



**AGENDA
REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY**



**Tele-Meeting
CGSA Board Meeting
July 28, 2021 05:40 PM Pacific Time (US and Canada)**



Join Zoom Meeting

<https://us06web.zoom.us/j/83637912221?pwd=YnNJdkQxSjhmeFB4dHh3MW1Ibm9mUT09>

**Meeting ID: 836 3791 2221
Passcode: 254381**

**Meeting Agenda
Wednesday, July 28, 2021 at 5:40 p.m.**

Notice is hereby given that a meeting of the Carpinteria Groundwater Sustainability Agency (CGSA), will be held on Wednesday, July 28, 2021, at 5:40 p.m. to consider and discuss the following items:

- 1. Call to order**
- 2. PUBLIC FORUM (Any person may address the Board of Directors on any matter within its jurisdiction which is not on the agenda).**
- 3. APPROVAL ITEMS**
 - A. **Consider approval of minutes for the Meeting of the Board held on April 14, 2021 (for action, Executive Director McDonald).**
- 4. UNFINISHED BUSINESS – none**
- 5. NEW BUSINESS**
 - A. **Consider proposed FY21/22 GSA Budget (for information, Executive Director McDonald).**
 - B. **Consider adoption of Resolution No. 005 Approving the FY 2021/22 Budget (for action, Executive Director McDonald).**

C. **Consider Engagement of Bartlett Pringle & Wolf, LLP for FY 21 Audit services, not to exceed \$ 4,000.00 (for action, Executive Director McDonald).

D. Discuss ERT Status Update (for information, Executive Director McDonald).

E. **Discuss CVWD groundwater activities (for information, Executive Director McDonald).

6. Adjournment.

Robert McDonald, Secretary

The above matters are the only matters scheduled to be considered at this meeting.

Note: The above Agenda was posted at Carpinteria Valley Water District Administrative in view of the public no later than 5:00 p.m., July 23, 2021. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied benefits of, the District's programs, services, or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at (805) 684-2816. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements. Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Carpinteria Valley Water district offices located at 1301 Santa Ynez Avenue, Carpinteria during normal business hours, from 8 am to 5 pm.

	MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY
	April 14, 2021
	Chairman Roberts called the regular meeting of the Carpinteria Groundwater Sustainability Agency Board of Directors held via tele-conference at 5:40 p.m., Wednesday, April 14, 2021.
	In response to the spread of the COVID-19 virus, Governor Newsom has temporarily suspended the requirement for local agencies to provide a physical location from which members of the public can observe and offer public comment and has ordered all Californians to stay home except as needed to maintain continuity of operations of certain critical infrastructure.
	Directors Present; Holcombe, Van Wingerden, Roberts, Johnson and Stendell
	Director Absent: none
	Others Present: Bob McDonald
	Roger Myers Norma Rosales Ursula Santana Kevin Kostiuk
PUBLIC FORUM	No one from the public addressed the Board.
MINUTES	Following discussion, Director Van Wingerden moved, and Director Stendell seconded the motion to approve the minutes of the Board meeting held on January 27, 2021. The motion carried by a 5-0 vote. The minutes were approved by roll call as follows; Ayes: Roberts, Johnson, Holcombe, Stendell and Van Wingerden Nays: None Abstain: None Absent: None

<p>GROUNDWATER BUDGET UPDATE</p>	<p>Executive Director McDonald presented to consider and discuss the Groundwater Budget Update for WY 2020 Proposal from Pueblo Water Resources at a cost not to exceed \$6,501.</p> <p>Following discussion, Director Holcombe moved, and Director Johnson seconded the motion to approve the Proposal from Pueblo Water Resources. The motion carried by a 5-0 vote. The proposal was approved by roll call as follows;</p> <p>Ayes: Van Wingerden, Johnson, Roberts, Stendell and Holcombe Nays: None Abstain: None Absent: None</p>
<p>CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY REVENUES</p>	<p>Executive Director McDonald gave a verbal update to discuss and review the Carpinteria Groundwater Sustainability Agency Revenues.</p>
<p>RAFTELIS PROPOSAL FOR SUPPORT SERVICES</p>	<p>Executive Director McDonald presented to consider and discuss engagement of Raftelis for support services in FY23 Rate Setting & Revenue Collection for the GSA, at a cost not to exceed \$64,150.</p> <p>Following discussion, Director Van Wingerden moved, and Director Johnson seconded the motion to approve the engagement of Raftelis for support services. The motion carried by a 5-0 vote. The proposal was approved by roll call as follows;</p> <p>Ayes: Van Wingerden, Johnson, Roberts, Stendell and Holcombe Nays: None Abstain: None Absent: None.</p>
<p>COLANTUONO, HIGHSMITH & WHATELY PROPOSAL FOR SUPPORT SERVICES</p>	<p>Executive Director McDonald presented to consider and discuss the engagement of the Law Firm of Colantuono, Highsmith & Whatley (CHW) for legal support in the are of Rate Setting and Revenue Collection in FY23.</p> <p>Following discussion, Director Johnson moved, and Director</p>

