

**Fillmore and Piru Basins Groundwater Sustainability Agency
SPECIAL Board of Directors Meeting**

Thursday, January 11, 2018 - 5:00 p.m.

**City of Fillmore City Hall, City Council Chambers
250 Central Avenue, Fillmore, CA 93015**

MINUTES

1. Call to Order - 5:10p.m.

2. Pledge of Allegiance, led by Director Gordon Kimball

3. Public Comments

Chair Long asked if there were any members of the public wishing to address the Board on any matter on the agenda or on any non-agenda item within the jurisdiction of the Board. No public comment was offered.

4. Approval of Agenda

Motion

Motion to approved the agenda, Director McFadden; Second, Director Broggie. Voice vote: six ayes (Broggie, Kimball, Long, McFadden, Meneghin, Pace), none opposed. Motion carries unanimously.

5. Director Announcements/Board Communications

Chair Long reminded the Board that suggested questions for the Legal Services interviews had been provided and that the Board would provide 10 minutes to each of the three candidates to make their presentation and then allow 20 minutes for questions and answers. She also added that at the end of the interview process, the Board would provide direction to the ad hoc legal committee as to which firm to proceed with regarding contract negotiations. Director Broggie also suggested checking the references of the preferred candidate and also checking with the State Bar as to any censures or complaints against the firm.

Chair Long then asked the Board if they had an interest in attending the 2018 Legislative Symposium presented by the Groundwater Resources of California in Sacramento in March or the GRAC Biannual Symposium on March 6. Mr. Morgan said that the GRAC event was very technical in nature and didn't really address policy, administration or finance. He also stated that he was undecided as to whether he would be in attendance at the Legislative Symposium, but did state that he would be attending the GSP meeting in Sacramento this June.

Chair Long inquired as to the deadline extension for submitting Boundary Modifications to the DWR. Mr. Morgan reported that the deadline had been moved to June, giving the Board three more months before it has to submit its suggested boundary modifications.

Mr. Morgan also reported that due to the Napa/Sonoma fires the Prop 1 grant deadlines had been extended and now looks like preliminary awards will be announced in late February or early March 2018. He also stated that there had been no changes to the deadline for GSP submission.

Chair Long asked Mr. Morgan if he could have a draft job description for the executive director position for the Board's review at its next regular meeting on January 29 and asked the board if they had any candidates for the position to be considered by the Board. At the January 29 meeting Mr. Morgan will also present a report on financials.

Ms. Sofley added that at that January 29 meeting, Ventura County IT department staff will present the website design for Board input.

Director Meneghin added that she was working on a potential grant list, a matrix of annual grant opportunities and public comment periods. Chair Long asked as a new entity, how does the FPB GSA get on the list for grant opportunity notification. Director Meneghin said that she would present a list of grants that are suitable for the agency. Chair Long said the GSA could submit notifications to that list once provided. Mr. Morgan added that once the website is functional, the Board could use it for email contact or continue to use independent email addresses for email notifications from these various grant providers.

6. Interim Executive Director Update

Information Item

Ms. Sofley reported that, since the previous Special Board meeting of December 4, 2017, the GSA's Conflict of Interest Code was once again rejected by Ventura County's Clerk of the Board, but that a "suggested" revised code was provided, which is included in this meeting's Consent Calendar.

General Liability Insurance has been secured through InsureCAL Insurance Agency for \$1900 per year and, once Director McFadden signed the check, Ms. Sofley would submit the payment and signed application which would generate a policy in return.

Ms. Sofley and UWCD's Tim Moore participated in a website design meeting with project manager Stacy VanDer Zwaan and website designer Rafael Torres regarding design, layout and content organization for the GSA's website. The group is planning on presenting the beta site for review and comment by the Board at its January 29 meeting.

Confirmed dates for the 2018 Regular Board meetings have been confirmed with the City of Fillmore as to Council Chambers availability. There are two dates – one in February and one in May – that need to be rescheduled due to conflicts on the City's calendar. Ms. Sofley also asked

the Board to select a date to reschedule the Budget Workshop which was cancelled in December due to the Thomas fire and said available dates were provided in Action Item 8A.

