFORMATION

REQUESTED BY: ☒ STAFF

☐ ACTION: ☐ MOTION

☐ OTHER _____

☐ RESOLUTION

ATTACHMENT ☒ YES ☐ NO

BACKGROUND

The Chair and Executive Officer will provide either an oral or written report on recent activities.
A written report from the Executive Officer is attached.

RECOMMENDATION

This agenda item is for informational purposes only. No Board action is required.

Date: April 19, 2019
To: YSGA Board of Directors
From: Tim O'Halloran, Executive Officer
Subject: Report of the Executive Officer

Recommendation

For informational purposes only. No Board action required.

Background

Following is an update to the Board of Directors of the YSGA on activities and issues related to the ongoing implementation of the Sustainable Groundwater Management Act (SGMA). This report should be considered as a summary document so that Board members and other interested parties can quickly read about the general activities taking place between YSGA Board meetings. Board members should feel free to contact me at any time for more detail or with ideas and/or questions that they might have regarding the program.

Since the January 14, 2019 meeting of the YSGA the following activities have taken place;

Program Administration

Two meetings (February 27 and April 3, 2019) were held by the YSGA Executive Committee (EC). The EC, consisting of Chair Cornwell, Vice-Chair Loren, Lynnel Pollock, Kurt Balasek, and Executive Officer O'Halloran, discussed logistical issues related to the establishment of a new JPA and the development of the Groundwater Sustainability Plan (GSP). The next meeting of the YSGA EC is scheduled for June 3, 2019 from 11:30 a.m. to 12:00 p.m. at the Yolo County Flood Control and Water Conservation District (YCFC&WCD) Headquarters in Woodland.

A meeting (April 3, 2019) was held by the YSGA Working Group. Some of the items discussed were the postponement of consideration of voting and fees and the consolidation of the Water Resources Association of Yolo County (WRA) and the YSGA. The next meeting of the YSGA Working Group is scheduled for May 1, 2010 from 1 to 3 p.m. (and on the first Wednesday of the month for the remainder of the year).

As approved at the June 2018 Board meeting, staff submitted a Basin Boundary Modification Request on September 14, 2018 to bring Reclamation Districts (RD) 150 and 999 (and potentially RD 307) into the Yolo Subbasin. Final Basin Boundary Modifications were announced in February 2019.

Additionally, staff continued to communicate with Colusa Groundwater Authority and the Solano Subbasin GSA on general GSP coordination.

The <http://yologroundwater.org> website was maintained and updated to reflect current activities.

Program Implementation

Water Budgets: Stockholm Environment Institute (SEI) continued refining the regional and entity-specific water budgets. All JPA members (water purveyors) are represented in the model. Work during this period included

calibration, documentation, and presentation. While these model water budgets will be continually updated and refined through the life of the program, the vast majority of the work involved in building the program structure and initial data sets is complete.

Grant Applications: The YCFC&WCD has been working with DWR on the technical support services' agreement for videologging monitoring wells lacking construction information.

Groundwater Monitoring: The groundwater monitoring program continues to track groundwater elevations through the year. All real-time groundwater level information can be viewed on the YSGA's website at <http://yologroundwater.org>.

Technical discussions continue to determine how to expand and enhance the groundwater monitoring program. A hydrograph is included below illustrating the biannual groundwater level recordings from the Water Resources Information Database (WRID) wells.

An additional groundwater level monitoring sensor has been added to the network as Esparto Community Service District donated an old production well. Additional sensors are scheduled to be installed this spring/summer.

Actions to Improve Groundwater Conditions: The YCFC&WCD finished installing Hostetler's connection and continue to look for and address areas at risk of groundwater overdraft.

Program Outreach

Staff participated in a number of meetings/workshops/conferences related to SGMA and groundwater recharge and protection, which include the following:

1. Conducted Capay Valley Groundwater Users' Meeting (January 14, 2019; Director Barth and O'Halloran)
2. Attended Northern Delta GSA Board Meeting (January 16, 2019; Sicke)
3. Participated in Public Policy Institute of California's Groundwater Recharge Meeting (January 17, 2019; O'Halloran)
4. Participated in Yolo County Farm Bureau's Irrigated Lands Regulatory Program Meetings (January 23-25, 2019; O'Halloran)
5. Participated in Flood-MAR Water Quality Subcommittee Workshop (January 25, 2019; O'Halloran)
6. Participated in GRA's Groundwater Sustainability Bootcamp (February 6, 2019; O'Halloran)
7. Presented to Water Education Foundation's Groundwater Tour (February 8, 2019; O'Halloran)
8. Hosted a Meeting with Central Valley Regional Board to Discuss Yolo Subbasin's Groundwater Quality Status and CV-SALTS Implementation (February 12, 2019; Director Sagara, O'Halloran, Sicke, and Stevenson)
9. Attended ACWA's Groundwater Committee Meeting (February 21, 2019; O'Halloran and Sicke)
10. Participated in Reclamation District 307's Board of Trustees' Meeting (February 25, 2019; O'Halloran and Sicke)
11. Attended NCWA's Annual Meeting (March 1, 2019; Director Barth, O'Halloran, and Sicke)
12. Participated in DWR's GSA Forum (March 21, 2019; Director Reinhard and Sicke)
13. Participated in Groundwater Resources Association of California's (GRA) Groundwater Law and Legislation Forum (March 27, 2019; Sicke)

Other Items of Note

The Yolo Subbasin experienced above average rainfall in January and February and the members surface water accounts (reservoirs) are all at or close to capacity. YCFC&WCD started diverting excess storm water to groundwater recharge in the beginning of April.

