

Colusa Groundwater Authority Board of Directors

P.O. Box 475, Colusa, CA 95932 | www.colusagroundwater.org

MEETING AGENDA

November 28, 2023 | 1:30 p.m.

Colusa Industrial Properties, 100 Sunrise Blvd., Colusa, CA 95932

Alternative meeting location(s):

381 HCR 2424, Hillsboro, TX 76645

Board members and members of the public may attend this meeting in person or through Zoom:

<https://us06web.zoom.us/j/87400004887>

Or One tap mobile :

US: +16694449171,,87400004887# or +17193594580,,87400004887#

Or Telephone:

US: +1 669 444 9171

Webinar ID: 874 0000 4887

AGENDA ITEM 1: CALL TO ORDER AND DETERMINATION OF A QUORUM

AGENDA ITEM 1a: Roll Call of Officers and Alternates

SIX (6) Members must be present to constitute a quorum.

As of July 1, 2023, and through June 30, 2025, **Westside Water District** sits as the representative for Maxwell I.D. and Westside W.D.; and **Provident Irrigation District** sits as the representative for Princeton-Codora-Glenn I.D. and Provident I.D.

Note: Beginning July 1, 2025, Maxwell Irrigation District and Princeton-Codora-Glenn Irrigation District will represent their respective Memberships on the CGA Board.

4.1 Board of Directors. *The business of the Authority will be conducted by a Board of Directors that is hereby established, and that shall be initially composed of and appointed as follows: One member of the Board of the Maxwell Irrigation District or the Westside Water District, said appointment to alternate every two years beginning with an appointment by the Maxwell Irrigation District of one of its Board members; One member of the Board of the Princeton-Codora-Glenn Irrigation District or the Provident Irrigation District, said appointment to alternate every two years beginning with an appointment by the Princeton-Codora-Glenn Irrigation District of one of its Board members...*

Entity	Name
COUNTY OF COLUSA	
BOARD MEMBER	Daurice Kalfsbeek-Smith
ALTERNATE	Gary Evans
CITY OF COLUSA	
BOARD MEMBER	Julie Garofalo
ALTERNATE	Greg Ponciano
CITY OF WILLIAMS	
BOARD MEMBER	Alfred Sellers, Jr.
ALTERNATE	Vacant
GLENN COLUSA IRRIGATION DISTRICT	
BOARD MEMBER	Blake Vann
ALTERNATE	Vacant
COLUSA COUNTY WATER DISTRICT	
BOARD MEMBER	Frank Nobriga, Jr.
ALTERNATE	Halbert Charter
ALTERNATE	Shelly Murphy
PROVIDENT IRRIGATION DISTRICT	
BOARD MEMBER	Jim Campbell
WESTSIDE WATER DISTRICT	
BOARD MEMBER	Zach Dennis
ALTERNATE	Dan Ruiz
RECLAMATION DISTRICT 108	
BOARD MEMBER	Hilary Reinhard
ALTERNATE	Bill Vanderwaal
RECLAMATION DISTRICT 479	
BOARD MEMBER	Derrick Strain
ALTERNATE	Vacant
COLUSA DRAIN MUTUAL WATER COMPANY	
BOARD MEMBER	Jim Wallace
ALTERNATE	Lynell Pollock
PRIVATE PUMPER	Darrin Williams
PRIVATE PUMPER	Jeff Moresco
MAXWELL IRRIGATION DISTRICT	
BOARD MEMBER	Chris Dobson
ALTERNATE	Drew Dirks
PRINCETON-CODORA-GLENN IRRIGATION DISTRICT	
BOARD MEMBER	Jim Campbell
ALTERNATE	Lance Boyd

[AGENDA ITEM 1b: Introductions of Others in Attendance](#)

AGENDA ITEM 2: PERIOD OF PUBLIC COMMENT

Members of the public may comment on items not on today's agenda that are relevant to the CGA. Public comments are limited to no more than 5 minutes. No action can be taken on items that are not on the agenda.

AGENDA ITEM 3: CONSENT CALENDAR

BACKGROUND:

All Consent Calendar items may be acted upon by a single motion unless otherwise requested by a board member for separate consideration.

ACTION ITEMS:

[AGENDA ITEM 3a. Approval of Minutes from the October 24, 2023 CGA Board Meeting](#)

ATTACHMENTS: Draft minutes from October 24, 2023 CGA board meeting

[AGENDA ITEM 3b. Receive and File October Financial Statements](#)

ATTACHMENTS: Financial statements for period ending October 31, 2023

[AGENDA ITEM 3c. Review and Consider Approval of November Claims](#)

ATTACHMENTS: Report of Claims to be paid for November 2023 and supporting documents for claims totaling \$24,240.99

Colusa Groundwater Authority Board of Directors

1213 Market Street, Colusa, CA 95932 | 530-458-0891 | www.colusagroundwater.org

MEETING MINUTES

October 24, 2023

1. Call To Order and Determination of Quorum

Chair Williams called the meeting to order at 1:33 P.M. and led the Board in the Pledge of Allegiance.

a. Roll Call of Officers and Alternates

Directors Present (alternates in italics): Julie Garofalo, Daurice Kalfsbeek-Smith, *Shelly Murphy*, Hilary Reinhard, *Daniel Ruiz*, Alfred Sellers, Jim Wallace, and Darrin Williams.

Directors Absent: Jim Campbell, Jeff Moresco, Derrick Strain, and Blake Vann.

b. Introductions of others in attendance

Public: MJ Brown, Ryan Fulton, Steve Geiger, Kuljeet Mundi, Greg Plucker, Barbara Sachs, Shandon Smith; Consultant: Jacques De Bra; Board Alternates: Gary Evans; Bill Vanderwaal; Board Members Attending as Public: Frank Nobriga, Blake Vann; CGA staff: Denise Carter, Carol Thomas-Keefer, and Harrison Tregenza; Attorney: Alan Doud.

2. Period Of Public Comment

At this time, members of the public may address the CGA Board regarding items that are not on the agenda but are of relevance to the CGA. The Board may not act on items not on the agenda.

None.

3. Consent Calendar

All consent calendar items may be acted upon by a single motion unless otherwise requested by a board member for separate consideration.

On motion by Director Garofalo, seconded by Director Kalfsbeek-Smith, the Consent Calendar was approved.

AYES:	8	Garofalo, Kalfsbeek-Smith, Murphy, Reinhard, Ruiz, Sellers, Wallace, and Williams
NOES:	0	
ABSTAIN:	0	
ABSENT:	4	Campbell, Moresco, Strain, and Vann

- a. **Approval of Minutes from the September 26, 2023, CGA Board Meeting**
- b. **Receive and File September Financial Statements**
- c. **Review and Consider Approval of October Claims**

4. Presentation by Colusa County Environmental Health on Well Permitting Process

- a. **Colusa County Environmental Health personnel will provide a presentation on the County's water well permitting process**

Mr. Kuljeet Mundi, Environmental Health Manager for County of Colusa, provided a presentation on the County's process for permitting new wells, including a review of the application form, required information and other documents relating to well permitting.

5. Update on LSCE Fee Study Project

- a. **Staff will provide an update on the Fee Study Project materials and outreach schedule**

Ms. Carol Thomas-Keefer and Mr. Jacques De Bra of Luhdorff and Scalmanini provided a status update on the outreach activities relating to the proposed new fee structure. LSCE was developing outreach materials for board review, and the board agreed that outreach events would not occur until January 2024.

6. DWR Staff Update

Ms. Thomas-Keefer noted that DWR staff was seeking input on its programs relating to the Governor's Executive Order N-4-23 encouraging local agencies to divert flood waters onto available lands for groundwater recharge. Ms. Thomas-Keefer was directed to provide comments based on water rights costs and issues.

7. Committee Reports

- a. **Technical Advisory Committee** – Deke Dormer, Bill Vanderwall, Jim Wallace, Darrin Williams

Ms. Thomas-Keefer reported that the October 13 committee meeting had been rescheduled to December 1, and the TAC would continue to review potential grant opportunities and prioritize GSP implementation work.

- b. **Long Term Funding ad hoc Committee** – Darrin Williams, Jeff Moresco, Frank A. Nobriga
Report provided earlier in meeting.

- c. **Temporary Water Rights ad hoc Committee** – Darrin Williams, Jeff Moresco, Frank A. Nobriga

Ms. Thomas-Keefer reported that MBK Engineers was finalizing the CGA temporary water rights application and would submit it to the State Water Resources Control Board by the first week of November. Once filed, a 30-day public comment period would commence. Also, staff was working to file a Notice of Exemption for CEQA requirements with the State Clearinghouse for the temporary permit.

8. Administrative Update

- a. **Update on Butte Subbasin fee structure**

Ms. Thomas-Keefer stated that the Butte Subbasin managers had been working with consultant LSCE on a new fee structure for members of the cooperative management agreement to share GSP implementation costs. She noted that the members are reviewing a few options for cost-sharing; however, the option to share costs equally appears to have the most member support. CGA's representative to the Butte Subbasin Advisory Board (BAB) will be asked to consider and vote on these options when the BAB meets on November 6.

- b. **Update on auditor selection**

Ms. Thomas-Keefer reported that staff had previously extended the deadline to receive responses to CGA's request for proposals for audit services, and another proposal was received. Staff will review the proposals, conduct interviews with the audit firm candidates, and expects to return to the board with a recommendation in November.

c. December meeting discussion

Ms. Thomas-Keefer noted that the board’s regular meeting in December is scheduled for December 26. Staff was directed to include cancellation of the December 26 board meeting on the November agenda for consideration.

d. Other

None.

9. Closed Session

No Closed Session was needed.

a. Conference with Legal Counsel (Gov’t Code 54956.9) – Existing litigation:

Aqualliance et al. v. Colusa Groundwater Authority, Glenn Groundwater Authority

Colusa County Superior Court – Case Number CV24584

Aqualliance et al. v. Biggs-West Gridley Water District, et al.

Butte County Superior Court – Case Number 22CV00348

10. Report out of Closed Session

None.

11. Member Reports and Comments

None.

12. Next Meeting: November 28, 2023

14. Adjourn

Chair Williams adjourned the meeting at 2:43 P.M.