7. CONSENT CALENDAR

a. Approval of Minutes

Motion

Approval of the minutes from the Regular Board Meeting of October 30, 2017; Special Board Meeting of November 7, 2017; and Special Board Meeting of December 4, 2017.

b. Revised Resolution 2017-02 Adopting a Revised Conflict of Interest Code

Motion

Board to consider adopting the revised version of Resolution 2017-02 and approving the revised Conflict of Interest Code.

c. General Liability Insurance

Motion

Board to consider accepting the General Liability Insurance proposal presented by insureCAL Insurance Agency providing Professional Liability and Directors and Officers Insurance with \$1,000,000 policy aggregate limit; \$1,000,000 coverage for Public Officials Management; \$50,000 coverage for Defense Only non-monetary coverage; \$100,000 Defense only non-monetary coverage aggregate and \$25,000 Crisis Management coverage for a premium of \$1,955.24 per year

Motion to approve the Consent Calendar items 7a – c, Director McFadden; Second, Director Broggie. Roll call vote: Six ayes (Broggie, Kimball, Long, McFadden, Meneghin, Pace), none opposed. Motion carries unanimously.

8. ACTION ITEMS

a. Confirmation of 2018 Regular Board Meeting dates and the rescheduling of the FPB GSA's Community Workshop and Boundary Modification Workshop

Motion

The Board discussed items for discussion at the next regular board meeting, scheduled for January 29, 2018, including the Executive Director position, UWCD's financial accounting, Budget Workshop strategy, website and post office box rental.

Motion to approve the 2018 meeting dates as indicated in Attachment A and to schedule the FPB GSA Regular Board meeting for February on the 20th and the FPB GSA Regular Board meeting for May on the 31st and to reschedule the Community Workshop – Budget Workshop #1, postponed from December 6 due to the Thomas fire, for February 7 at the

Veteran's Memorial Building, Director McFadden; Second, Director Broggie. Voice vote: Six ayes (Broggie, Kimball, Long, McFadden, Meneghin, Pace), none opposed. Motion carries unanimously.

b. Interview with Legal Firms

Motion

Keith Lemieux and Steven O'Neill of Olivarez Madruga Lemieux & O'Neill were the first law firm to present to the Board, beginning at 5:39p.m.. Mr. O'Neill presented a powerpoint with assistance from Mr. Lemieux, then both gentlemen fielded questions from the Board. Mr. O'Neil, a former District Attorney, and Mr. Lemieux both serve as special water council to the City of Oxnard, however, they do not see this as a conflict in representing the GSA. Both gentlemen have public agency experience and have been involved in numerous water law cases. Mr. O'Neill would attend the GSA's Board meetings while Mr. Lemieux would be available for special consultations, as required. They also stated that the GSA would benefit from the firm's extensive experience with other public agencies and that many documents needed by the GSA had already been created by the firm, saving time and money.

Alan Doud and Scott Kuney of Young Wooldridge were the next firm to be interviewed by the Board, beginning at 6:16p.m. Mr. Kuney presented a powerpoint with assistance from Mr. Doud, outlining the firm's history (the firm was formed in 1939), that it represents 34 water agencies as general counsel and that Mr. Kuney would serve as general counsel to the GSA with Mr. Doud and other associates filling in as necessary. Mr. Doud also represented the Tejon Ranch Company and the Tejon Ranch Conservancy as well as its interest in the Tejon Castaic Water District. A senior partner with the firm, Ernest Conant, is also a highly respected water law expert. Mr. Kuney said the firm would likely have to "ramp up" on the front end but then the time required for legal counsel would likely become more routine, and typically, the firm allocates 30 to 40 hours per month for public agency representation. Mr. Kuney also said the firm's rates are based on the years of experience of the providing attorney, with Mr. Kuney being the more senior counsel with 35 years experience. The firm would also bill between three and four hours for travel time. The firm currently does not represent any agencies in Ventura County so they do not anticipate any conflicts. Mr. Kuney did say that he thought the GSA's JPA was very sensible and other materials produced by the GSA seem to be proactive. Mr. Kuney also said the firm was very familiar with environmental issues and cited Mr. Doud's work with the Tejon Ranch Conservancy, including work with preserving condor habitat in Tehacipi.

Daniel Raytis and Issac St. Lawrence of McMurtrey Harsock and Worth came before the Board at 6:40p.m. They distributed a hard copy presentation to the Directors while stressing that they were a small firm with a small client base, that they had no PR or marketing support on staff and were committed to delivering the best solution at the lowest price. The firm does serve as primary counsel to many member representatives of GSAs and provide excellent, personalized service with experience as general counsel to public agencies with water expertise. They have clients within the Kern River GSA as well as the Kern Delta and Indian Wells Valley. They estimate travel being about two hours. Mr. Raytis would serve as the lead counsel and since their clients are all in Kern County there are no conflicts. Mr. St.Lawrence has dealt with many environmental concerns, include

CEQA and EIR issues as well as BiO and has advised clients on compliance issues in these areas.