	<p>Van Wingerden seconded the motion to approve the engagement of Colantuono, Highsmith & Whatley for support services. The motion carried by a 5-0 vote. The proposal was approved by roll call as follows;</p> <p>Ayes: Van Wingerden, Johnson, Roberts, Stendell and Holcombe Nays: None Abstain: None Absent: None</p>
DRAFT GSA BUDGET	<p>Executive Director McDonald gave a verbal update to discuss considering Draft GSA Budget for FY22.</p>
ADJOURNMENT	<p>Chairman Roberts adjourned the meeting at 6:11 p.m.</p> <hr/> <p>Ursula Santana, Secretary</p>

CARPINTERIA GROUNDWATER
SUSTAINABILITY AGENCY

CGSA

BUDGET
FISCAL YEAR 2021/22

Adopted by the Board of Directors of the
Carpinteria Groundwater Sustainability Agency
at a Regular Board Meeting held on
July 28, 2021

Robert Mc Donald, Executive Director /
Board Secretary

CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY
FISCAL YEAR 2021-2022
OPERATING BUDGET

	2020-2021 Total Budget	2020-2021 Est. Actual	2021-2022 Total Budget	2021-2022 % of Budget
REVENUES				
Grant Funding	\$ -		\$ -	0.0%
Member Fees	\$ -	\$ -	\$ -	0.0%
CVWD Funding (Loan)*	\$ 164,340.00	\$ 110,152.00	\$ 198,700.00	100.0%
TOTAL OPERATING REVENUE	\$ 164,340.00	\$ 110,152.00	\$ 198,700.00	
EXPENSES				
Personnel	\$ 34,640.00	\$ 55,270.00	\$ 40,000.00	20.1%
Temporary Labor	\$ -	\$ -		0.0%
Water quality Testing	\$ 8,000.00	\$ 8,085.00	\$ 10,000.00	5.0%
Annual Reporting	\$ 20,000.00	\$ -	\$ 6,500.00	3.3%
Directors Fees	\$ 2,000.00	\$ 2,000.00	\$ 3,000.00	1.5%
Equipment	\$ -	\$ -	\$ 2,500.00	1.3%
Groundwater Professional Services	\$ 70,000.00	\$ 42,165.00	\$ 50,000.00	25.2%
Legal Professional Services	\$ 25,000.00	\$ 560.00	\$ 20,000.00	10.1%
Administrative Professional Services	\$ 3,000.00	\$ 754.00	\$ 65,000.00	32.7%
Administrative Expense	\$ 1,700.00	\$ 1,318.00	\$ 1,700.00	0.9%
TOTAL EXPENSES	\$ 164,340.00	\$ 110,152.00	\$ 198,700.00	

NET REVENUE	-	-	-
* This will loan will be recovered by CVWD when revenues are established			
LESS DEBT SERVICE & REIMBURSEMENTS			-
		-	
LESS CAPITAL EXPENDITURES		-	-
	-	-	-

Notes : SGM Grant Funds awarded to CVWD to prepare GSP not a part of this budget.
Initial Funding for CGSA operations may be recovered by CVWD in the future when GSA revenues are established.