BUDGET TO ACTUAL REPORT- OCTOBER

		ACTUALS BY REVENUE					
	(A)	Restricted	Restricted	(B)	(A-B)	(B/A)	
	BUDGET	Prop. 218	Grants	\$	\$	%	
				ACTUAL	REMAINING	COMPLETED	
1	REVENUE						1
2	<i>Prior Year Funds to Balance</i>	180,651	-	-	180,651	0%	2
3	Proposition 218 Fee Agreements	390,432	-	-	390,432	0%	3
4	Proposition 218 Landowner Fee	6,812	-	-	6,812	0%	4
5	Glenn County Groundwater Authority Reimbursement	50,000	-	-	50,000	0%	5
6	Interest	80	-	-	80	0%	6
7							7
8	TOTAL REVENUES	627,975	-	-	627,975	0%	8
9	EXPENSES						9
10	Office Expense						10
11	Bank Fees	50	-	-	50	0%	11
12	JPA Insurance	1,800	-	-	1,800	0%	12
13	Printing and Copying/Outreach	5,000	-	-	5,000	0%	13
14	Website-Current	500	-	-	500	0%	14
15	Website-New	15,000	-	-	15,000	0%	15
16	Supplies	500	-	-	500	0%	16
17							17
18	Professional Services- Admin						18
19	Auditor	8,000	-	-	8,000	0%	19
20	Financial Services Bookkeeping (Crippen)	5,000	1,033	-	1,033	21%	20
21	Legal Services (Young & Wooldridge)	55,000	6,130	-	6,130	11%	21
22	Program Manager/Facilitation Svcs (RGS)	175,000	22,336	-	22,336	13%	22
23	Annual Parcel Update (Provost & Pritchard)	3,500	1,870	-	1,870	53%	23
24							24
25	Professional Services- Projects						25
26	GSP Development - Prop. 1 /68 : GCGA Reimbursement	-	-	-	-	0%	26
27	GSP-Grant Application (Shared with Glen County)	30,000	-	-	30,000	0%	27
28	GSP Annual Report (Shared with Glenn County)	70,000	-	-	70,000	0%	28
29	GSP Technical Assistance:On-Call Support Svcs (Davids Engineering)	15,000	-	-	15,000	0%	29
30							30
31							31

BUDGET TO ACTUAL REPORT- OCTOBER

		ACTUALS BY REVENUE					
	(A)	Restricted	Restricted	(B)	(A-B)	(B/A)	
	BUDGET	Prop. 218	Grants	\$	\$	%	
				ACTUAL	REMAINING	COMPLETED	
32	EXPENSES (cont'd)						32
33	GSP Implementation Fund-SGMA (Grant Reimbursable)						33
34	GSP Projects	-	-	-	-	0%	34
35	Five Year GSP Update w Modeling Calibrations	60,625	-	-	60,625	0%	35
36	Surface-GS Interaction Modeling (NCWA Approach)	10,000	-	-	10,000	0%	36
37	GSA Coordination & Outreach (w/in and between GSA's)	30,000	-	-	30,000	0%	37
38	Data Management System Upgrade & Maintenance	25,000	-	-	25,000	0%	38
39	GSP Project Implementation and Monitoring	100,000	-	-	100,000	0%	39
40							40
41	Proposition 218 Collections Fee						41
42	Prop. 218 Ops Fee Collections-Co	10,000	-	-	10,000	0%	42
43	Special Projects - Funding Mech: GSP Funding & Support (LSCE)	-	15,339	15,339	(15,339)	0%	43
44							44
45	Other						45
46	County of Butte GSA- Member Contribution	8,000	-	-	8,000	0%	46
47							47
48							48
49	TOTAL EXPENSES	627,975	46,708	-	46,708	581,267	7%
50							50
51	Surplus (Deficit)	-	(46,708)	-	(46,708)		51

The Budget to Actual Report reflects revenue and expenses associated with the 2023-2024 fiscal year. All revenues and expenses associated with FY22-23 will be reflected in a forthcoming year-end report. See the Cash Balance Report for additional details.

Expenses include all paid warrants only. See Cash Balance for current months paid and outstanding warrants.

CASH BALANCE

October 2023 Activity

Cash Receipts

FY 22-23 Refund for Subcontractor Dup Pmt	\$	2,028.75
FY 22-23 Operations Flat Fee- Colusa Co WWD#1 Grimes		145.39
Total Cash Receipts	\$	<u>2,174.14</u>

Cash Disbursements

Cash Disbursements -ACH (FY22-23)	\$	(25,824.00)
Cash Disbursements -ACH (FY23-24)	\$	(22,336.43)
Cash Disbursements -Checks (FY23-24)		<u>(21,237.35)</u>
Total Cash Disbursements	\$	<u>(69,397.78)</u>

Cash Balance

Prior Month to Current Month Ending Balance Reconciliation

September Cash Balance By Investment

Umqua Checking	\$	339,657.53
Umqua Money Market		872,373.69
Umqua Savings		<u>33,002.86</u>
Total Cash Balance	\$	<u>1,245,034.08</u>

October Activity

Cash Receipts	\$	2,174.14
Cash Disbursements		(69,397.78)
Interest Earnings		7.41
Service Charge		-
Total Activity	\$	<u>(67,216.23)</u>

October Ending Cash Balance \$ 1,177,817.85

Less: Outstanding Warrants:

Warrants - June - Approved: Reissue LSCE	(1,226.75)
Warrants- July - Approved: Reissue LSCE	(1,182.50)
RGS ACH-August-Approved-Short Pay	(10.00)
RGS ACH-September-Approved	(12,099.41)
Warrants - October -Pending Approval	<u>(24,240.99)</u>

Total Available Cash By Activity as of October 31 \$ 1,139,058.20

October Cash Balance by Investment

Umqua Checking	\$	272,433.89
Umqua Money Market		872,381.10
Umqua Savings		<u>33,002.86</u>
Total Balance	\$	1,177,817.85
Less: Outstanding Warrants		<u>(37,532.90)</u>
Total Available Cash by Investment as of October 31	\$	<u>1,140,284.95</u>

Outstanding Warrants are vendor invoices received and not yet paid or in transit.

CLAIMS SUMMARY

Invoice #	Invoice Date	Vendor	Service Period	Service	Check	ACH	Total
15818	10/31/2023	Regional Government Services	October Services	Administration	11,123.74	-	11,123.74
40540	11/22/2023	Luhdorff & Scalmanini	October Services	GSP-Funding Support	10,738.75	-	10,738.75
1173.03-5958	11/20/223	Davids Engineering	July thru October	GSP Annual Report	1,584.00	-	1,584.00
Various	10/31/2023	Young & Wooldridge	October Services	Legal Services	599.00	-	599.00
11776	11/13/2023	Crippen & Associates	October Services	Accounting Services	195.50	-	195.50
WARRANT TOTAL					<u>\$ 24,240.99</u>	<u>\$ -</u>	<u>\$ 24,240.99</u>



PO Box 1350
Carmel Valley, CA 93924

Invoice

Date	Invoice #
10/31/2023	15818

Bill To:
Colusa Groundwater Authority

P.O. No.	Due Date	Inv Sent
	11/30/2023	11/10/2023

Date	Description	Amount
10/31/2023	Contract Services for October - please see attached Billed \$11,124 out of monthly \$15,000 Balance billed to date is \$45,570 against an NTE of \$175,000	11,123.74

Electronic Payment Information: Five Star Bank Routing: 121143037 Account: 003528782	Total \$11,123.74
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Colusa Groundwater Authority

Month: **October, 2023**

Hours and Rates by Pay Period					
	1st -15th		16th - EOM		Monthly
Advisor	Reg Hrs	Bill Rate	Reg Hrs	Bill Rate	Total Billed
CT	15.00	\$ 157.05	41.50	\$ 157.05	\$ 8,873.33
GS	0.00	\$ -	6.00	\$ 146.58	\$ 879.48
DC	0.40	\$ 114.00	4.20	\$ 114.00	\$ 524.40
RM	0.00	\$ -	0.00	\$ -	\$ -
HT	0.10	\$ 109.94	7.60	\$ 109.94	\$ 846.54
Totals	15.50		59.30		\$ 11,123.74



Client Activity Report

October 2023

Client	Task	Comment	Hours
Colusa Groundwater Authority			Client Hours 74.80
			Task Hours 74.80
	10/2/2023	Communicating with RGS and CGA staff advisors via email and RingCentral.	0.10
	10/2/2023	Review and approve blog info for DE re OpenET; review and pass on drought planning info to County; various emails	0.50
	10/3/2023	Review info re USGS grant opportunity; review and approve invoices; various emails	1.00
	10/4/2023	Review Butte meeting info; review DWR Flood-MAR forum info; various emails	1.00
	10/5/2023	Review MBK info and forms to complete; follow up with USBR reps for Dec TAC meeting; various emails	1.00
	10/6/2023	Coordinate reschedule of TAC meeting w/GGA and Sites office; various emails	1.00
	10/9/2023	Coordinate reschedule of TAC meeting - consult w/counsel, coordinate notice w/GGA, distribute cancellation and notice and post on website; follow up w/DWR re grant scoring meeting; contact County re well permitting presentation; various emails	3.00
	10/10/2023	Follow up regarding meeting w/DWR; follow up re water rights application forms, research and enroll in CEQA portal; follow up on annual report kick off; review and respond to emails	2.00
	10/11/2023	Review and respond to emails, meeting information	0.50
	10/12/2023	Follow up and coordination re DWR grant scoring meeting; work on staffing paper; follow up with LSCE on fee study status and next steps; follow up on invoice payments; review and respond to various emails	2.00
	10/12/2023	Pick up bank statements, scan, send to RGS and Accountant. Make bank deposit.	0.40
	10/13/2023	Call w/Denise; review Butte fee info; follow up re MBK info request and meeting coordination; follow up w/County re IRWMP info request; work on staffing paper; various emails	3.00
	10/16/2023	Communicating with RGS and CGA staff advisors via email and RingCentral.	0.10
	10/16/2023	Attend Butte Mgrs meeting; follow up w/MBK re water rights application and coordinate meeting w/ad hoc committee; prepare and send agenda for ad hoc committee meeting; provide update to county for IRWM TAC mtg; call w/FPPC re biennial report; review audit	4.00
	10/17/2023	Communicating with RGS and CGA staff advisors via email and RingCentral.	0.10
	10/17/2023	Complete and finalize report on staffing options; provide draft to Sophia S for review; meet w/MBK and ad hoc committee re submittals for temp water rights application; various emails	4.00
	10/17/2023	CGA: Financials WIP	0.25
	10/18/2023	Drafting September Board meeting minutes.	3.40
	10/18/2023	Follow up re meeting with DWR; review and approval of invoices; review draft form info from MBK; various emails	1.00
	10/19/2023	CGA: RGS Staff Mtg; Mgmt; Financials WIP	1.50
	10/19/2023	CGA team meeting; agenda development; review grant opportunity; various emails	2.00
	10/19/2023	Attending the CGA staff meeting.	0.80
	10/20/2023	Prepare board agenda, review/edit minutes; prepare board meeting materials; coordinate financial info; distribute agenda and packet and post on website; call w/atty	6.50
	10/20/2023	CGA: Financials WIP; Audit WIP	2.00
	10/21/2023	Putting together 10/24 CGA Board agenda packet.	0.40
	10/23/2023	CGA: Financials WIP	0.25