Current Groundwater Conditions

Since January, groundwater levels are continuing to trend upward. When compared to last year's elevations (as shown on the historical depth to water table below) there is less than an average of 6.5-feet difference between the two years (this year's water levels are higher).

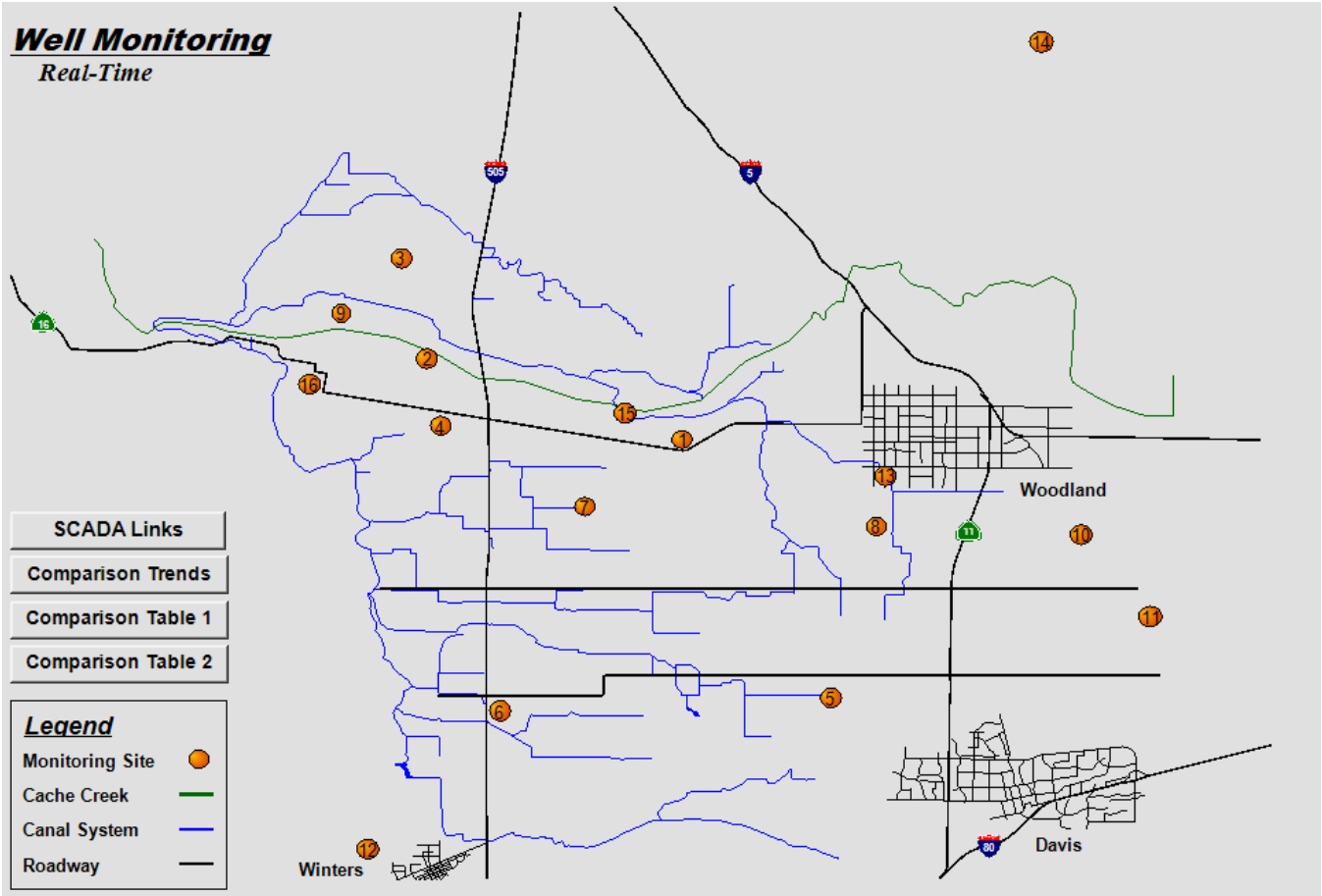
Included below are the following graphics that illustrate the current groundwater conditions and monitoring efforts.

1. A location map of the 16 real-time monitoring locations currently operating in Western Yolo County. We hope to expand this network to include representative points throughout the Yolo Subbasin.
2. A table showing historical groundwater elevations on a specific date (April 19, 2019 in this example).
3. A hydrograph of average groundwater levels based on 117 monitored wells throughout Western Yolo County. These measurements are taken twice annually, once in the spring when groundwater levels are at their highest and again in the fall when groundwater levels are at their lowest. This hydrograph contains the fall 2018 measurements.

This data is current as of April 19, 2019. Visit <http://yologroundwater.org> for more detailed information.

Well Monitoring

Real-Time



Well Monitoring

Depth to Water Historical Comparison
(Daily Average DTW in feet)