RESOLUTION NO. 005

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY
APPROVING THE 2021-22 OPERATING BUDGET**

WHEREAS, the Carpinteria Groundwater Sustainability Agency has been formed via a Joint Powers Agreement (JPA); and

WHEREAS, the Carpinteria Groundwater Sustainability Agency (CGSA) shall approve a budget as per Article 14.1. Budget and Expenses of the JPA; and

WHEREAS the Staff of the JPA has prepared a 2021-22 Operating Budget for approval by the Board of Directors of the CGSA.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the CGSA that the 2021-22 Operating Budget (attached) be approved.

Vote on the Resolution by roll call resulted as follows:

AYES:

NAYES:

ABSENT:

ABSTAIN:

The Resolution was thereupon declared, carried and adopted.

Date: This 28th day of July 2021

APPROVE:

Matthew T. Roberts, Chair

ATTEST:

Robert Mc Donald, Secretary



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

June 18, 2021

Norma Rosales
Carpinteria Groundwater Sustainability Agency
1301 Santa Ynez Avenue
Carpinteria, CA 93013

Dear Norma:

Bartlett, Pringle & Wolf, LLP ("BPW") appreciates the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you. This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

Audit Services

We will audit the financial statements of Carpinteria Groundwater Sustainability Agency (the "Agency") as of and for the years ended June 30, 2021, June 30, 2022 and June 30, 2023, which comprise the statements of net position as of June 30, 2021, June 30, 2022 and June 30, 2023, and the related statements of revenues, expenses and changes in net position, and statements of cash flows for the years then ended, and the related notes to the financial statements.

Accounting standards generally accepted in the United States of America call for certain required supplementary information (RSI) to accompany the basic financial statements. The Governmental Accounting Standards Board also considers this information a necessary part of financial reporting as it provides perspective to the basic financial statements. Therefore, as part of this engagement, we will apply limited procedures to the Agency's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will primarily consist of inquiries of management regarding their methods of measurement and presentation. However, we will not express an opinion or provide any assurance on this RSI as our limited procedures do not provide us with sufficient evidence to do so under our professional standards. Consequently, the financial statements we present to you will include the following required RSI that will not be audited and, as such, our report will disclaim an opinion on this RSI:

- Management's Discussion and Analysis

Our engagement will also include the preparation of the annual Special District Report to the State Controller for the years ended June 30, 2021, June 30, 2022 and June 30, 2023.

Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional supplementary information referred to above when considered in relation to the financial statements taken as a whole.

Our audit will be conducted in accordance with GAAS and the Minimum Audit Requirements of the State Controller's Office. Our professional standards as defined by GAAS require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Audit Procedures

Our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of the Agency and other procedures we consider necessary. The procedures we determine necessary will depend on our professional judgment as auditors and will be based, in part, on our assessment of the risks of material misstatement of the financial statements, whether from errors, fraudulent financial reporting, misappropriations of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If we deem it appropriate, our procedures will also include tests of documentary evidence supporting the transactions recorded in the accounts, may include tests of the physical existence of inventories, and will include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals and third parties (e.g., creditors or financial institutions). As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters. These representations will include acknowledging our assistance with the preparation of your financial statements, the supplementary information, and notes accompanying these documents, and that you have reviewed and approved these documents, approved their release, and that you have accepted responsibility for them. By your signature below, you understand and agree that our firm's acceptance of this engagement and the terms and conditions as specified in this letter are contingent upon receiving satisfactory responses to these inquiries.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you, or the appropriate level of management, of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we will consider internal controls relevant to the preparation and fair presentation of the Agency's financial statements in order to design audit procedures that are appropriate in the circumstances. However, our audit procedures are not designed for the purpose of expressing an opinion on the effectiveness of your internal control. In accordance with our professional standards, we will communicate in writing to the appropriate level of management and those charged with governance matters concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Agency's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion. Management maintains the responsibility for identifying and ensuring that the Agency complies with applicable laws, regulations, contracts, and other agreements.

As this engagement is not designed to be a fraud audit, management understands and accepts the inherent limitations of the audit services described in this agreement.

Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

Tracey Solomon is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Bartlett, Pringle & Wolf, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Responsibilities of Management and Those Charged with Governance

As part of our engagement, we may advise you about appropriate accounting principles and their application; however, the management of the Agency acknowledges and understands that the final responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the

United States of America remains with you. This responsibility includes the financial statements, all accompanying information, and the representations that accompany them. As such, the management of the Agency is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Other management responsibilities include maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

Management is also responsible for the preparation and fair presentation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). You agree that you will confirm your understanding of your responsibilities with respect to the supplementary information in your representation letter. You further agree to include our report on the supplementary information in any document that contains and indicates that we have reported on such supplementary information. In addition, you also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

By your signature below, you also acknowledge that the management of the Agency is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, and all accompanying information, that are free from material misstatement, whether due to fraud or error. This responsibility includes the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Agency and the respective changes in financial position and where applicable, cash flows, in conformity with accounting principles generally accepted in the United States of America. In addition, management is also responsible for having appropriate programs and controls in place to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization that involves management, employees who have significant roles in internal control, regulators, and others where fraud could have a material impact on the financial statements. The management of the Agency is also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Agency complies with applicable laws and regulations and for taking timely and appropriate actions to remedy any fraud, noncompliance with laws and regulations, or violations of contracts and agreements. You agree that you will confirm your understanding of your responsibilities as defined in this letter to us in your representation letter.

Management's responsibilities also include designating qualified individuals with suitable skill, knowledge, and/or experience to be responsible and accountable for overseeing financial statement preparation and any other non-attest services we perform as part of this engagement, as well as evaluating the adequacy and results of those services and accepting responsibility for them. The Agency has designated Norma Rosales, Assistant General Manager, who possesses suitable skill, knowledge, and experience to oversee the services.

You further acknowledge and understand that management is responsible for providing us with access to all information management is aware of that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters; for the accuracy and completeness of the information that is provided to us; and for informing us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements. This responsibility also includes providing us with any additional information that we may request from management for the purpose of the audit; as well as allowing us unrestricted access to individuals within the organization from whom we may determine it necessary to obtain audit evidence, including access to your designated employees who will type all confirmations we request.

Written Report

We expect to issue a written report upon completion of our audit of the Agency's financial statements. Our report will be addressed to the Board of Directors of the Agency. We cannot provide assurance that an unmodified opinion will be expressed on the financial statements. Circumstances may arise in which it is necessary for us to modify our opinion, add emphasis-of-matter or other-matter paragraphs, decline to express an opinion or withdraw from the engagement.

Information Security

Bartlett, Pringle & Wolf, LLP is committed to the safe and confidential treatment of the Agency's proprietary information. Bartlett, Pringle & Wolf, LLP is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. The Agency agrees that it will not provide Bartlett, Pringle & Wolf, LLP with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of the Agency's information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

In connection with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions, including but not limited to password protecting confidential documents. However, as email can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom it is directed and only to such parties, we cannot guarantee or warrant that email from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery of email transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Other Matters

In accordance with the terms and conditions of this agreement, the Agency shall be responsible for the accuracy and completeness of all data, information and representations provided to us for purposes of this engagement. Because of the importance of oral and written management representations to the effective performance of our services, the Agency releases and indemnifies our firm and its personnel from any and all claims, liabilities, cost and expenses attributable to any misrepresentation by management and its representatives.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs, such as report production, typing, and postage. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Billings become delinquent if not paid within 30 days of the invoice date. If billings are past due in excess of 90 days, at our election, we may stop all work until your account is brought current, or withdraw from this engagement. The Agency acknowledges and agrees that we are not required to continue work in the event of the Agency's failure to pay on a timely basis for services rendered as required by this engagement letter. The Agency further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of the Agency's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services. Based on our preliminary estimates, the audit fees should approximate \$4,000 per year for the years ended June 30, 2021, June 30, 2022 and June 30, 2023, respectively. That estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, Bartlett, Pringle & Wolf, LLP may, at its sole discretion, terminate this arrangement letter without further obligation to the Agency. Resumption of audit work following termination may be subject to our client acceptance procedures and, if resumed, will necessitate additional procedures not contemplated in this arrangement letter. Accordingly, the scope, timing and fee arrangement discussed in this arrangement letter will no longer apply. In order for Bartlett, Pringle & Wolf, LLP to recommence work, a new arrangement letter would need to be mutually agreed upon and executed.

Professional standards require us to be independent with respect to the Agency. Any discussions with our personnel regarding employment could pose a threat to our independence. Therefore, you agree to inform the engagement partner before having any such discussions so that we can implement appropriate safeguards to maintain our independence.