Client Activity Report

October 2023

Client	Task	Comment	Hours
	10/23/2023	Travel time to Colusa area; review and respond to emails; review requirements for temp water right submittals; various emails	3.00
	10/24/2023	Reviewing FPPC conflict of interest code regulations and filling out FPPC form.	0.50
	10/24/2023	Preparing for 10/24 Board meeting.	0.30
	10/24/2023	Communicating with RGS and CGA staff advisors via email and RingCentral.	0.20
	10/24/2023	Prepare for and attend board meeting; complete CEQA NOE and follow up with State Clearinghouse for submittal authorization; follow up w/Lisa H and DWR re meeting; travel	6.00
	10/24/2023	Clerking the 10/24 CGA Board Meeting.	1.20
	10/24/2023	Meeting set up, including pick up claims checks, equipment. CGA Board Meeting.	2.50
	10/25/2023	Return meeting equipment, copy, file, mail claims checks.	0.70
	10/25/2023	Follow up on CEQA Notice of Exemption requirements w/atty and MBK; send staffing options draft to chair; review requirements of EO N-4-23; call w/DWR re GSP; follow up w/Lisa H and atty; various emails	3.00
	10/25/2023	CGA: Financials WIP	2.00
	10/26/2023	Annual report kick off meeting; review DWR determination letter re GSP; follow up w/Lisa H; call to Chair; distribute GSP letter to board and staff; review and respond to emails	4.00
	10/27/2023	Review and respond to various emails; outstanding invoice follow up	1.00
	10/30/2023	Communicating with RGS and CGA staff advisors via email and RingCentral.	0.10
	10/30/2023	Review draft water rights applications (all docs and backup); provide comments to MBK; follow up on outstanding invoices; review and distribute DWR guidance docs; review DWR GSP letter; respond to Sac Bee reporter; various emails	4.00
	10/31/2023	Pick up check for Chair Williams signature and coordinate getting signature done. Get check in the mail. Phone call with Carol re: GSP determination.	1.00
	10/31/2023	Call w/DC re GSP revisions; call w/chair - GSP planning; follow up with LH on GSP work plan; follow up with MBK to review, finalize, sign and submit temp water right application; review SacBee article; various emails	3.00
	10/31/2023	Reviewing FPPC conflict of interest code regulations and filling out FPPC form.	0.50



Invoice

November 22, 2023

COLUSA GROUNDWATER AUTHORITY
Attn: Carol Thomas-Keefer
1213 Market Street
Colusa, CA 95932

Invoice No: 40540

Project: 221120 CGA - GSP FUNDING SUPPORT
cthomaskeefer@rgs.ca.gov

Professional services rendered through October 29, 2023

Task: 04 Fee Report

Professional Personnel

	Hours	Rate	Amount	
Staff Hydrogeologist	7.00	150.00	\$1,050.00	
Supervising Water Resources Planner	16.50	215.00	\$3,547.50	
Total Professional Labor	23.50		\$4,597.50	\$4,597.50

Outside Services

Colusa County Assessir			\$100.00	
Davids Engineering, Inc.			\$6,041.25	
Total Consultants			\$6,141.25	\$6,141.25

Total This Task \$10,738.75

Total This Invoice \$10,738.75

Billing Summary

	<u>Contract</u>	<u>Previously Billed</u>	<u>Current Billing</u>	<u>Billed To Date</u>	<u>Remaining</u>
Labor & Expenses	\$95,786.00	\$47,504.00	\$10,738.75	\$58,242.75	\$37,543.25

Billing Backup

Wednesday, November 22, 2023

Luhdorff & Scalmanini, Cons. Eng. Invoice Dated November 22, 2023

11:29:44 AM

221120 CGA - GSP FUNDING SUPPORT

Invoice No: 40540

Task: 04 - Fee Report**Professional Personnel**

			Hours	Rate	Amount
Staff Hydrogeologist					
232AR Rodriguez-Arriaga, Angelica <i>Obtain tax roll</i>	9/26/2023	.50	150.00	\$75.00	
232AR Rodriguez-Arriaga, Angelica <i>Gis Analysis</i>	10/3/2023	1.00	150.00	\$150.00	
232AR Rodriguez-Arriaga, Angelica <i>GIS Analysis/ Power point</i>	10/5/2023	1.00	150.00	\$150.00	
232AR Rodriguez-Arriaga, Angelica <i>Gis Analysis/ power point</i>	10/6/2023	1.00	150.00	\$150.00	
232AR Rodriguez-Arriaga, Angelica <i>parcel data coordination</i>	10/20/2023	1.00	150.00	\$150.00	
232AR Rodriguez-Arriaga, Angelica <i>tax apn discrepancy</i>	10/23/2023	.50	150.00	\$75.00	
232AR Rodriguez-Arriaga, Angelica <i>acreage calculation</i>	10/25/2023	2.00	150.00	\$300.00	
Supervising Water Resources Planner					
236JD DeBra, Jacques <i>CGA Board Mtg</i>	9/26/2023	4.00	215.00	\$860.00	
236JD DeBra, Jacques <i>Update parcel map</i>	9/28/2023	1.00	215.00	\$215.00	
236JD DeBra, Jacques	10/11/2023	2.00	215.00	\$430.00	
236JD DeBra, Jacques <i>Public Outreach</i>	10/12/2023	2.00	215.00	\$430.00	
236JD DeBra, Jacques <i>Public Outreach</i>	10/13/2023	2.00	215.00	\$430.00	
236JD DeBra, Jacques <i>Update of parcel and user class data</i>	10/18/2023	2.00	215.00	\$430.00	
236JD DeBra, Jacques <i>Board Mtg prep</i>	10/20/2023	1.00	215.00	\$215.00	
236JD DeBra, Jacques <i>CGA Board Mtg</i>	10/24/2023	1.50	215.00	\$322.50	
236JD DeBra, Jacques <i>Map and table update for fee option classification</i>	10/25/2023	1.00	215.00	\$215.00	
Totals		23.50		\$4,597.50	
Total Labor				\$4,597.50	\$4,597.50

Consultants

			Amount	
Colusa County Assessir 100026	Tax Roll	9/26/2023	\$100.00	
Davids Engineering, Inc. 708		10/16/2023	\$6,041.25	
Total Subcontractors			\$6,141.25	\$6,141.25
Total this task				\$10,738.75
			Total This Invoice	\$10,738.75



Colusa County Assessor

547 Market St. Suite 101
Colusa, CA 95932
(530)458-0450 fax (530)458-0461

Invoice No.

554

INVOICE

Customer

Name Luhdorff & Scalmanini Consulting Engineers
Address 500 First Street
City Woodland State CA Zip 95695
Phone _____

Date 9/26/2023
Order No. _____
Rep _____
FOB _____

Qty	Description	Unit Price	TOTAL
1	Annual Secured/Unsecured Tax Roll	\$100.00	\$100.00
If you have questions regarding this bill please contact me at 458-0450.			

Payment Details

- Cash
- Check
- Credit Card

Name _____
CC # Credit Cards not accepted
Expires _____

SubTotal	\$100.00
Shipping & Handling	\$0.00
Taxes State	\$0.00
TOTAL	\$100.00

Office Use Only

Invoice

DAVIDS ENGINEERING, INC.
Tax ID#68-0346173
1772 Picasso Avenue, Suite A
Davis, CA 95618-0550
530/757-6107 - phone
530/757-6118 - fax

October 16, 2023
 Invoice No: 1139.12 - 5915

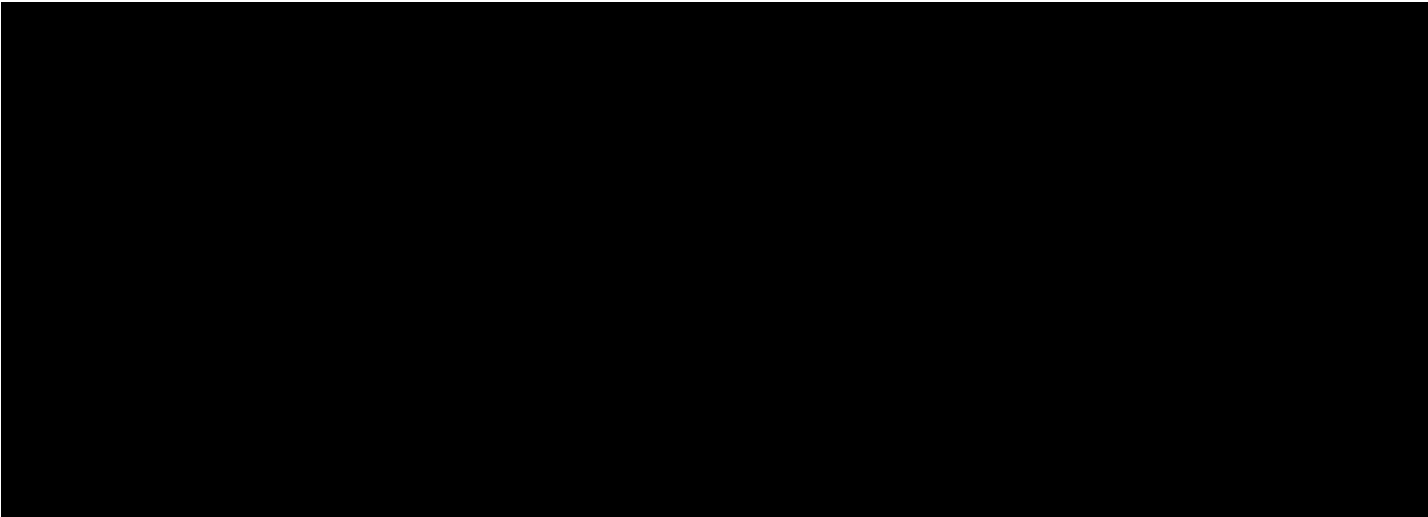
Eddy Teasdale
 Luhdorff & Scalmanini Consulting Engineers
 500 First Street
 Woodland, CA 95695

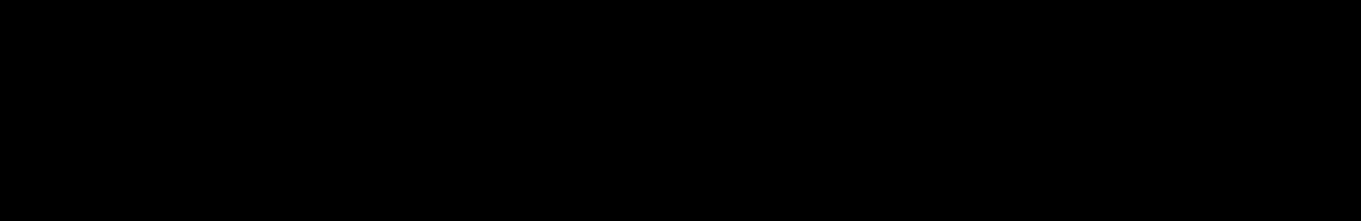
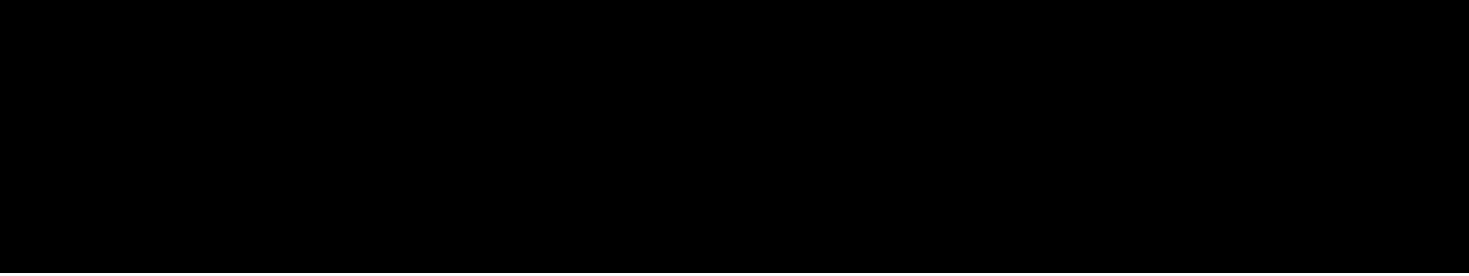
Project 1139.12 LSCE - On-Call Support
Professional Services from August 01, 2023 to September 30, 2023

Task 01.00 2023 On-Call Support
 Sub-Task 01.00 Colusa Groundwater Authority Funding Sup
 LSCE Project #22-120

Professional Personnel

	Hours	Rate	Amount	
Assistant Engineer I Winslow, Jacob	27.75	117.00	3,246.75	
Supervising Engineer Davids, Jeff	11.00	224.00	2,464.00	
Associate Engineer I Klug, Katherine	.50	184.00	92.00	
Intern I Sos, Erika	2.50	53.00	132.50	
Associate Project Assistant Clark, Cynthia	1.00	106.00	106.00	
Totals	42.75		6,041.25	
Total Labor				6,041.25
		Total this Sub-Task		\$6,041.25





Billings to Date

	Current	Prior	Total
Labor	7,609.25	20,341.25	27,950.50
Totals	7,609.25	20,341.25	27,950.50

I certify that the above invoice is true and correct to the best of my knowledge.