At the conclusion of the interview process, the Board discussed the attributes and challenges of each of the three legal firm candidates. Directors discussed the variances in rates, potential conflicts, and that the majority of the legal work would be of a public agency nature with water and environmental issues for assistance in developing the GSP. Mr. Morgan added comments about the reputations of several of the attorneys among the water community. After further discussion, the Board members agreed that Olivarez Madruga Lemieux & O'Neill was their first choice and Chair Long asked for a motion.

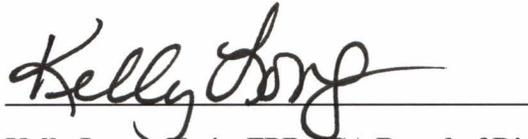
Motion to request a contract for legal services from Olivarez Madruga Lemieux & O'Neill, after Director McFadden checks the firm's references and Ms. Sofley checks their status with the California State Bar, Director McFadden; Second Director Meneghin. Voice vote: Six ayes (Broggie, Kimball, Long, McFadden, Meneghin, Pace); none opposed. Motion carries unanimously.

Chair Long also added that if Director Meneghin can provide a copy of the proposed contract with Olivarez Madruga Lemieux & O'Neill, she would ask Ventura County's General Counsel to review the contract.

ADJOURNMENT 7:30p.m.

The Board adjourned to the next **Regular Board Meeting** on Monday, **January 29, 2018** or call of the Chair.

ATTEST:



Kelly Long, Chair, FPB GSA Board of Directors

I certify that the above is a true and correct copy of the minutes of the Fillmore and Piru Basins Groundwater Sustainability Agency's Special Board of Directors meeting of January 11, 2018.

ATTEST:



Kris Sofley, Clerk of the Board

PROPOSAL TO
FILLMORE AND PIRU BASINS
GROUNDWATER SUSTAINABILITY AGENCY FOR GENERAL
COUNSEL LEGAL SERVICES

OLIVAREZ MADRUGA LEMIEUX O'NEILL, LLP



WHAT IS OMLO?

LEMIEUX & O'NEILL

Long-time "boutique" water firm with over 70 years' experience providing transactional and litigation services in water law, municipal law, environmental law, and toxic tort law. The Firm represented many of the largest water districts in Southern California for over 40 years, including:

- Eastern Municipal Water District
- West Basin Municipal Water District
- Las Virgenes Municipal Water District, and many others.

OLIVAREZ MADRUGA

Fast growing municipal law practice with a specialty in municipal law and education law:

- City of El Monte
- City of San Fernando
- City of Huntington Park
- El Monte Union High School District
- Lynwood Unified School District
- Compton Unified School District, and many others

OUR SUCCESS

Our success is reflected in our client loyalty

- Even though OMLO is a new company, its roots run deep.
- OMLO's attorneys have been general counsel for some of their public entity clients for more than 25 years. These clients have been with the firm for more than 40 years. In fact, our predecessor firms actually formed many of the public entities that we now serve as general counsel.

Steven P. O'Neill

General Counsel	Practice Areas	Litigation
<ul style="list-style-type: none"> ▪ Eastern Municipal Water District ▪ West Basin Municipal Water District ▪ Upper San Gabriel Valley Municipal Water District ▪ Bedford Coldwater Groundwater Sustainability Authority 	<ul style="list-style-type: none"> ▪ Groundwater Management ▪ Recycled Water Development and Sale ▪ Water Distribution Issues ▪ Sewer Service Issues ▪ Urban Water Management Plans ▪ Groundwater Rights Adjudication ▪ CEQA 	<ul style="list-style-type: none"> ▪ Construction/Water Treatment Facilities ▪ Development Agreements ▪ Endangered Species ▪ Contract Disputes ▪ CEQA