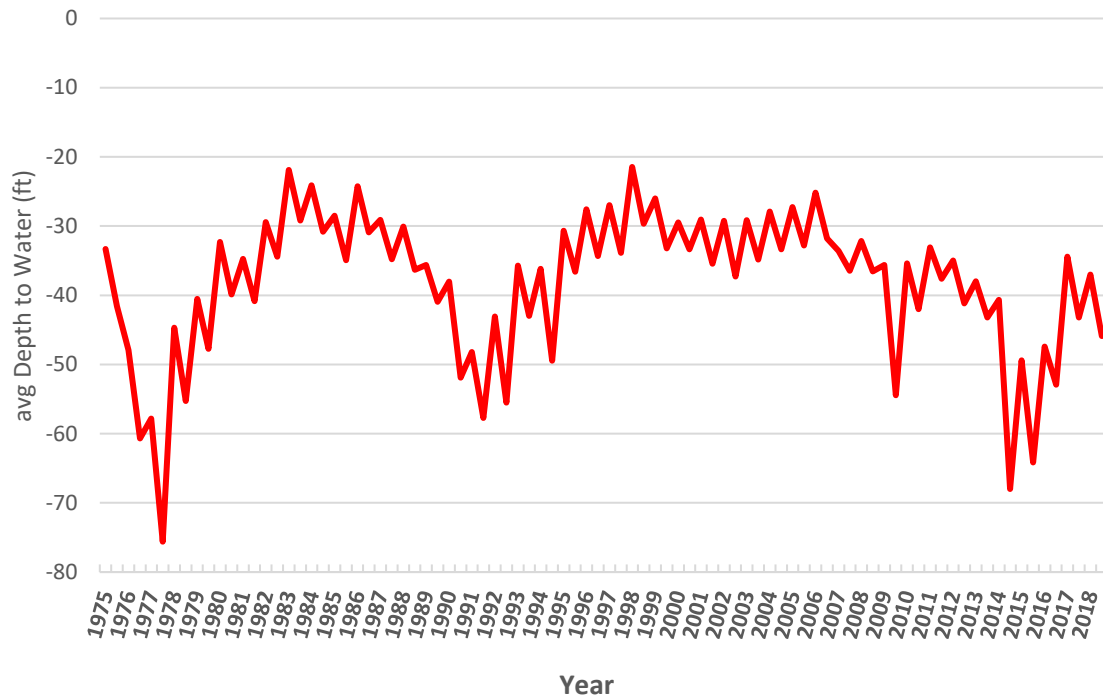
[SCADA Links](#)
[Well Map](#)
[Select Date](#)

04/19/19

Well	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Δ 2018 - 2019	Δ 2015 - 2019
1.	80.1	76.3	76.9	83.0	92.8	102.8	101.2	86.1	87.3	85.7	1.6	17.2
2.	29.3	26.3	29.2	43.8	35.8	41.6	41.8	24.0	29.9	24.2	5.7	17.3
3.		39.4	39.2	41.2	50.1	64.3	56.9	36.4	39.8	36.1	3.8	28.3
4.		22.5	25.4	34.5	35.0	47.6	39.1	20.4	27.8	21.4	6.4	26.2
5.		14.2	21.2	18.6	30.1	35.1	37.6	17.5	28.2	12.9	15.3	22.2
6.			34.3		53.9	68.6	57.7	26.3	37.0	22.5	14.5	46.1
7.					21.2	34.2	31.4	15.6	20.3	15.0	5.4	19.3
8.					58.8	71.0	70.1	42.2	41.6	35.1	6.5	36.0
9.					49.5	60.2	53.5	33.6	40.1	33.9	6.2	26.3
10.						43.7	30.6	10.0	10.8	7.0	3.8	36.7
11.						16.2	11.6	5.2	7.7	5.4	2.3	10.8
12.										105.8		
13.									51.8	46.0	5.8	
14.										8.1		
15s.										31.9		

YCFCWCD Average Groundwater

Depth by Season (fall 2018 is 117 wells)



Yolo Subbasin Groundwater Agency
Board of Directors' Meeting Minutes (DRAFT)

Monday, January 14, 2019, 3:30 p.m.

Woodland Community and Senior Center, 2001 East Street, Woodland, CA 95776

- 1. CALL TO ORDER and DETERMINATION OF QUORUM:** Meeting called to order at 3:40 p.m. by Roger Cornwell, Vice-chair.

Tim O'Halloran conducted a roll call and determined a quorum was present.

The following Board members and (alternates) were in attendance:

City of West Sacramento: (Denix Anbiah)
City of Winters: Jesse Loren, (Kurt Balasek)
City of Woodland: Xóchitl Rodriguez
Colusa Drain Mutual Water Company (CDMWC): Lynnel Pollock
County of Yolo: (Supervisor Jim Provenza)
Dunnigan Water District: George Burger, (Bill Vanderwaal)
Environmental Representative: Ann Brice
Esparto Community Service District (CSD): (Steve Knightley)
Madison CSD: Leo Refsland
Reclamation District (RD)108: Hilary Reinhard, (Bill Vanderwaal)
RD 537: Tom Ramos
RD 765: David Dickson
RD 787: Roger Cornwell, Board Vice-chair, (Dominic Bruno)
RD 827: Dan Ramos
RD 1600: Michelle Clark
RD 2035: (Mike Hall)
University of California Davis (UCD): Camille Kirk
Yocha Dehe Wintun Nation: Emily Drewek, (Marc Fawns)
Yolo County Farm Bureau (YCFB): Stan Lester
Yolo County Flood Control & WCD (YCFC&WCD): Tom Barth (Tim O'Halloran)

ABSENT: City of Davis, California American Water Company, RD 730, and RD 785

- 2. APPROVE AGENDA:** The Board approved the January 14, 2019 agenda as posted. Motioned by CDMWC to approve the agenda, seconded by YCFB and unanimously approved.
Absent: City of Davis, California American Water Company, RD 730, and RD 785

- 3. PUBLIC FORUM:** No comments from the public.

- 4. OPEN NOMINATIONS FOR ELECTION OF CHAIR AND VICE-CHAIR:** Roger Cornwell turned this item over to Tim O'Halloran, Executive Officer. Tim explained that Babs Sandeen's committee assignments have changed with the new year and she is no longer on the WRA and YSGA board representing West Sacramento. He thanked her for her years of service as chair. Babs spoke briefly to the group.