Authorized By:  Date: 10/16/2023

Billing Backup

Monday, October 16, 2023

Dauids Engineering, Inc.

Invoice 5915 Dated 10/16/2023

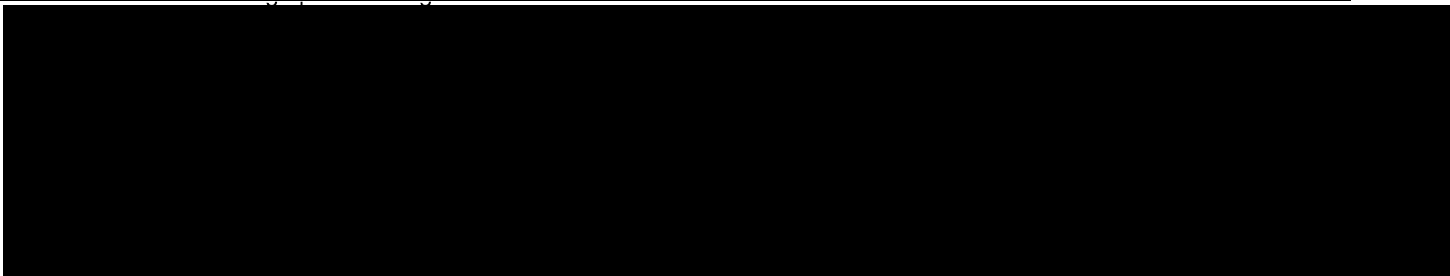
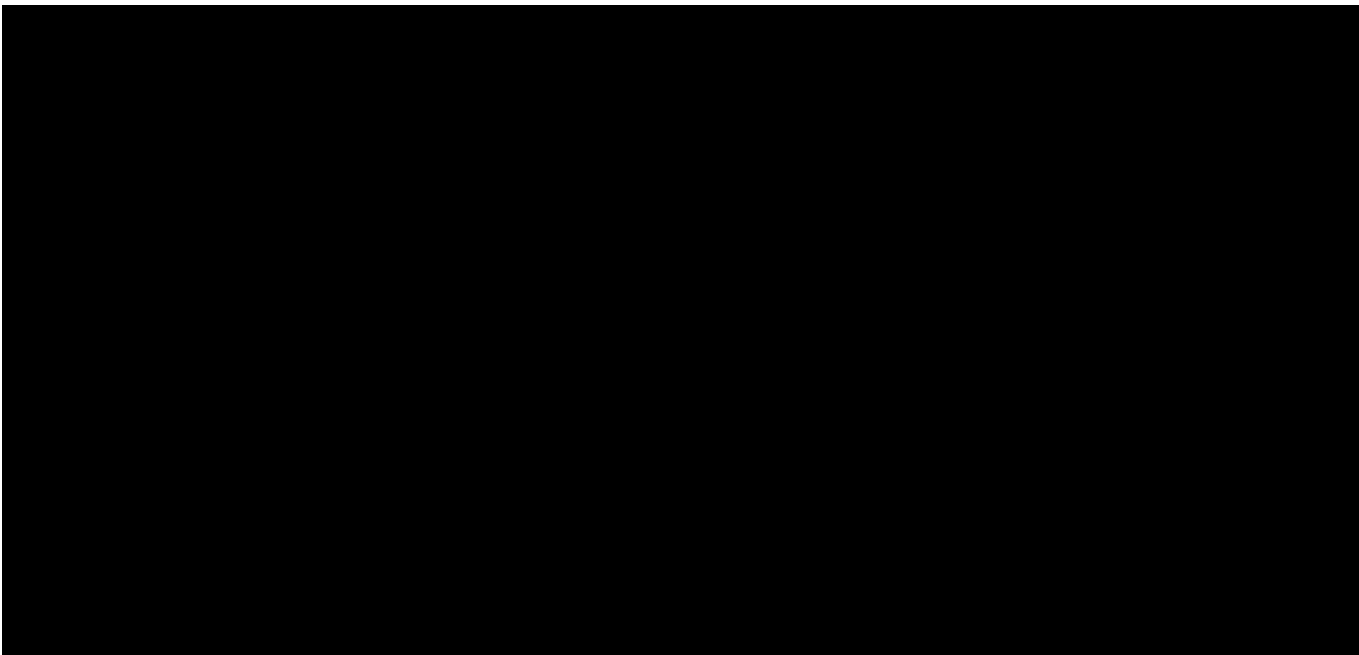
2:40:23 PM

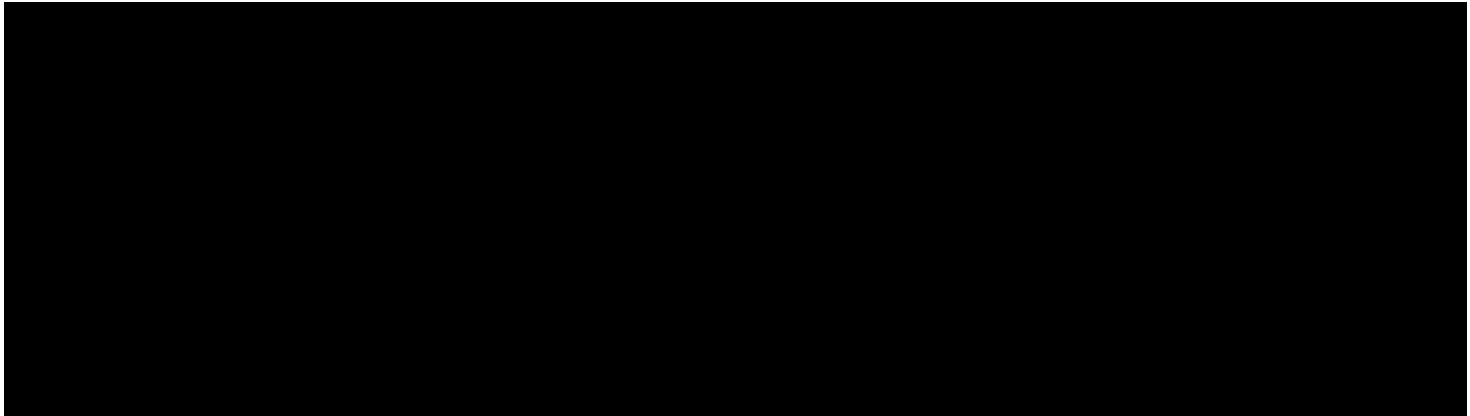
Project	1139.12	LSCE - On-Call Support		
Task	01.00	2023 On-Call Support		
Sub-Task	01.00	Colusa Groundwater Authority Funding Sup		

Professional Personnel

	Hours	Rate	Amount	
Assistant Engineer I				
Winslow, Jacob	8/1/2023	3.00	117.00	351.00
Meeting with E. Sos discussing project work. Beginning to collect bswi data.				
Winslow, Jacob	8/2/2023	8.75	117.00	1,023.75
Creating GSP subarea shapefile. Collecting bswi data. Running script.				
Winslow, Jacob	8/3/2023	7.25	117.00	848.25
Adjusting input files. Rerunning script. Post processing data. Meeting with J. Davids discussing results.				
Winslow, Jacob	8/4/2023	1.75	117.00	204.75
Developing deliverable. Emailing J. DeBra and E. Teasdale.				
Winslow, Jacob	8/14/2023	.50	117.00	58.50
Meeting with J. Davids discussing project work.				
Winslow, Jacob	8/15/2023	4.25	117.00	497.25
Creating data visualizations. Adding to PowerPoint.				
Winslow, Jacob	9/1/2023	.25	117.00	29.25
Looking into shapefile attribute table				
Winslow, Jacob	9/7/2023	1.25	117.00	146.25
Meeting with LSCE discussing funding project.				
Winslow, Jacob	9/8/2023	.25	117.00	29.25
Meeting with J. Davids discussing CGA funding project.				
Winslow, Jacob	9/19/2023	.50	117.00	58.50
Looking into process used in CGA analysis.				
Supervising Engineer				
Davids, Jeff	8/1/2023	.75	224.00	168.00
Working with J. Winslow regarding water budget region groundwater extraction estimates for 2018 and comparisons between GSP element aggregations and water budget regions.				
Davids, Jeff	8/3/2023	1.75	224.00	392.00
Working with J. Winslow on CGA water budget for estimating groundwater pumping from 2018, summary of results, reviewing by water budget region, and coordination for next steps and interpretation.				
Davids, Jeff	8/7/2023	1.25	224.00	280.00
Call with E. Teasdale and J. DeBra regarding CGA groundwater pumping analysis from remote sensing vs. the GSP.				
Davids, Jeff	8/10/2023	1.50	224.00	336.00
Reviewing results, creating mapping, call with C. Thomas-Keefer and CGA legal counsel plus J. DeBra regarding funding options and applied groundwater estimate sources.				
Davids, Jeff	8/18/2023	1.25	224.00	280.00
Working on updates to CGA presentation slides and analysis.				
Davids, Jeff	8/19/2023	1.75	224.00	392.00
Working on updates to CGA presentation slides and analysis. Correspondence with J. DeBra and E. Teasdale.				