It is our policy to keep records related to this engagement for seven years. However, Bartlett, Pringle & Wolf, LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Bartlett, Pringle & Wolf, LLP shall be free to destroy our records related to this engagement.

Should any litigation or adverse action (such as audits by outside organizations and/or threatened litigation, etc.), by third parties arise against the Agency or its officers subsequent to this engagement, which results in the subpoena of documents from Bartlett, Pringle & Wolf, LLP and/or requires additional assistance from us to provide information, depositions or testimony, the Agency hereby agrees to compensate Bartlett, Pringle & Wolf, LLP (at our standard hourly rates then in effect) for additional time charges and other costs (copies, travel, etc.), and to indemnify us for any attorney's fees to represent Bartlett, Pringle & Wolf, LLP.

In addition, you further agree that in the event our firm or any of its employees or agents is called as a witness or requested to provide any information whether oral, written, or electronic in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that you have provided to this firm, or any documents and workpapers prepared by Bartlett, Pringle & Wolf, LLP in accordance with the terms of this agreement, you agree to pay any and all reasonable expenses, including fees and costs for our time at the rates specified in our engagement letter, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution. The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator. This paragraph does not preclude litigation on non-fee related matters that cannot be resolved through mediation.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign this letter and return it to us in the enclosed self-addressed envelope.

Very truly yours,

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants

A handwritten signature in cursive script that reads "Tracey Solomon".

Tracey Solomon
Partner

TAS/jf
Enclosures

Approved:

Signature

STAFF REPORT to the Carpinteria GSA, 07/28/21

Consideration: Item 5.E CVWD Groundwater Activities

Prepared By: Bob McDonald, Executive Director CGSA

Discussion

Drought conditions since 2012 have negatively impacted groundwater recharge in Carpinteria Groundwater Basin (CGB) storage. Levels in the basin have been generally below sea level since 2013 and concerns about seawater movement have driven the District’s decision to reduce groundwater pumping in recent years after relying heavily on groundwater in 2015, 2016 and 2018(Figure 1) .The drought abated to some degree in 2017 and 2019 with slightly above average rainfall (Figure 2), providing some recharge and water supply system relief. Unfortunately, groundwater storage did not fully rebound from earlier depletion in 2016. Additionally, private pumping has continued to increase in the basin since 2010 from 2566 AFY and peaked at 4551 AFY in 2018. Exacerbating the challenge, CVWD is now projecting water shortages in less than one year without groundwater if this winter is below average rainfall. Because of this, CVWD groundwater pumping for 2022 and 2023 are projected to be ~2000 AF per year.