Tim O'Halloran stated that the JPA agreement does not delineate a specific process or length of term for the election of officers. He proposed that for the time being it would be recommended to keep the

representatives acting as chair and vice-chair of the WRA and the YSGA the same for continuity and efficacy. Vice-chair Roger opened the floor to receive nominations for the positions of chair and vice-chair. YCFC&WCD, motioned the nomination of Roger Cornwell for the position of chair and Jesse Loren for vice-chair. The motion was seconded by UC Davis and unanimously approved.

Absent: City of Davis, California American Water Company, RD 730, and RD 785

5. **REPORT OF THE CHAIR and EXECUTIVE OFFICER:** Roger Cornwell thanked everyone for their support as the new chair. Tim O'Halloran highlighted several activities in his written report included with the agenda and summarized current water conditions (Agenda pages 7 - 11).

6. **CONSENT ITEMS:** Motioned by the County of Yolo to approve all consent items, seconded by City of Winters and unanimously approved.

Absent: City of Davis, California American Water Company, RD 730, and RD 785

- a. Approved September 17, 2018 Board of Directors meeting minutes
- b. Received Fiscal Year End 2018-2019 Financial Statements: July 2018 to November 2018
- c. Approved 2019 Board of Directors meeting dates: 1/14, 3/18, 6/17, 9/16, and 11/18/19
- d. Received report on Selection of Firm to Perform Audits for Fiscal Years Ending 2017-2018, 2018-2019, and 2019-2020.

7. **DEPARTMENT OF WATER RESOURCES (DWR) UPDATE**

Barrett Kaasa, DWR, gave an update on items related to the Sustainable Groundwater Management Act (SGMA) program. His summary notes are included at the end of these minutes.

8. **UPDATE ON BASIN BOUNDARY MODIFICATION (BBM) REQUEST,**

Kristin Sicke, YCFC&WCD, summarized the modification process and the reason for Yolo's jurisdictional basin boundary modification request for new members. The modification request was primarily for incorporating Reclamation Districts 150 and 999 into the Yolo subbasin. Yolo's "Plan B" BBM included the addition of Reclamation District 307 to ensure that no "islands" were created from an adjacent modification being denied by DWR. Reclamation Districts 150 and 999 intend to join the YSGA as JPA members. Staff is still working with Reclamation District 307 to determine whether they will become a member. Appropriate coordination agreements will be established between our partners to determine how to manage the data across county boundaries. DWR approved draft BBM on November 29th and the public comment period closed on January 4th. The BBMs go before the California Water Commission for preliminary approval on January 16, 2019 with a final approval by mid-February. A consideration item for formally adding Reclamation Districts 150 and 999 (and potentially Reclamation District 307) will be presented at the March 18th YSGA Board meeting. Tim asked Kevin O'Brien, YSGA's legal counsel, to address the need for a minor modification to the JPA agreement to incorporate the new basin boundaries as modified by Yolo's request.

9. **UPDATE ON GROUNDWATER SUSTAINABILITY PLAN (GSP) DEVELOPMENT,**

Tim O'Halloran summarized the process for developing the GSP. He informed that we are in a good position to complete the draft GSP before DWR's required deadline of January 2022. The GSP's five key components were listed in the attached agenda report. Tim asked David Gutierrez, GEI Consultants, to discuss the stakeholder communication engagement plan process. David reviewed the Sustainable Management Criteria and how the criteria will support the sustainability of the Yolo Subbasin by defining measurable objectives and minimum thresholds for each sustainability indicator. Management actions will be considered to avoid the occurrence of undesirable results. Tim summarized the stakeholder outreach conducted since Yolo's SGMA process began.

Tim informed that several technical components of the GSP, such as, the hydrogeologic conceptual model and other groundwater monitoring components were completed as part of Yolo's Integrated Regional Water Management Plan. The reports will need to be repackaged to fit the criteria of the GSP.

Kristin Sicke discussed the water budgets developed in preparation for the GSP with the assistance of the Stockholm Environment Institute (SEI). Staff and contractors will gather critical missing information identified through videologging wells and surveying ground surface conditions with technical assistance from DWR. The Water Resources Information Database (WRID) will also be updated and enhanced as part of the GSP development process.

Tim informed that monthly Working Group meetings will be scheduled starting next month to discuss and review all of the GSP components outlined. Tim answered questions.

10. MEMBERS' REPORTS and FUTURE AGENDA ITEMS – YSGA Members were invited to briefly report on current issues and recommended topics for future YSGA Board of Directors meetings.

Tim mentioned that Item a below will be a focus topic as the YSGA completes its second fiscal year of operations. It was agreed at the onset that the merger, voting structure and fees would be re-visited after the first two years. Jeanette Wrysinski, Westside-Sacramento IRWM Administrative Project Manager, reminded that as the WRA and YSGA discuss the merging the two organizations to remember that the WRA is the Yolo MOU partner of Westside regional group. Therefore, the WRA is the only group recognized by the Westside to take official actions for Yolo county. For example, the Westside Coordinating Committee recently adopted the updated Westside IRWMP. Each of the four partners are also required to adopt this update. This is scheduled to be presented to the WRA Board at their March 2019 meeting. Any changes to the WRA's structure will need to be reflected in this membership agreement with the Westside.

- a. Establishment of Subcommittee for Merger of Water Resources Association of Yolo County (WRA) and Yolo Subbasin Groundwater Agency and Reconsideration of Voting Structure and Expense Allocation (Agreement Section 5.11)
- b. "White" Area Annexation
- c. White Paper on Areas of Special Concern

11. NEXT MEETING – Monday, March 18, 2019

12. ADJOURNMENT – Meeting was adjourned at 4:45 p.m.

Respectfully submitted,

Donna L. Gentile,
Board Secretary & Administrative Coordinator

Yolo Subbasin Groundwater Agency

Groundwater Sustainability Agency

34274 State Highway 16 Woodland, CA 95695 530.662.3211 www.yologroundwater.org

EXECUTIVE COMMITTEE REPORT

Date: April 19, 2019
To: YSGA Board of Directors
From: Executive Committee and Donna Gentile, Administrative Coordinator
Re: AMENDMENT OF FISCAL YEAR 2018-2019 BUDGET

Recommendation:

That the Board approve the proposed amendment to the Fiscal Year 2018-2019 operating budget (see attached budget).