Project	1139.12	LSCE - On-Call Support			Invoice	5915
Davids, Jeff		9/1/2023	2.75	224.00	616.00	
		Meeting with CGA Ad-hoc fee group regarding CGA fees and allocation approaches. Providing data to LSCE to support subsequent analyses.				
		Associate Engineer I				
Klug, Katherine		8/1/2023	.25	184.00	46.00	
		locating and sharing shapefile of GSP subregion boundaries with J. Winslow to visualize funding/financing analysis results by subregion				
Klug, Katherine		8/4/2023	.25	184.00	46.00	
		reviewing subregion water budget summaries from J. Winslow				
		Intern I				
Sos, Erika		8/1/2023	2.00	53.00	106.00	
		CGA 2018 data				
Sos, Erika		8/3/2023	.50	53.00	26.50	
		CGA Data errors check				
		Associate Project Assistant				
Clark, Cynthia		8/2/2023	.25	106.00	26.50	
		Project Support, Accounting				
Clark, Cynthia		8/8/2023	.50	106.00	53.00	
		Project Support, Accounting				
Clark, Cynthia		9/5/2023	.25	106.00	26.50	
		Project Support, Accounting				
		Totals	42.75		6,041.25	
		Total Labor				6,041.25
					Total this Sub-Task	\$6,041.25





Invoice

DAVIDS ENGINEERING, INC.
Tax ID#68-0346173
1772 Picasso Avenue, Suite A
Davis, CA 95618-0550
530/757-6107 - phone
530/757-6118 - fax

November 20, 2023
 Invoice No: 1173.03 - 5958

Carol Keefer-Thomas
 Colusa Groundwater Authority
 P.O. Box 475
 Colusa, CA 95932

Project 1173.03 Colusa GWA - Colusa Subbasin Groundwater Sustainability Plan Annual Reports

Professional Services from July 01, 2023 to October 31, 2023

Task	01.00	WY 2022 GSP Annual Report
Sub-Task	DE.00	Dauids Engineering, Inc.

Professional Personnel

	Hours	Rate	Amount	
Senior Project Assistant				
Davids, Kristi	.25	118.00	29.50	
Associate Project Assistant				
Clark, Cynthia	1.50	106.00	159.00	
Totals	1.75		188.50	
Total Labor				188.50
		Total this Sub-Task		\$188.50

Billings to Date

	Current	Prior	Total
Labor	188.50	42,871.50	43,060.00
Totals	188.50	42,871.50	43,060.00

Contract Amount

	Current	Prior	To-Date
Total Billings	188.50	61,465.75	61,654.25
Contract Amount			65,000.00
Remaining			3,345.75
		Total this Task	\$188.50

Billings to Date

	Current	Prior	Total
Labor	188.50	42,871.50	43,060.00
Consultant	0.00	18,594.25	18,594.25
Totals	188.50	61,465.75	61,654.25

Task	02.00	WY 2023 GSP Annual Report
Sub-Task	DE.00	Dauids Engineering, Inc.

Professional Personnel

	Hours	Rate	Amount	
Assistant Engineer I Winslow, Jacob	1.50	117.00	175.50	
Supervising Engineer Davids, Jeff	1.75	224.00	392.00	
Associate Engineer I Klug, Katherine	4.50	184.00	828.00	
Totals	7.75		1,395.50	
Total Labor				1,395.50

Contract Amount	Current	Prior	To-Date	
Total Billings	1,395.50	0.00	1,395.50	
Contract Amount Remaining			27,900.00	
			26,504.50	
			Total this Sub-Task	\$1,395.50

Billings to Date	Current	Prior	Total	
Labor	1,395.50	0.00	1,395.50	
Totals	1,395.50	0.00	1,395.50	
			Total this Task	\$1,395.50

Billings to Date	Current	Prior	Total	
Labor	1,395.50	0.00	1,395.50	
Totals	1,395.50	0.00	1,395.50	
			Total this Invoice	\$1,584.00

Billings to Date	Current	Prior	Total
Labor	1,584.00	42,871.50	44,455.50
Consultant	0.00	18,594.25	18,594.25
Totals	1,584.00	61,465.75	63,049.75

I certify that the above invoice is true and correct to the best of my knowledge.

Authorized By:  Date: 11/20/2023

Billing Backup

Monday, November 20, 2023

Davids Engineering, Inc.

Invoice 5958 Dated 11/20/2023

1:09:06 PM

Project	1173.03	Colusa GWA - Colusa Subbasin Groundwater Sustainability Plan Annual Reports		
Task	01.00	WY 2022 GSP Annual Report		
Sub-Task	DE.00	Davids Engineering, Inc.		

Professional Personnel

	Hours	Rate		Amount
Senior Project Assistant				
Davids, Kristi project support, accounting	7/10/2023 .25	118.00		29.50
Associate Project Assistant				
Clark, Cynthia Project Support, Accounting	7/5/2023 .25	106.00		26.50
Clark, Cynthia Project Support, Accounting	7/6/2023 .25	106.00		26.50
Clark, Cynthia Project Support, Accounting	9/26/2023 .50	106.00		53.00
Clark, Cynthia Project Support, Accounting	10/2/2023 .50	106.00		53.00
Totals	1.75			188.50
Total Labor				188.50
		Total this Sub-Task		\$188.50
		Total this Task		\$188.50

Task	02.00	WY 2023 GSP Annual Report		
Sub-Task	DE.00	Davids Engineering, Inc.		

Professional Personnel

	Hours	Rate		Amount
Assistant Engineer I				
Winslow, Jacob Developing data request.	10/30/2023 1.50	117.00		175.50
Supervising Engineer				
Davids, Jeff WY2023 annual report kick with LSCE and DE teams. Setting up collaboration space and identifying initial action items.	10/2/2023 .50	224.00		112.00
Davids, Jeff WY 2023 kickoff meeting with GGA, CGA, LSCE, and DE teams. Working meeting with LSCE and DE. Setting up shared collaboration workspace with LSCE.	10/26/2023 1.00	224.00		224.00
Davids, Jeff Reviewing DWR annual report status and outline of WY 2023 report.	10/30/2023 .25	224.00		56.00
Associate Engineer I				
Klug, Katherine	10/2/2023 .75	184.00		138.00

Project	1173.03	Colusa GWA - Colusa Sub. GSP Ann. Report	Invoice	5958
		Annual Report internal kickoff meeting with LSCE, preparation/followup regarding the same; email to L. Hunter to prepare for GSA kickoff meeting		
Klug, Katherine	10/5/2023	.25 184.00	46.00	
		Annual Report coordination call with LSCE		
Klug, Katherine	10/6/2023	.25 184.00	46.00	
		drafting Annual Reports water budget process summary and outline for updating water budget		
Klug, Katherine	10/9/2023	.75 184.00	138.00	
		coordinating with LSCE, CGA/GGA to schedule Annual Report kickoff meeting; preparing kickoff meeting agenda		
Klug, Katherine	10/12/2023	.75 184.00	138.00	
		Annual Report coordination call with LSCE; Colusa Annual Report kickoff meeting prep		
Klug, Katherine	10/26/2023	1.00 184.00	184.00	
		Colusa Annual Report kickoff meeting prep and facilitation, followup on kickoff meeting action items		
Klug, Katherine	10/31/2023	.75 184.00	138.00	
		reviewing Annual Reports hydrographs script		
	Totals	7.75	1,395.50	
	Total Labor			1,395.50
		Total this Sub-Task		\$1,395.50
		Total this Task		\$1,395.50
		Total this Project		\$1,584.00
		Total this Report		\$1,584.00

Colusa Ground Water Authority
 PO Box 475
 Colusa, CA 95932

November 13, 2023
 Invoice: 11776

For Professional Services Rendered:

- 10/16/23 BMG Bookkeeping - Reconcile accounts ending 7346, 4884 and 9527 for the month of September. enter bills onto claim summary form and into QB's. print client monthly reports for September.

- 10/17/23 AV Bookkeeping - Check Financial Statements, invoices, bills, statements.

- BMG Bookkeeping - email September reports to client. save reports in client file.

- 10/23/23 BMG Bookkeeping - pay approved bills in QB's and generate checks. scan and save checks in client file. prepare for client pick up. email when ready for pick up

- 10/27/23 BMG Bookkeeping - generate check payment to LSCE per email from Gina.

Invoice Total	\$195.50
Previous Balance	\$515.50
Current Payments	-\$515.50
Balance Due	\$195.50

Payment is due upon receipt. Accounts not paid within 30 days of the date of the invoice are subject to a 1.5% monthly finance charge, 18% APY. If you would like to make a payment by credit card you can do so on our website www.crippencacpa.com or call our office at 530-742-8201.

Thank you for your business!

Current	31 to 60	61 to 90	91 and Over	Total
195.50	0.00	0.00	0.00	195.50

Please detach and return this portion with payment.

Colusa Ground Water Authority

November 13, 2023

Credit Card Type _____ Check # _____

Invoice 11776

Card # _____ CVV2 _____

Amount Due \$ 195.50

Exp. Date _____ Zip/Postal Code _____

Amount Enclosed \$ _____

Signature _____

Colusa Groundwater Authority Board of Directors Meeting

November 28, 2023 | 1:30 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 4: Temporary Water Rights Permit Update

Item 4a. Status of Temporary Water Rights Permit

With assistance from the state Department of Water Resources and its consultant, MBK Engineers, Colusa Groundwater Authority has submitted an application with the State Water Resources Control Board for a 180-day Temporary Water Rights Permit. The CGA board previously approved the description of the project, which will divert up to 6,000 acre-feet per year of excess flows from the Sacramento River through the Tehama-Colusa Canal into portions of Salt Creek and Elk Creek for groundwater recharge. MBK filed the application with SRWCB on October 31, 2023; SWRCB posted its notice of the application on November 8 and will accept public comments through December 12, 2023. Barring any issues that could arise through the comment period, MBK indicates that the permit could be issued by the end of December.

ACTION ITEM

Item 4b. *Approval of Notice of Exemption from CEQA requirements

BACKGROUND:

As part of the application process, CGA must address the requirements of the California Environmental Quality Act (CEQA) for its proposed project. The Governor's Executive Order N-7-22 provides that recharge operations pursuant to that Order are exemption from CEQA; consequently, CGA must approve a Notice of Exemption (NOE) for this project so that staff may submit the NOE to the State Clearinghouse. MBK Engineers has assisted in completion of the form, and staff will file it upon board approval.

RECOMMENDATION:

Staff recommends that the CGA board approve the proposed Notice of Exemption for its recharge program and authorize staff to file it with the State Clearinghouse.

ATTACHMENTS:

- SWRCB Notice of Temporary Permit Application, Colusa County
- Proposed Notice of Exemption from CEQA for Colusa Area Recharge Program

State Water Resources Control Board

Notice of Water Right Application T033405

Colusa Groundwater Authority filed a temporary water right permit application with the State Water Resources Control Board (State Water Board), Division of Water Rights, pursuant to Water Code section 1425 et seq. The project associated with the application is located in Colusa County and would involve diversion of water from the Sacramento River. The Applicant requests authorization to appropriate surface water for underground storage as described below.

Summary of Water Right Application T033405

Type of Temporary Permit: 180-Day

Date of Filing: The application was filed with the State Water Board on October 31, 2023.

Source of Water: The source of water is the Sacramento River, which is tributary to Suisun Bay.

Amount: The maximum amount of water requested for diversion is 6,000 acre-feet, which would be diverted at a rate not to exceed 80 cubic feet per second (cfs).

Season of Diversion: The diversion of water would be from December 1, 2023 to March 31, 2024.