W. Keith Lemieux

General Counsel/ City Attorney	Practice Areas	Published Cases
<ul style="list-style-type: none"> ▪ Las Virgenes Municipal Water District ▪ Foothill Municipal Water District ▪ Valley County Water District ▪ Big Bear Municipal Water District ▪ Litterock Irrigation District ▪ Palm Ranch Irrigation District ▪ Indian Wells Valley Groundwater Authority ▪ City of Ridgecrest 	<ul style="list-style-type: none"> ▪ Groundwater Rights Adjudication ▪ Groundwater Contamination ▪ Reclaimed and Recycled Water Projects ▪ CEQA ▪ Water Distribution Issues ▪ Water Transfers and Wheeling Arrangements 	<ul style="list-style-type: none"> ▪ <i>In re Groundwater Cases</i>, Santa Maria Group ▪ <i>Hartwell Corp. v. Superior Court</i> ▪ <i>Antelope Valley Groundwater Adjudication</i> ▪ <i>Gallagher v. Las Virgenes Municipal Water District</i> ▪ <i>N.L. Nielson v. City of California City</i>

BPOU SA1
Treatment
Facility



- Valley County Water District owns and operates the BPOU SA1 Treatment Facility, a state-of-the-art water supply and water treatment project. This facility is the primary treatment facility for the Baldwin Park Operable Unit, which the EPA refers to as the largest groundwater superfund site in the country.
- The facility is designed to treat 13 different contaminants, including TCE, PCE perchlorate, 123 dioxane, and many others.
- We negotiated and drafted the Baldwin Park Operable Unit Project Agreement, which was a three-way agreement between various water companies, polluters of the San Gabriel Valley, and the Environmental Protection Agency.
- We are pleased to report that under the agreement this client has never paid for any portion of the Project (not even the costs associated with the negotiation).

Edward C. Little Water Recycling Facility



- The Edward C. Little Water Recycling Facility (ECLWRF), owned and operated by our client West Basin Municipal Water District, is the largest water recycling facility of its kind in the United States and was recognized by the National Water Research Institute in 2002 as one of only six national centers for water treatment technologies.
- We provide all of the legal services necessary in connection with the development, construction, and operation of this large project.
- We represented the district in construction claims and other legal disputes that arose: *City of Vernon v. Central Basin Municipal Water District, et al.*, (1999) 69 Cal.App.4th 508

Rancho Las Virgenes Composting Facility

- Las Virgenes Municipal Water District also owns Rancho Las Virgenes, a composting facility that takes biosolids material from the District's reclaimed water facility and converts it to compost using anaerobic bacteria in digesters.
- In *Gallagher v. Las Virgenes Municipal Water District*, we defended an inverse condemnation claim filed on behalf of 50 homeowners asserting this District's Composting Facility generated foul odors that reduced the value of their nearby properties. We were able to successfully dismiss this case without payment by obtaining a court finding that the composting facility predated the development and that the homeowners had constructive notice of the odors at the time they bought their property.



OMLO Experience

- OMLO represents several forms of groundwater management agencies, including watermasters, groundwater sustainability agencies, and water quality authorities. We have been principal litigators in each of the last several groundwater adjudications in Southern California.
- OMLO's clients include state water contractors, as well as five of the most prominent Met member agencies, which keeps us connected to statewide water issues. OMLO attorneys regularly review, and sometimes draft, new legislation.
- OMLO represents the City of Oxnard, Main San Gabriel Water Quality Authority, Raymond Basin Watermaster, and other entities with jurisdiction over groundwater quality issues.
- Development of fees and charges is a routine part of our practice. Recently, we aided LVMWD and EMWD with the development of "budget-based" rates. We regularly advise our clients regarding legislative attempts to refine Proposition 218 and related matters.

OMLO MISSION STATEMENT/CORE VALUES

Our goal is to provide superior representation at a fair and reasonable price.

Cost Control

- OMLO works closely with its clients to maintain appropriate cost control.
- We make sure that our assignments are clear and maintain regular communication with the client.
- We use our own library of legal opinions and form documents, including form contracts, whenever possible.
- We provide frequent status reports to our clients regarding costs, including itemized billing, and we regularly monitor costs against our budgets.

Fee Proposal

- OMLO proposes to bill for services on an hourly basis at a rate of \$200 per hour for the first 25 hours worked in a month.
- After that, we would bill at a rate of \$225 per hour for partners, and \$185 per hour for associates.
- Because our offices are located close to the Agency, we would not bill for any travel time from beyond our Westlake Village offices.