Background:

The YSGA contracted with Richardson & Company, LLP to perform an annual audit of the YSGA's financial operations as required in the JPA Agreement (Section 5.9). Their proposal includes conducting an audit of YSGA financial statements for years ending June 30, 2018, 2019 and 2020. Their professional fees to perform this service per their proposal dated October 18, 2018 is as follows:

First Year (ending 6/30/18):	\$8,900.00
Second Year (ending 6/30/19):	\$6,900.00
Third Year (ending 6/30/20):	\$7,050.00

This proposed amendment is adjusting for the addition of this Audit Services line item. Those changes are noted with an asterisk in the attached budget. Future audit expenses will be adjusted accordingly with the amounts agreed upon above.

Audit Services - Financial (line 44): \$8,900.00.

Yolo Subbasin Groundwater Agency
Fiscal Year: July 1, 2018 to June 30, 2019
2-year Budget Adopted 6/19/17; Board Approved Amendment 6/18/18
Proposed Amendment 4/22/19

	Approved Amendment 6/18/18	Proposed Amendment 4/22/19
Revenue	FY2018-19	FY2018-19
City of Davis	40,000	40,000
City of West Sacramento	40,000	40,000
City of Woodland	40,000	40,000
City of Winters	20,000	20,000
Yocha Dehe Wintun Nation	10,000	10,000
Esparto Community Services District	5,000	5,000
Madison Community Services District	5,000	5,000
Subtotal Muncipal Agencies Revenue	\$160,000	\$160,000
Yolo County Flood Control & WCD (200,000 acres)	100,000	100,000
Yolo County (White Areas) (160,000 acres)	40,000	40,000
Direct Contributions (White Areas) (40,000 acres)	20,000	20,000
Other Contributions from Rural Agencies ¹	40,000	40,000
Dunnigan Water District (10,700 acres)	5,350	5,350
Reclamation District 108 (23,200 acres)	11,600	11,600
Reclamation District 2035 (18,000 acres)	9,000	9,000
Reclamation District 537 (5,200 acres)	2,600	2,600
Reclamation District 730 (4,498 acres)	2,249	2,249
Reclamation District 765 (1,400 acres)	700	700
Reclamation District 785 (3,200 acres)	1,600	1,600
Reclamation District 787 (9,400 acres)	4,700	4,700
Reclamation District 827 (1,225 acres)	613	613
Reclamation District 1600 (6,924 acres)	3,462	3,462
Subtotal Rural Agencies Revenue	\$241,874	\$241,874
University of California Davis	40,000	40,000
Colusa Drain Mutual Water Company	10,000	10,000
California American Water Company - Dunnigan	5,000	5,000
Yolo County Farm Bureau (private pumpers)	10,000	10,000
Environmental Party Representative (Ann Brice)	0	0
Subtotal Affiliated Parties Revenue	\$65,000	\$65,000
Interest Income	2,000	2,000
Other Income	0	0
Subtotal Other Revenue	\$2,000	\$2,000
TOTAL REVENUE	\$468,874	\$468,874
EXPENDITURES	FY2018-19	FY2018-19
Bank & Other Fees	500	500
Insurance - General & Auto	2,000	2,000
Membership Dues	1,000	1,000
Administrative Services/Expenses (WRA)	120,000	120,000
Project Management, SGMA Implementation (YCFCWCD)	110,000	110,000
Consultant Services	20,000	20,000
Legal Services	20,000	20,000
Audit Service - Financial	0	8,900 *
Real-time Groundwater Monitoring Sensors (x6)	80,000	80,000
Yolo County Groundwater Monitoring Program (administrator-YCFCWCD) ²	42,064	42,064
TOTAL EXPENDITURES	\$395,564	\$404,464
Net Income (Estimated)	\$73,310	\$64,410

* - Amendment proposed

1 - RD 108, RD 787, RD 2035, and YCFC&WCD (\$10,000 each)

2 - Program historically funded by WRA Member Agencies from July 2009 to June 2017. The historical cost of the Program was \$89,000 with the YCFC&WCD providing \$46,936 in cost share. For the first two years of the YSGA, the YCFC&WCD will continue to provide \$46,936 in cost share towards the Program.

Yolo Subbasin Groundwater Agency

Balance Sheet

As of March 31, 2019

	<u>Mar 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · 1st Northern-Checking	13,517.63
1010 · 1st Northern-Savings	80,522.67
1020 · Yolo County Treasury	452,565.05
Total Checking/Savings	<u>546,605.35</u>
Total Current Assets	<u>546,605.35</u>
TOTAL ASSETS	<u>546,605.35</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	9,527.00
Total Accounts Payable	<u>9,527.00</u>
Other Current Liabilities	
2100 · Due to Other Govts	20,000.00
2200 · Prepaid Insurance	-492.00
Total Other Current Liabilities	<u>19,508.00</u>
Total Current Liabilities	<u>29,035.00</u>
Total Liabilities	29,035.00
Equity	
3000 · Unassigned Fund Balance	-24,000.00
3300 · Assigned Fund Balance	24,000.00
3200 · Retained Earnings	185,329.89
Net Income	<u>332,240.46</u>
Total Equity	<u>517,570.35</u>
TOTAL LIABILITIES & EQUITY	<u>546,605.35</u>