Point of Diversion (POD): The application proposes to use one (1) point of diversion, located at California Coordinate System of 1983, California Zone 1, North 1,940,054.03 feet, and East 6,502,708.42 feet, being within NE quarter of NW quarter of Section 33, Township 27N, Range 3W, Mount Diablo Base and Meridian.

Purposes of Use: The purpose of use for diverted water is domestic, irrigation, and incidental fish and wildlife preservation and enhancement.

Place of Use: Within a gross area of 46,325 acres with portions of Township 14 North, Range 1 West through Range 3 West; Township 13 North, Range 1 West through Range 3 West; and Township 12 North, Range 2 West; Mount Diablo Base and Meridian, as shown on the maps submitted with this application.

Location and Type of Infiltration: Diversions from the Sacramento River at the POD would be conveyed through the Tehama-Colusa Canal (TCC) at Red Bluff towards downstream turnouts. The TCC water would be routed by a combination of lift stations

and gravity flow into Elk Creek and Salt Creek, where water would percolate along the length of these creeks before they converge with Colusa Basin Drain.

Use Accounting: The Applicant proposes to use the “last in, first out” accounting methodology described by the State Water Resources Control Board on their website for temporary water right permits for groundwater recharge. Under this methodology, the water diverted at the POD would be considered the last groundwater to enter the aquifer. When the production wells are turned on in the next irrigated season, the groundwater stored under this project would be the first extracted out of the aquifer.

Water Rights Records Database

Documentation related to this application is available by accessing the State Water Board’s electronic Water Rights Information Management System (eWRIMS) database:

- Go to <https://www.waterboards.ca.gov/ewrims/>
- Select “eWRIMS Database System” to open the eWRIMS Database
- Select “Accept” to accept the Public Records Act notice
- Select “Water Rights Records Search”
- Enter the application number in the “Application ID” field, then select “Search”
- Select the application number on the left side of the results to open the record
 - Select “View Document” to see the application and related documentation
 - Select “View Map” to see the application map
 - Select the “Map It” button to open the record in the eWRIMS GIS viewer

Procedure for Filing Objections

Pursuant to Water Code section 1425, any interested person may file an objection against the approval of the subject application. Objections should be submitted via email to the staff contact listed below but may also be submitted via regular mail or hand delivered. If objections are sent by mail or hand delivered, please provide a courtesy email to the staff contact listed below.

Objections must be received by the Division of Water Rights or postmarked by **4:30 p.m. on December 12, 2023**, with copy provided to the applicant. The State Water Board may, for good cause shown, allow additional time to file an objection.

Pursuant to Water Code section 1428, the Board may issue a temporary permit in advance of public notice. Consequently, a temporary permit may be issued for the application before the end of the noticing period.

Contact Information

Please direct all requests and inquiries regarding this notice to Julian Storelli at Julian.storelli@waterboards.ca.gov or (916) 323-0064 (email is the preferred means of communication). Written correspondence should be addressed to: State Water

Resources Control Board, Division of Water Rights, Attn: Julian Storelli,
P.O. Box 2000, Sacramento, CA 95812-2000.

All written correspondence directed to the applicant should be addressed to:

MBK Engineers, c/o Darren Cordova, 455 University Avenue-Suite 100,
Sacramento, California 95825 or cordova@mbkengineers.com

Date of Notice: The date that this public notice was issued is **November 08, 2023**

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk

County of: _____

From: (Public Agency): _____

(Address)

Project Title: _____

Project Applicant: _____

Project Location - Specific:

Project Location - City: _____ Project Location - County: _____

Description of Nature, Purpose and Beneficiaries of Project:

Name of Public Agency Approving Project: _____

Name of Person or Agency Carrying Out Project: _____

Exempt Status: **(check one):**

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: _____
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

Lead Agency

Contact Person: _____ Area Code/Telephone/Extension: _____

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: _____ Title: _____

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

Colusa Groundwater Authority Board of Directors Meeting

November 28, 2023 | 1:30 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 5: DWR Determination on GSP, Recommended Revisions and Proposal for Completion

Item 5a. Review of DWR Determination Letter and Recommended Corrective Actions

BACKGROUND:

On October 26, 2023, the state Department of Water Resources notified the Colusa Groundwater Authority and the Glenn Groundwater Authority that the Groundwater Sustainability Plan for the Colusa Subbasin had received a determination of “Incomplete.” DWR also provided a letter outlining the specific deficiencies that the GSAs will need to address in order to resubmit the GSP for reconsideration. The recommended corrective actions include:

- a) Re-evaluation of the overdraft conditions in the Subbasin using the most recent data, and include projects and management actions to mitigate projected overdraft;
- b) Providing a more detailed explanation and justification of the sustainable management criteria for groundwater levels, particularly minimum thresholds and measurable objectives, and quantify the effects of those criteria on beneficial uses; and
- c) Providing a more detailed explanation and justification of sustainable management criteria, monitoring method, and projects and management actions related to land subsidence.

DWR’s letter details the specific actions recommended for each deficiency. The GSAs must address the deficiencies as recommended and must submit the revised GSP by April 23, 2024. Should CGA and GGA fail to sufficiently address the deficiencies by that date, DWR will determine the GSP to be “Inadequate” and may identify additional deficiencies to address as part of SGMA’s state intervention process.

ACTION ITEM

Item 5b. *Approval of Task Order Agreement with Davids Engineering for GSP Revisions (cost to be shared on a 50/50 basis with Glenn Groundwater Authority)

Item 5c. *Authorization to Issue Phase 1 Task Order with Davids Engineering in amount not to exceed \$47,519 (to be shared 50/50 with GGA)

In order to promptly begin work on revisions to the GSP and meet DWR's April 2024 deadline, CGA and GGA staff met with representatives of Davids Engineering (DE), the original GSP's primary consultant, to discuss the scope of work, budget, milestones and timeline for completion. Staff also met jointly with the CGA and GGA chairs and vice-chairs for policy direction on scope and budget estimates from the consultant. DE has subsequently proposed a task order agreement with a phased approach to the work, allowing the two GSA boards to provide policy guidance in the first phase, with development of Plan revisions in the second phase. Phase 1 is proposed to perform the preliminary work with the two GSAs, including consultation with DWR, to determine direction for completing those GSP revisions that require policy guidance and board input. Phase 1 is proposed to begin upon approval of the Task Order and be completed by January 31, 2024, at a proposed cost not to exceed \$47,519.

Although CGA is the first of the two GSAs to approve the agreement with DE for GSP revisions, based on discussions with GGA staff and board members, CGA staff contemplates that the cost of all work to be done under the agreement would be shared on a 50/50 basis with GGA.

RECOMMENDATION:

Staff recommends that the CGA Board consider approval of the Task Order Agreement with Davids Engineering for GSP Revisions;

Staff also recommends that the CGA Board authorize the Chairman to issue the Phase 1 Task Order for GSP revisions with Davids Engineering, at a cost not to exceed \$47,519, with the expectation that costs will be shared 50/50 with GGA.

ATTACHMENTS:

- DWR Determination Letter for Colusa Subbasin
- Task Order Agreement with Davids Engineering
- Phase 1 Task Order with Davids Engineering and completion schedule



CALIFORNIA DEPARTMENT OF WATER RESOURCES

SUSTAINABLE GROUNDWATER MANAGEMENT OFFICE

715 P Street, 8th Floor | Sacramento, CA 95814 | P.O. Box 942836 | Sacramento, CA 94236-0001

October 26, 2023

Lisa Hunter
County of Glenn Groundwater Sustainability Agency - Corning
225 North Tehama Street
Willows, CA 95988
lhunter@countyofglenn.net

RE: Sacramento Valley – Colusa Subbasin - 2022 Groundwater Sustainability Plan

Dear Lisa Hunter,

The Department of Water Resources (Department) has evaluated the groundwater sustainability plan (GSP or Plan) submitted for the Sacramento Valley – Colusa Subbasin. The Department has determined that the Plan is “incomplete” pursuant to Section 355.2(e)(2) of the GSP Regulations.

The Department based its incomplete determination on recommendations from the Staff Report, included as an enclosure to the attached Statement of Findings, which describes that the Subbasin’s Plan does not satisfy the objectives of the Sustainable Groundwater Management Act (SGMA) nor substantially comply with the GSP Regulations. The Staff Report also provides corrective actions which the Department recommends the Subbasin’s groundwater sustainability agencies (GSAs) review while determining how to address the deficiencies.

The Subbasin’s GSAs have 180 days, the maximum allowed by the GSP Regulations, to address the identified deficiencies. Where addressing the deficiencies requires modification of the Plan, the GSAs must adopt those modifications into their respective GSPs and all applicable coordination agreement materials, or otherwise demonstrate that those modifications are part of the Plan before resubmitting it to the Department for evaluation no later than April 23, 2024. The Department understands that much work has occurred to advance sustainable groundwater management since the GSAs submitted their GSPs in January 2022. To the extent to which those efforts are related or responsive to the Department’s identified deficiencies, we encourage you to document that as part of your Plan resubmittal. The Department prepared a [Frequently Asked Questions](#) document to provide general information and guidance on the process of addressing deficiencies in an “incomplete” determination.


Department staff will work expeditiously to review the revised components of your Plan resubmittal. If the revisions sufficiently address the identified deficiencies, the Department will determine that the Plan is “approved”. In that scenario, Department staff will identify additional recommended corrective actions that the GSAs should address

early in implementing their GSPs (i.e., no later than the first required periodic evaluation). Among other items, those corrective actions will recommend the GSAs provide more detail on their plans and schedules to address data gaps. Those recommendations will call for significantly expanded documentation of the plans and schedules to implement specific projects and management actions. Regardless of those recommended corrective actions, the Department expects the first periodic evaluations, required no later than January 2027 – one-quarter of the way through the 20-year implementation period – to document significant progress toward achieving sustainable groundwater management.

If the Subbasin's GSAs cannot address the deficiencies identified in this letter by April 23, 2024, then the Department, after consultation with the State Water Resources Control Board, will determine the GSP to be "inadequate". In that scenario, the State Water Resources Control Board may identify additional deficiencies that the GSAs would need to address in the state intervention processes outlined in SGMA.

Please contact Sustainable Groundwater Management staff by emailing sgmps@water.ca.gov if you have any questions related to the Department's assessment or implementation of your GSP.

Thank You,



Paul Gosselin
Deputy Director
Sustainable Groundwater Management

Attachment:

1. Statement of Findings Regarding the Determination of Incomplete Status of the Sacramento Valley – Colusa Subbasin Groundwater Sustainability Plan

**STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES**

**STATEMENT OF FINDINGS REGARDING THE
DETERMINATION OF INCOMPLETE STATUS OF THE
SACRAMENTO VALLEY – COLUSA SUBBASIN
GROUNDWATER SUSTAINABILITY PLAN**

The Department of Water Resources (Department) is required to evaluate whether a submitted groundwater sustainability plan (GSP or Plan) conforms to specific requirements of the Sustainable Groundwater Management Act (SGMA or Act), is likely to achieve the sustainability goal for the Subbasin, and whether the GSP adversely affects the ability of an adjacent basin or subbasin to implement its GSP or impedes achievement of sustainability goals in an adjacent basin or subbasin. (Water Code § 10733.) The Department is directed to issue an assessment of the GSP within two years of its submission. (Water Code § 10733.4.) This Statement of Findings explains the Department's decision regarding the submitted Plan by the Colusa Groundwater Authority Groundwater Sustainability Agency and Glenn Groundwater Authority Groundwater Sustainability Agency (GSAs or Agencies) for the Sacramento Valley – Colusa Subbasin (Subbasin) (Basin No. 5-021.52).