GROUNDWATER EXPERIENCE

- General Counsel for several large groundwater recharge and banking projects (Kern Water Bank Authority, Semitropic Water Storage District, Arvin-Edison Water Storage District, North Kern Water Storage District)
- Trial counsel for several major landowners in both the Santa Maria and Antelope Basin Adjudications

BACKGROUND

- Founded in 1939
- Full Service Law Firm of 9 Partners, 4 Associates, 2 Of Counsel Attorneys, 6 Paralegals and 18 Support Staff.
- History of foundational representation
 - State Water Project and Central Valley Project
 - Formation of Water Storage Districts
 - Santa Maria and Antelope Valley Groundwater Adjudication Judgments
 - San Joaquin River Restoration Settlement
 - Formation of SGMA Groundwater Sustainability Agencies
- Decades of established relationships with other water and public agency attorneys, engineering consultants, finance consultants, and others performing work for client JPAs and special water districts.

SGMA EXPERIENCE

- Instrumental in drafting and implementing of SGMA.
- Represent numerous member units of the Kern Groundwater Authority-Kern Sub-Basin.
- General counsel to several GSAs located in the San Joaquin, Cuyama Valley and Salinas Valley Basins.

GENERAL EXPERIENCE

General Counsel on a range of laws and issues applicable to public water agencies, including the Brown Act, CEQA, Eminent Domain, Conflict of Interest, Public Finance, and Public Contracting.

The Water Law and Special Districts Department consists of six attorneys:

- Ernest A. Conant, Partner Attorney
- Scott K. Kuney, Partner Attorney
- Steven M. Torigiani, Partner Attorney
- Alan F. Doud, Attorney
- Jeffrey J. Patrick, Attorney
- Brett A. Stroud, Attorney



LEAD COUNSEL

Scott K. Kuney

- General counsel to public water agencies including SWP and CVP contractors, and Kern River interests.
- Coordinate numerous clients that are member units of the Kern Groundwater Authority.
- Lead attorney in various litigation matters concerning surface and groundwater rights, eminent domain, CEQA, NEPA, and ESA.

ASSISTANT LEAD COUNSEL

Alan F. Doud

- Represent clients on a broad range transactional, regulatory and litigation matters, including matters before DWR, SWRCB and EPA, water rights disputes, Prop 218 proceedings, district formation and elections, and general transactional matters.
- Former Senior Counsel to the Tejon Ranch Company, providing guidance on numerous water issues associated with Tejon's real estate developments and affecting the disposition of Tejon's water assets. Facilitated cooperative efforts among the Company, the Tejon-Castac Water District, and the Tejon Ranch Conservancy.

DEPARTMENT HEAD

Ernest A. Conant

- Almost 40 years of experience representing JPAs, special districts and mutual water companies.
- Instrumental in development of the Kern Water Bank, and the Semitropic and Arvin-Edison Water Storage Districts' water banking programs.
- Lead negotiator for Friant contractors in the San Joaquin River Restoration Settlement.
- General counsel to several GSAs, providing for formation, financing, and implementation of SGMA.



**FILLMORE & PIRU BASINS
GROUNDWATER
SUSTAINABILITY AGENCY**

**Dan Raytis &
Isaac St. Lawrence**

LAW OFFICES

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McMurtrey, Hartsock & Worth

What We Do

- **General Counsel to Public Agencies First**
- **Water Lawyers Second**



McMurtrey, Hartsock & Worth Attorneys

- **Gene McMurtrey** 49 Years
- **Robert Hartsock** 33 Years
- **Jim Worth** 25 Years
- **Dan Raytis** 16 Years
- **Isaac St. Lawrence** 14 Years

McMurtrey, Hartsock & Worth

Clients

- **Kern Delta Water District (45 Years)**
- **Buena Vista Water Storage District (35 Years)**
- **Indian Wells Valley Water District (35 Years)**
- **Cawelo Water District (20 Years)**
- **Olcese Water District (15 Years)**
- **Rosedale-Rio Bravo Water Storage District (10 Years)**



McMurtrey, Hartsock & Worth Groundwater Sustainability Agencies

- **Kern Groundwater Authority GSA**
- **Kern River GSA**
- **Cawelo GSA**
- **Olcese GSA**
- **Indian Wells Valley GSA**
- **Henry Miller Water District GSA**



McMurtrey, Hartsock & Worth

What Distinguishes Us?

- **Small Size & Small Client Base**
- **General Counsel First,
Water Law Second**



Questions?

**Dan Raytis &
Isaac St. Lawrence**

LAW OFFICES

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