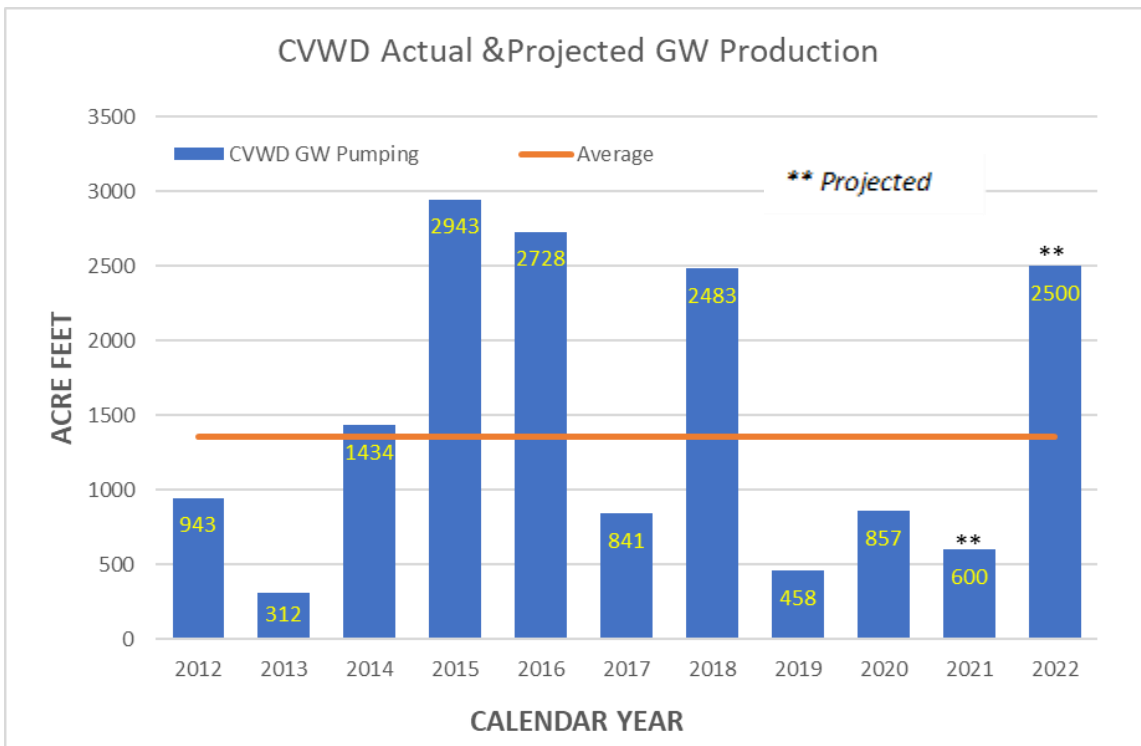


Figure 1

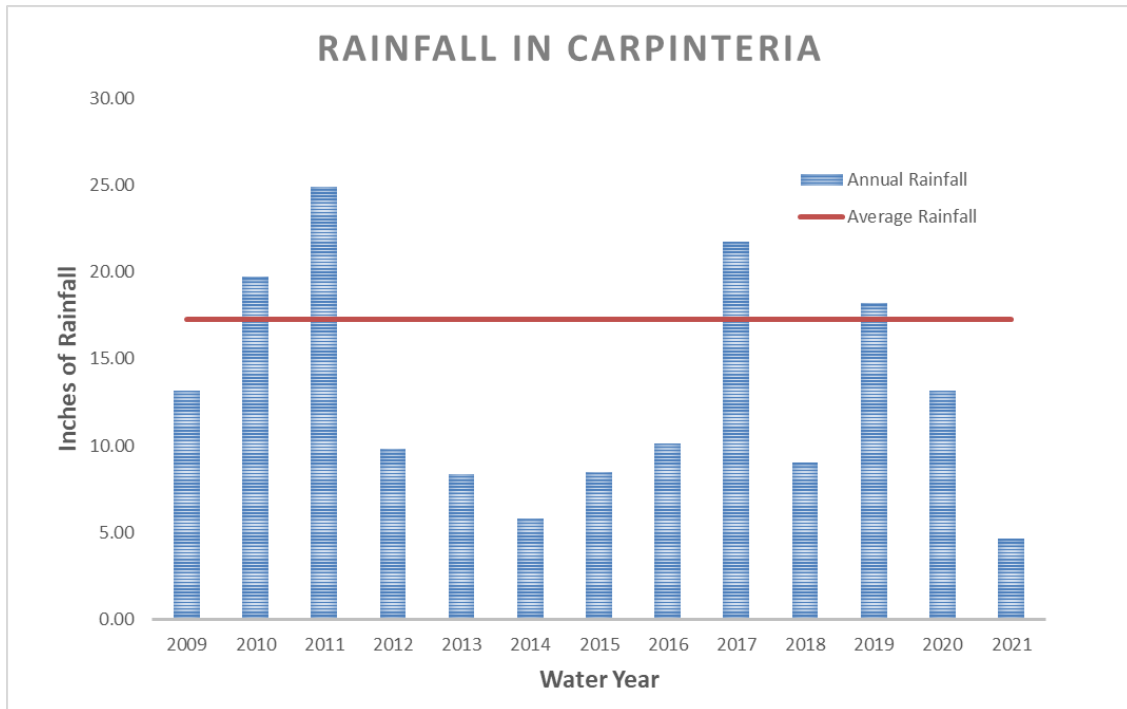


Figure 2

CVWD has started several activities and is planning others soon to reduce the impact of the projected groundwater pumping on potential sea water intrusion. Included in these activities are coordination of the following objectives:

- a. Drought messaging and conservation incentives for both District customers and private pumpers.
- b. Acquisition of supplemental water supplies
- c. Monitoring of groundwater conditions at the coast
- d. Disseminating information about groundwater conditions in Carpinteria
- e. Modification of District pumping patterns to minimize coastal influences
- f. Develop Coastal specific modeling to define time frame and rate of movement of seawater
- g. Acquisition of grant funding for groundwater sustainability and efficiency

Analysis

Drought messaging and conservation incentives for both District customers and private pumpers.