Department management has reviewed the enclosed Staff Report, which recommends that the identified deficiencies should preclude approval of the GSP. Based on its review of the Staff Report, Department management is satisfied that staff have conducted a thorough evaluation and assessment of the Plan and concurs with, and hereby adopts, staff's recommendation and all the corrective actions provided. The Department thus deems the Plan incomplete based on the Staff Report and the findings contained herein. In particular, the Department finds:

- A. The GSAs should revise the GSP to provide a reasonable assessment of overdraft conditions using the best available information and describe a reasonable means to mitigate overdraft. Specifically, the Plan must be amended as follows:
 - 1. Reevaluate the assessment of overdraft conditions in the Subbasin. Specifically, the GSAs should examine the assumptions that were used to develop the current overdraft and the projected overdraft estimates in the projected water budget considering the results vary greatly from the values reported in the recent annual report data. The assessment should include the latest information for the Subbasin to ensure the GSP includes the required projects and management actions to mitigate overdraft in the Subbasin.

2. Develop and describe a reasonable means to mitigate the overdraft that is continuing to occur in the Subbasin. Specifically, the GSAs should describe proposed management actions that are commensurate with the level of understanding of groundwater conditions in the Subbasin and provide sufficient details for Department staff to be able to clearly understand how the Plan's projects and management actions will mitigate overdraft in the Subbasin under different climate scenarios.
- B. The GSAs must provide a more detailed explanation and justification regarding the selection of the sustainable management criteria for groundwater levels, particularly minimum thresholds and measurable objectives, and quantitatively describe the effects of those criteria on the interests of beneficial uses and users of groundwater. Department staff recommend the GSAs consider and address the following:
1. Refine the description of undesirable results to clearly describe the significant and unreasonable conditions the GSAs are managing the Subbasin to avoid. This must include a quantitative description of the negative effects to beneficial uses and users that would be experienced at undesirable result conditions. The GSAs should fully disclose and describe and explain its rationale for determining the number of wells that may be dewatered and the level of impacts to groundwater dependent ecosystems that may occur without rising to significant and unreasonable levels constituting undesirable results. Lastly, the GSAs should explain how potential alternate supplies of water or well mitigation will be considered by the GSAs during their management of the Subbasin in a project or management action as part of the GSP. Department staff also encourage the GSAs to review the Department's April 2023 guidance document titled *Considerations for Identifying and Addressing Drinking Water Well Impacts*.
 2. Revise minimum thresholds to be set at the level where the depletion of supply across the Subbasin may lead to undesirable results and provide the criteria used to establish and justify minimum thresholds. Fully document the analysis and justifications performed to establish the criteria used to establish minimum thresholds. Clearly show each step of the analysis and provide supporting information used in the analysis.
 3. Provide an evaluation of how minimum thresholds may affect the interests of beneficial uses and users of groundwater or land uses and property

interests.¹ Identify the number and location of wells that may be negatively affected when minimum thresholds are reached. Compare well infrastructure for all well types in the Subbasin with minimum thresholds at nearby, suitably representative, monitoring sites. Document all assumptions and steps clearly so that it will be understood by readers of the GSP. Include maps of potentially affected well locations, identify the number of potentially affected wells by well type, and provide a supporting discussion of the effects.

4. Analyze how groundwater level minimum thresholds, which allow continued declines in the Subbasin, may impact land subsidence conditions.
- C. The GSAs must provide a more detailed explanation and justification regarding the selection of the sustainable management criteria, monitoring method, and projects or management actions related to land subsidence. Department staff recommend the GSAs consider and address the following:
1. Identify facilities and/or structures, land uses and property interests that may be susceptible to impacts from land subsidence and should quantify the amount of land subsidence that would result in functional impacts to that infrastructure. The GSAs should describe the rationale and any analysis performed to inform the quantification of undesirable results in these areas. Provide maps and graphs showing the extent and rate of land subsidence in the basin at the minimum threshold.
 2. Provide the information and criteria relied upon to establish and justify the minimum threshold.² Describe how the interests of beneficial uses and users may be affected if conditions reach minimum thresholds.
 3. Revise the individual minimum thresholds to identify the rate and extent of land subsidence that substantially interferes with surface land uses and may lead to undesirable results. Identify a cumulative amount of tolerable subsidence that, if exceeded, would substantially interfere with groundwater and land surface beneficial uses and users in the Subbasin. The GSAs should also explain how the rate and extent of any future subsidence permitted in the Subbasin may interfere with surface land uses.

¹ 23 CCR 354.28 (b)(4).

² 23 CCR § 354.28 (b)(1).

4. Provide a clear schedule for more frequent land subsidence monitoring using the best available data and describe how the monitoring data will be evaluated to determine if undesirable results are occurring in the Subbasin. If the GSAs determine not to use available InSAR data, the GSAs should provide support and justification for why an alternative approach that excludes InSAR data is reasonable and uses the best available information.
5. Provide specific details and schedule for projects or management actions that will be implemented to minimize or eliminate subsidence. The projects or management actions must be supported by best available information and science³ and take into account the level of uncertainty associated with the Subbasin.

³ 23 CCR § 354.44 (c).

Statement of Findings
Sacramento Valley – Colusa Subbasin (No. 5-021.52)

October 26, 2023

Based on the above, the GSP submitted by the Agencies for the Sacramento Valley – Colusa Subbasin is determined to be incomplete because the GSP does not satisfy the requirements of SGMA, nor does it substantially comply with the GSP Regulations. The corrective actions provided in the Staff Report are intended to address the deficiencies that, at this time, preclude approval. The Agencies have up to 180 days to address the deficiencies outlined above and detailed in the Staff Report. Once the Agencies resubmit its Plan, the Department will review the revised GSP to evaluate whether the deficiencies were adequately addressed. Should the Agencies fail to take sufficient actions to correct the deficiencies identified by the Department in this assessment, the Department shall disapprove the Plan if, after consultation with the State Water Resources Control Board, the Department determines the Plan inadequate pursuant to 23 CCR § 355.2(e)(3)(C).

Signed:



Karla Nemeth, Director

Date: October 26, 2023

Enclosure: Groundwater Sustainability Plan Assessment Staff Report – Sacramento Valley – Colusa Subbasin

State of California
Department of Water Resources
Sustainable Groundwater Management Program
Groundwater Sustainability Plan Assessment
Staff Report

Groundwater Basin Name: Sacramento Valley – Colusa Subbasin (No. 5-021.52)
Colusa Groundwater Authority Groundwater
Submitting Agency: Sustainability Agency and Glenn Groundwater Authority
Groundwater Sustainability Agency
Submittal Type: Initial GSP Submission
Submittal Date: January 28, 2022
Recommendation: Incomplete
Date: October 26, 2023

The Colusa Groundwater Authority Groundwater Sustainability Agency and Glenn Groundwater Authority Groundwater Sustainability Agency (collectively, the GSAs) submitted the Colusa Subbasin Groundwater Sustainability Plan (GSP or Plan) to the Department of Water Resources (Department) for evaluation and assessment as required by the Sustainable Groundwater Management Act (SGMA)¹ and the GSP Regulations.² The GSP covers the entire Sacramento Valley – Colusa Subbasin (Subbasin) for the implementation of SGMA. As presented in this staff report, a single GSP covering the entire basin was adopted and submitted to the Department for review by the GSAs.³

Evaluation and assessment by the Department is based on whether an adopted and submitted GSP, either individually or in coordination with other adopted and submitted GSPs, complies with SGMA and substantially complies with the GSP Regulations. Department staff base its assessment on information submitted as part of an adopted GSP, public comments submitted to the Department, and other materials, data, and reports that are relevant to conducting a thorough assessment. Department staff have evaluated the GSP and have identified deficiencies that staff recommend should preclude its approval.⁴ In addition, consistent with the GSP Regulations, Department staff have provided required corrective actions⁵ that the GSAs should review while determining how and whether to address the deficiencies. The deficiencies and required corrective actions are explained in greater detail in Section 3 of this staff report and are generally related to

¹ Water Code § 10720 *et seq.*

² 23 CCR § 350 *et seq.*

³ Water Code §§ 10727(b)(1), 10733.4; 23 CCR § 355.2.

⁴ 23 CCR §355.2(e)(2).

⁵ 23 CCR §355.2(e)(2)(B).

the need to define sustainable management criteria in the manner required by SGMA and the GSP Regulations.

This assessment includes four sections:

- **Section 1 – Evaluation Criteria**: Describes the legislative requirements and the Department’s evaluation criteria.
- **Section 2 – Required Conditions**: Describes the submission requirements, GSP completeness, and basin coverage required for a GSP to be evaluated by the Department.
- **Section 3 – Plan Evaluation**: Provides a detailed assessment of identified deficiencies in the GSP. Consistent with the GSP Regulations, Department staff have provided corrective actions for the GSAs to address the deficiencies.
- **Section 4 – Staff Recommendation**: Provides staff’s recommendation regarding the Department’s determination.

1 EVALUATION CRITERIA

The Department evaluates whether a Plan conforms to the statutory requirements of SGMA⁶ and is likely to achieve the basin’s sustainability goal.⁷ To achieve the sustainability goal, the Plan must demonstrate that implementation will lead to sustainable groundwater management, which means the management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.⁸ Undesirable results are required to be defined quantitatively by the GSA overlying a basin and occur when significant and unreasonable effects for any of the applicable sustainability indicators are caused by groundwater conditions occurring throughout the basin.⁹ The Department is also required to evaluate whether the Plan will adversely affect the ability of an adjacent basin to implement its groundwater sustainability program or achieve its sustainability goal.¹⁰

For a Plan to be evaluated by the Department, it must first be determined that it was submitted by the statutory deadline¹¹ and that it is complete and covers the entire basin.¹² If these required conditions are satisfied, the Department evaluates the Plan to determine whether it complies with SGMA and substantially complies with the GSP Regulations.¹³ As stated in the GSP Regulations, “[s]ubstantial compliance means that the supporting information is sufficiently detailed and the analyses sufficiently thorough and reasonable, in the judgment of the Department, to evaluate the Plan, and the Department determines that any discrepancy would not materially affect the ability of the Agency to achieve the sustainability goal for the basin, or the ability of the Department to evaluate the likelihood of the Plan to attain that goal.”¹⁴

When evaluating whether the Plan is likely to achieve the sustainability goal for the basin, Department staff review the information provided for sufficiency, credibility, and consistency with scientific and engineering professional standards of practice.¹⁵ The Department’s review considers whether there is a reasonable relationship between the information provided by the GSA and the assumptions and conclusions presented in the Plan, including: whether the interests of the beneficial uses and users of groundwater in the basin have been considered; whether sustainable management criteria and projects and management actions described in the Plan are commensurate with the level of understanding of the basin setting; and whether those projects and management actions

⁶ Water Code §§ 10727.2, 10727.4, 10727.6.