Yolo Subbasin Groundwater Agency
FY2018-2019 Budget vs. Actual
July 2018 through March 2019

	Jul '18 - Mar 19	Budget	% of Budget
Income			
4000 · Member Contributions-Municipal	160,000.00	160,000.00	100.0%
4100 · Member Contributions-Rural	221,874.00	221,874.00	100.0%
4200 · Member Contributions-Affiliates	65,000.00	65,000.00	100.0%
4300 · Direct Contribution-White Areas	0.00	20,000.00	0.0%
4400 · Interest Income	3,077.08	2,000.00	153.85%
Total Income	449,951.08	468,874.00	95.96%
Expense			
5100 · Bank & Other Fees	226.94	500.00	45.39%
5300 · Insurance-General & Auto	1,477.00	2,000.00	73.85%
5500 · Membership Dues	281.25	1,000.00	28.13%
7000 · Admin. Services/Expenses (WRA)	80,000.00	120,000.00	66.67%
7100 · Project Mgmt-SGMA Implementatio	23,343.43	110,000.00	21.22%
7200 · Consultant Services	0.00	20,000.00	0.0%
7300 · Legal Services	3,482.00	20,000.00	17.41%
7350 · Audit Services - Financial	8,900.00	8,900.00	100.0%
7500 · GW Monitoring-Real-time Sensors	0.00	80,000.00	0.0%
7600 · YC Groundwater Monitor Program	0.00	42,064.00	0.0%
Total Expense	117,710.62	404,464.00	29.1%
Net Income	332,240.46	64,410.00	

Yolo Subbasin Groundwater Agency
Profit & Loss by Quarter
July 2018 through March 2019

	<u>Jul - Sep 18</u>	<u>Oct - Dec 18</u>	<u>Jan - Mar 19</u>	<u>TOTAL</u>
Income				
4000 · Member Contributions-Municipal	160,000.00	0.00	0.00	160,000.00
4100 · Member Contributions-Rural	221,874.00	0.00	0.00	221,874.00
4200 · Member Contributions-Affiliates	65,000.00	0.00	0.00	65,000.00
4400 · Interest Income	6.03	908.28	2,162.77	3,077.08
Total Income	<u>446,880.03</u>	<u>908.28</u>	<u>2,162.77</u>	<u>449,951.08</u>
Expense				
5100 · Bank & Other Fees	0.00	72.76	154.18	226.94
5300 · Insurance-General & Auto	0.00	1,477.00	0.00	1,477.00
5500 · Membership Dues	0.00	0.00	281.25	281.25
7000 · Admin. Services/Expenses (WRA)	50,000.00	0.00	30,000.00	80,000.00
7100 · Project Mgmt-SGMA Implementatio	0.00	0.00	23,343.43	23,343.43
7300 · Legal Services	0.00	1,505.00	1,977.00	3,482.00
7350 · Audit Services - Financial	0.00	0.00	8,900.00	8,900.00
Total Expense	<u>50,000.00</u>	<u>3,054.76</u>	<u>64,655.86</u>	<u>117,710.62</u>
Net Income	<u><u>396,880.03</u></u>	<u><u>-2,146.48</u></u>	<u><u>-62,493.09</u></u>	<u><u>332,240.46</u></u>

Yolo Subbasin Groundwater Agency
Transaction List by Date
December 2018 through March 2019

Type	Date	Num	Name	Memo	Account	Clr	Split	Amount
Payment	12/03/2018	434622	City of Davis		1200 · Undeposited Funds	√	1100 · Accounts Receivable	40,000.00
Payment	12/10/2018	1335	Reclamation District 785		1200 · Undeposited Funds	√	1100 · Accounts Receivable	1,600.00
Payment	12/18/2018	9531809	County of Yolo		1200 · Undeposited Funds	√	1100 · Accounts Receivable	40,000.00
Payment	12/20/2018	ACH 2791	Reclamation District 2035		1200 · Undeposited Funds	√	1100 · Accounts Receivable	19,000.00
Deposit	12/20/2018		Reclamation District 2035	Deposit	1000 · 1st Northern-Checking	√	1200 · Undeposited Funds	19,000.00
Deposit	12/21/2018		Davis, RD 785 & Yolo County	Deposit	1020 · Yolo County Treasury	√	-SPLIT-	81,600.00
Deposit	12/31/2018			Interest	1010 · 1st Northern-Savings	√	4400 · Interest Income	4.10
Payment	01/04/2019	3783	Colusa Drain Mutual Water Comany		1200 · Undeposited Funds	√	1100 · Accounts Receivable	5,000.00
Payment	01/08/2019	933	Reclamation District 765		1200 · Undeposited Funds	√	1100 · Accounts Receivable	700.00
Bill	01/18/2019	2019-0114	ACWA		2000 · Accounts Payable		5500 · Membership Dues	-281.25
Bill	01/22/2019	2019-02	Water Resources Association of Yolo Cty		2000 · Accounts Payable		7000 · Admin. Services/Expenses (WRA)	-30,000.00
Transfer	01/22/2019			Funds Transfer	1010 · 1st Northern-Savings	√	1000 · 1st Northern-Checking	-10,000.00
Bill Pmt -Check	01/22/2019	116	ACWA		1000 · 1st Northern-Checking	√	2000 · Accounts Payable	-281.25
Bill Pmt -Check	01/22/2019	117	Water Resources Association of Yolo Cty		1000 · 1st Northern-Checking	√	2000 · Accounts Payable	-30,000.00
Payment	01/22/2019	929002	Reclamation District 108		1200 · Undeposited Funds	√	1100 · Accounts Receivable	10,800.00
Deposit	01/24/2019		CDMWC, RD 765, RD 108	Deposit	1020 · Yolo County Treasury	√	-SPLIT-	16,500.00
Transfer	01/24/2019			Funds Transfer	1020 · Yolo County Treasury	√	1000 · 1st Northern-Checking	-90,000.00
Transfer	01/30/2019			Funds Transfer	1000 · 1st Northern-Checking	√	1010 · 1st Northern-Savings	-80,000.00
Check	02/01/2019			Service Charge	1020 · Yolo County Treasury	√	5100 · Bank & Other Fees	-154.18
Deposit	02/01/2019			Interest	1020 · Yolo County Treasury	√	4400 · Interest Income	2,155.63
Bill	02/19/2019	533372	Downey Brand		2000 · Accounts Payable		7300 · Legal Services	-1,350.00
Transfer	02/25/2019			Funds Transfer	1010 · 1st Northern-Savings	√	1000 · 1st Northern-Checking	-25,000.00
Bill Pmt -Check	02/26/2019	118	Downey Brand		1000 · 1st Northern-Checking	√	2000 · Accounts Payable	-1,350.00
Bill	02/26/2019	2019-0226	Yolo County Flood Control & WCD		2000 · Accounts Payable		7100 · Project Mgmt-SGMA Implementatio	-23,343.43
Bill Pmt -Check	02/26/2019	119	Yolo County Flood Control & WCD		1000 · 1st Northern-Checking	√	2000 · Accounts Payable	-23,343.43
Bill	02/27/2019	110262	Richardson & Company LLP		2000 · Accounts Payable		7350 · Audit Services - Financial	-8,900.00
Bill	03/15/2019	534316	Downey Brand		2000 · Accounts Payable		7300 · Legal Services	-627.00
Deposit	03/31/2019			Interest	1010 · 1st Northern-Savings	√	4400 · Interest Income	7.14