Both the State and the County have declared a drought emergency in Santa Barbara County. CVWD has remained in a stage one of three for water shortage emergency. CVWD is currently finishing its **Water Shortage Contingency Plan Update** which will increase the number of water shortage stages from three to six. When this is complete the current stage one will translate into a stage two. CVWD expects to raise the stage two to a stage three in August and a stage four if we have a dry winter. See Table 1 below for updated stages.

Water Shortage Contingency Planning		
Drought Stage	Shortage Condition	Customer Reduction Goal
1	0-10%	10%
2	10%-20%	20%
3	20%-30%	30%
4	30%-40%	40%
5	40%-50%	50%
6	>50%	>50%

TABLE 1

Drought & Water shortage stage two messaging will begin this month and continue through the winter.

Acquisition of supplemental water supplies

CVWD has acquired 1131 AF of supplemental water from the State Water Project in 2021 for a considerable cost in order to offset its necessary groundwater pumping and secure sufficient water supplies. CVWD will continue to seek additional supplemental water if this winter has below average rainfall. CVWD is also developing an Indirect Potable Reuse project called CAPP that will deliver an additional 1000 AFY to its customers. This project is tentatively scheduled to move forward with final design in 2022 and construction in 2023.

Monitoring of groundwater conditions at the coast

In coordination with the GSA monitoring at the coastal seawater sentinel monitoring wells, CVWD is monitoring the coastal groundwater effects from its pumping at HQ and El Carro Wells. This exercise is ongoing and is being reported to the CVWD board on a quarterly basis. CVWD staff will continue to monitor the relationship between changes to chloride levels and water levels at the coast related to the District pumping.

Disseminating information about groundwater conditions in Carpinteria

Along with its conservation messaging CVWD will begin including information about groundwater conditions in Carpinteria Basin in its public information activities.

Modification of District pumping patters to minimize coastal influences

CVWD will be investigating certain modifications to its wells that could lessen impacts to coastal groundwater conditions such as which aquifer zones (A,B or C) it pumps from or pumping more from wells located in the unconfined areas (inland) of the basin vs those located in in the confined areas.

Develop Coastal specific modeling to define time frame and rate of movement of seawater

CVWD and the GSA can conclude with relative certainty that the groundwater basin is hydraulically connected to the ocean based on recent work by the GSA and CVWD. This connection means that sea water can move into the basin given the right conditions. The thing we do not know is how close the seawater “wedge” is to the coast, how fast is it moving and how long before it has a detrimental effect on that pumping groundwater.

To help us understand better the nature of seawater interacting with CGB, CVWD will analyze the potential rate of migration of a seawater plume given various hydraulic gradients in the basin at the coast using its existing groundwater model. This will inform both the GSA and the District of how sensitive the interaction is to District pumping.

Acquisition of grant funding for groundwater sustainability and efficiency

The District is actively pursuing grant funding for the purposes of improving Groundwater management and sustainability as well as water use efficiency. One example of grant funding that the District is looking at and potentially will go after is the Prop 1, Round 3 Groundwater sustainability funding, which is geared toward groundwater cleanup and prevention and can apply to seawater intrusion prevention. Another program that the District is working on is the National Resource Conservation Service (NRCS) Grant called EQIP, which will fund on farm conservation projects for farmers. THs District may apply for such grants and develop project in coordination with ag operators in the basin. The District is working with NRCS to encourage local farmers to participate in this program.

Conclusion

As the GSA continues to develop the GSP it will be important to develop a robust understanding of the effects of drought on the CGB, particularly with respect to seawater interaction. All of the activities of CVWD support the development of this understanding but also balance the need of water supply in Carpinteria Valley. Its also important to resist looking at short term impacts to the CGB as significantly defeating to the long-term sustainability of CGB.

Recommendation

There are currently no recommendations or actions required on this matter.