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: April 22, 2019

AGENDA ITEM NO. 6

SUBJECT: Consideration: Review of Fiscal Year 2017-2018 Independent Financial Audit

INITIATED OR ☐ BOARD

☐ INFORMATION

REQUESTED BY: ☒ STAFF

☒ ACTION: ☒ MOTION

☐ OTHER _____

☐ RESOLUTION

ATTACHMENT ☒ YES ☐ NO

BACKGROUND

Per the JPA Agreement (Article 5.9), an annual fiscal year audit is required. The qualified firm selected after a Request for Proposal process was Richardson & Company, LLP. This is the first audit conducted of the YSGA operations since its inception.

The Fiscal Year 2017-2018 Independent Audit Management Report and table of contents are attached. The complete Independent Financial Statements Audit is available on the YSGA website: <https://yologroundwater.org/index.php/ysga-board-meetings/>

The Executive Officer and Administrative Coordinator have reviewed the Audit Report and consider it to be an accurate representation of the YSGA financial records. The Audit Report was sent to the Executive Committee for their review and comment.

Brian Nash, Partner with Richardson & Company, LLP will review and answer questions regarding the Audit.

RECOMMENDATION

The Executive Committee recommends acceptance of the filing of the Fiscal Year 2017-2018 Audit.

To the Board of Directors and Management
Yolo Subbasin Groundwater Agency
Woodland, CA

In planning and performing our audit of the financial statements of the governmental activities and major Special Revenue Fund of the Yolo Subbasin Groundwater Agency (the Agency) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of the following matters that have been included for your consideration:

Creation of Policies and Procedures

We recommend YSGA consider approving an investment policy, capital assets policy, employee and Board expense reimbursement policy, procurement policy and fraud reporting policy, as applicable. A good starting point would be the policies and procedures of a member agency.

We also recommend the Administrative Coordinator document procedures performed to process transactions so another employee/contract employee would have procedures to follow in case of turnover. Areas to document may include how to process cash receipts, cash disbursements and bank reconciliations in QuickBooks, what documentation should be maintained, how to produce QuickBooks budget and other reports used by the Board as well as when and how to prepare required regulatory/State filings and information for Board meetings. We would recommend keeping the information basic initially and adding to it over time as time permits.

Administrative Services Agreement

The Administrative Services Agreement with Water Resource Association of Yolo County (WRA) indicates a flat amount of \$120,000 will be paid by YSGA to WRA at the beginning of the year for administrative services, which creates a contractual liability for that amount. The WRA only billed \$100,000 of the flat amount because the WRA Administrative Coordinator did not work as many hours on Agency activity as expected during the year

ended June 30, 2018. We recommended the remaining \$20,000 of the administrative fee be accrued as an expense because there was no provision in the agreement to reduce the \$120,000 fee if the Administrative Coordinator worked less than expected on Agency activity. The WRA agreement is different than the agreement with Yolo County Flood Control and Water Conservation District (the District), which indicated the District would be reimbursed for expenses incurred up to a limit. We recommend the Agency and WRA consider whether the WRA's administrative agreement should be adjusted to include a clause similar to the District's agreement to reimburse actual expenses up to a limit or some other reimbursement model (pay three quarters of the limit and true-up to actual expenses in the fourth quarter) if the agreement is not consistent with how the two agencies intend to operate the agreement.

* * * * *

This communication is intended solely for the information and use of the Board of Directors, management, and others within the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

February 27, 2019

YOLO SUBBASIN GROUNDWATER AGENCY

Audited Financial Statements and
Compliance Report

June 30, 2018

TABLE OF CONTENTS

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Position and Governmental Fund Balance Sheet	6
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance.....	7
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund	8
Notes to Basic Financial Statements	9
Compliance Report:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15

Yolo Subbasin Groundwater Agency Board of Directors

Meeting Agenda Report

MEETING DATE: April 22, 2019

AGENDA ITEM NO. 8

SUBJECT: Consideration: Approve New YSGA JPA Members

INITIATED OR ☐ BOARD

☐ INFORMATION

REQUESTED BY: ☒ STAFF

☒ ACTION: ☒ MOTION

☐ OTHER _____

☐ RESOLUTION

ATTACHMENT ☐ YES ☒ NO

BACKGROUND

The Yolo Subbasin has been formally modified to include the Clarksburg area, specifically Reclamation Districts 150, 307, and 999. All three Reclamation Districts are interested in joining the YSGA and developing the Yolo Subbasin Groundwater Sustainability Plan (GSP). Reclamation District 307 intends to join the YSGA Joint Powers Agreement (JPA) as soon as they have officially exited the JPA for the Northern Delta Groundwater Sustainability Agencies (after May 3, 2019).

Article 6 of the YSGA JPA discusses changes to membership and the Board's authority to approve the addition of new Members or Affiliated Parties to the Agency by supermajority vote. In the event of Board approval of a new Member, the new Member will execute the YSGA JPA, but an amendment to the Agreement will not be required.

It is recommended that the YSGA JPA new member dues are consistent with Exhibit D of the YSGA JPA at \$0.50/acre and are retroactive to when the YSGA JPA was executed (June 2017). The new member dues are shown in the table below.

New Member	Estimated Acreage ¹	\$/acre ²	Member Dues
RD 150	4,293 acres	\$1.00/acre	\$4,293
RD 307	5,941 acres	\$1.00/acre	\$5,941
RD 999	25,560 acres	\$1.00/acre	\$25,560

RECOMMENDATION

Recommend approval of new JPA members: Reclamation Districts 150, 307, and 999.

¹ Service area acreage still needs to be confirmed, which will affect the total member dues.

² \$0.50/acre for Fiscal Year 2017/2018 and \$0.50/acre for Fiscal Year 2018/2019

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: April 22, 2019

AGENDA ITEM NO. 9

SUBJECT: Consideration: Postpone Consideration of Voting Structure and Expense Allocation (2-Year Reopener; Agreement Article 5.11)

INITIATED OR ☐ BOARD
REQUESTED BY: ☒ STAFF
 ☐ OTHER _____

☐ INFORMATION
☒ ACTION: ☒ MOTION
 ☐ RESOLUTION

ATTACHMENT ☐ YES ☒ NO

BACKGROUND

Article 5.11 Reconsideration of Voting Structure and Expense Allocation of the YSGA JPA, states that no later than the first Board meeting following the two-year anniversary of the Effective Date of the Agreement (June 19, 2017), the Board of Directors shall consider whether to recommend to the Members that the voting structure described in Article 4.6 and/or expense allocation provisions described in Article 5.1 and Exhibit D should be modified in any respect.

As discussed at the Working Group, it seems that member agencies and affiliated parties were in favor of the postponement of the consideration of the voting structure and expense allocation. The consideration of the two-year reopener is requested to be postponed until the Yolo Subbasin Groundwater Sustainability Plan (GSP) is completed. Once the GSP is completed, YSGA staff and the Board of Directors will have a clearer idea of what the expenses outside of the GSP development will be and what the optimal expense allocation is for the future.

RECOMMENDATION

Recommend the Board postpone consideration of voting structure and expense allocation until after the GSP is completed.

Yolo Subbasin Groundwater Agency Board of Directors Meeting Agenda Report

MEETING DATE: April 22, 2019

AGENDA ITEM NO. 10

SUBJECT: Consideration: Formalize Technical Working Group Subcommittee

INITIATED OR ☐ BOARD
REQUESTED BY: ☒ STAFF
 ☐ OTHER _____

☐ INFORMATION
☒ ACTION: ☒ MOTION
 ☐ RESOLUTION

ATTACHMENT ☐ YES ☒ NO

BACKGROUND

The Technical Working Group has been an effective forum for vetting items before they come to the full Board. The Executive Committee has recently discussed formalizing the Technical Working Group Subcommittee.

The Technical Working Group Subcommittee (“Working Group”) shall be comprised of the Executive Officer and key technical staff from each member agency and affiliated party. The Technical Working Group shall meet at least twice each quarter (unless determined to be unnecessary) and the Executive Officer may convene additional Subcommittee meetings as circumstances require. The main purpose of the Working Group will be to provide technical direction to the Executive Officer during the development and implementation of the Groundwater Sustainability Plan and to serve as an advisory group to the YSGA Board. The Working Group will be subject to the Brown Act.

RECOMMENDATION

Recommend the establishment of the Technical Working Group Subcommittee comprised of the Executive Officer and key technical staff from each member agency and affiliated party. The Working Group will conduct itself generally by consensus, but in the case of a recorded vote, voting will be similar to Article 4.6 of the YSGA JPA.

Yolo Subbasin Groundwater Agency Board of Directors
Meeting Agenda Report

MEETING DATE: April 22, 2019

AGENDA ITEM NO. 11

SUBJECT: Update on Groundwater Sustainability Plan Development

INITIATED OR ☐ BOARD

☒ INFORMATION

REQUESTED BY: ☒ STAFF

☐ ACTION: ☐ MOTION

☐ OTHER _____

☐ RESOLUTION

ATTACHMENT ☐ YES ☒ NO

BACKGROUND

a. Groundwater Monitoring Program

As has been discussed previously, the groundwater monitoring network will be the backbone of the YSGA's effort to determine sustainability. Max Stevenson is the project manager over the Groundwater Monitoring Program and will present background on what is required in the Groundwater Sustainability Plan, what we are currently doing, and what we plan to do in the future to enhance and strengthen the groundwater monitoring network.

RECOMMENDATION

This agenda item is for informational purposes only. No Board action is required.