⁷ Water Code § 10733(a).

⁸ Water Code § 10721(v).

⁹ 23 CCR § 354.26.

¹⁰ Water Code § 10733(c).

¹¹ 23 CCR § 355.4(a)(1).

¹² 23 CCR §§ 355.4(a)(2), 355.4(a)(3).

¹³ 23 CCR § 350 *et seq.*

¹⁴ 23 CCR § 355.4(b).

¹⁵ 23 CCR § 351(h).

are feasible and likely to prevent undesirable results.¹⁶ The Department also considers whether the GSAs have the legal authority and financial resources necessary to implement the Plan.¹⁷

To the extent overdraft is present in a basin, the Department evaluates whether the Plan provides a reasonable assessment of the overdraft and includes reasonable means to mitigate it.¹⁸ The Department also considers whether the Plan provides reasonable measures and schedules to eliminate identified data gaps.¹⁹ Lastly, the Department's review considers the comments submitted on the Plan and evaluates whether the GSAs have adequately responded to the comments that raise credible technical or policy issues with the Plan.²⁰

The Department is required to evaluate the Plan within two years of its submittal date and issue a written assessment.²¹ The assessment is required to include a determination of the Plan's status.²² The GSP Regulations provide three options for determining the status of a Plan: approved,²³ incomplete,²⁴ or inadequate.²⁵

Even when the Department determines a Plan is approved, indicating that it satisfies the requirements of SGMA and is in substantial compliance with the GSP Regulations, the Department may still recommend corrective actions.²⁶ Recommended corrective actions are intended to facilitate progress in achieving the sustainability goal within the basin and the Department's future evaluations, and to allow the Department to better evaluate whether implementation of the Plan adversely affects adjacent basins. While the issues addressed by the recommended corrective actions in an approved Plan do not, at the time the determination was made, preclude its approval, the Department recommends that the issues be addressed to ensure the Plan's implementation continues to be consistent with SGMA and the Department is able to assess progress in achieving the basin's sustainability goal.²⁷ Unless otherwise noted, the Department proposes that recommended corrective actions be addressed by the submission date for the first periodic assessment.²⁸

After review of the Plan, Department staff may conclude that the information provided is not sufficiently detailed, or the analyses not sufficiently thorough and reasonable, to evaluate whether it is likely to achieve the sustainability goal for the basin. If the

¹⁶ 23 CCR §§ 355.4(b)(1), (3), (4) and (5).

¹⁷ 23 CCR § 355.4(b)(9).

¹⁸ 23 CCR § 355.4(b)(6).

¹⁹ 23 CCR § 355.4(b)(2).

²⁰ 23 CCR § 355.4(b)(10).

²¹ Water Code § 10733.4(d); 23 CCR § 355.2(e).

²² Water Code § 10733.4(d); 23 CCR § 355.2(e).

²³ 23 CCR § 355.2(e)(1).

²⁴ 23 CCR § 355.2(e)(2).

²⁵ 23 CCR § 355.2(e)(3).

²⁶ Water Code § 10733.4(d).

²⁷ Water Code § 10733.8.

²⁸ 23 CCR § 356.4.

Department determines the deficiencies precluding approval may be capable of being corrected by the GSA in a timely manner,²⁹ the Department will determine the status of the Plan to be incomplete. A Plan deemed incomplete may be revised and resubmitted to the Department for reevaluation of whether all deficiencies have been addressed and incorporated into the Plan within 180 days after the Department makes its incomplete determination. The Department will review the revised Plan to evaluate whether the identified deficiencies were sufficiently addressed. Depending on the outcome of that evaluation, the Department may determine the resubmitted Plan is approved. Alternatively, the Department may find a formerly deemed incomplete GSP is inadequate if, after consultation with the State Water Resources Control Board, it determines that the GSA have not taken sufficient actions to correct any identified deficiencies.³⁰

The staff assessment of the Plan involves the review of information presented by the GSAs, including models and assumptions, and an evaluation of that information based on scientific reasonableness. In conducting its assessment, the Department does not recalculate or reevaluate technical information provided in the Plan or perform its own geologic or engineering analysis of that information. The recommendation to approve a Plan does not signify that Department staff, were they to exercise the professional judgment required to develop a Plan for the basin, would make the same assumptions and interpretations as those contained in the Plan, but simply that Department staff have determined that the assumptions and interpretations relied upon by the submitting GSA are supported by adequate, credible evidence, and are scientifically reasonable.

Lastly, the Department's review and assessment of an approved Plan is a continual process. Both SGMA and the GSP Regulations provide the Department with the ongoing authority and duty to review the implementation of the Plan.³¹ Also, GSAs have an ongoing duty to reassess their GSPs, provide annual reports to the Department, and, when necessary, update or amend their GSPs.³² The passage of time or new information may make what is reasonable and feasible at the time of this review to not be so in the future. The emphasis of the Department's periodic reviews will be to assess the GSA's progress toward achieving the basin's sustainability goal and whether implementation of the Plan adversely affects the ability of GSA in adjacent basins to achieve their sustainability goals.

2 REQUIRED CONDITIONS

A GSP, to be evaluated by the Department, must be submitted within the applicable statutory deadline.³³ The GSP must also be complete and must, either on its own or in coordination with other GSPs, cover the entire basin. If a GSP is determined to be

²⁹ 23 CCR § 355.2(e)(2)(B)(i).

³⁰ 23 CCR § 355.2(e)(3)(C).

³¹ Water Code § 10733.8; 23 CCR § 355.6.

³² Water Code §§ 10728, 10728.2.

³³ Water Code § 10720.7.

incomplete, Department staff may require corrective actions that address minor or potentially significant deficiencies identified in the GSP. The GSA must sufficiently address those required corrective actions within the time provided, not to exceed 180 days, for the GSP to be reevaluated by the Department and potentially approved.

2.1 SUBMISSION DEADLINE

SGMA required basins categorized as high- or medium-priority as of January 1, 2017, to submit a GSP no later than January 31, 2022.³⁴

The GSAs submitted the Colusa GSP to the Department on January 28, 2022, in compliance with the statutory deadline.

2.2 COMPLETENESS

GSP Regulations specify that the Department shall evaluate a GSP if that GSP is complete and includes the information required by SGMA and the GSP Regulations.³⁵

The GSA submitted an adopted GSP for the entire Subbasin. Department staff found the Colusa GSP to be complete and include the required information, sufficient to warrant an evaluation by the Department. Therefore, the Department posted the GSP to its website on February 7, 2022.

2.3 BASIN COVERAGE

A GSP, either on its own or in coordination with other GSPs, must cover the entire basin.³⁶ A GSP that intends to cover the entire basin may be presumed to do so if the basin is fully contained within the jurisdictional boundaries of the submitting GSA.

The GSP intends to manage the entire Colusa Subbasin and the jurisdictional boundaries of the submitting GSA appear to cover the entire Subbasin.

3 PLAN EVALUATION

As stated in Section 355.4 of the GSP Regulations, a basin “shall be sustainably managed within 20 years of the applicable statutory deadline consistent with the objectives of the Act.” The Department’s assessment is based on a number of related factors including whether the elements of a GSP were developed in the manner required by the GSP Regulations, whether the GSP was developed using appropriate data and methodologies and whether its conclusions are scientifically reasonable, and whether the GSP, through the implementation of clearly defined and technically feasible projects and management actions, is likely to achieve a tenable sustainability goal for the basin.

³⁴ Water Code § 10720.7(a)(2).

³⁵ 23 CCR § 355.4(a)(2).

³⁶ Water Code § 10727(b); 23 CCR § 355.4(a)(3).

Department staff have identified deficiencies in the GSP, the most serious of which preclude staff from recommending approval of the GSP at this time. Department staff believe the GSA may be able to correct the identified deficiencies within 180 days. Consistent with the GSP Regulations, Department staff are providing corrective actions related to the deficiencies, detailed below, including the general regulatory background, the specific deficiency identified in the GSP, and the specific actions to address the deficiency.

Department staff have concluded the GSP as proposed does not conform with the requirements of SGMA and is not likely to achieve the sustainability goals for the basin. The GSP does not sufficiently identify and propose management for current conditions including the overdraft, chronic lowering of groundwater levels, and land subsidence. The GSP does not establish sustainable management criteria that considered effects on the full range of known beneficial uses and users, such as domestic wells and critical infrastructure.

3.1 DEFICIENCY 1. THE GSP DOES NOT INCLUDE A REASONABLE ASSESSMENT OF OVERDRAFT CONDITIONS AND REASONABLE MEANS TO MITIGATE OVERDRAFT.

3.1.1 Background

For basins where overdraft conditions occur, the GSP Regulations require a Plan to quantify the overdraft over a period of years during which water year and water supply conditions approximate average conditions.³⁷ Furthermore, the Plan must describe projects or management actions, including quantification of demand reduction or other methods, for the mitigation of overdraft and achievement of the sustainability goal for the basin.³⁸

As part of the Department's evaluation, staff assess whether the Plan provides a reasonable assessment of overdraft conditions and includes reasonable means to mitigate overdraft, if present.³⁹ To substantially comply with the GSP Regulations,⁴⁰ the assessment provided in the Plan must be supported with sufficiently detailed information and the analyses must be sufficiently thorough and reasonable. Discussion and analyses in a Plan must be detailed and thorough enough for Department staff to evaluate if any discrepancy in the information provided in the Plan may materially affect the ability of the Agency to achieve the sustainability goal for the basin.

3.1.2 Deficiency Details

The GSP Regulations require the Department to evaluate whether the Plan includes a reasonable assessment of overdraft conditions and includes a reasonable means to

³⁷ 23 CCR § 354.18(b)(5).

³⁸ 23 CCR §§ 354.44(a) and 354.44(b)(2).

³⁹ 23 CCR § 355.4 (b)(6).

⁴⁰ 23 CCR § 355.4 (b).

mitigate overdraft.⁴¹ While the GSP presents information about overdraft, it is unclear whether this assessment is reasonable or uses the best available information, because the GSP's reported overdraft varies greatly from recent change in groundwater storage data. Furthermore, the projects and management actions proposed in the GSP, which have been developed to address the projected overdraft conditions, do not appear to be sufficient to mitigate the actual overdraft conditions in the Subbasin. Department staff have identified this as a deficiency that should preclude plan approval at this time. The following section describes specific details about the deficiency and outlines one or more corrective actions the GSAs must take to address to correct it.

The GSP presents conflicting information about overdraft occurring in the Subbasin. While the Plan acknowledges overdraft is observed in the Subbasin in the historical and projected water budgets, the current water budget shows a positive change in storage. The historical water budget, which reflects the period from 1990 to 2015, estimates an average negative change in groundwater storage (overdraft) of 28,000 acre-feet per year (AFY).⁴² The change in storage figure provided in the GSP shows annual overdraft has increased recently resulting in an overdraft of approximately 1,000,000 acre-feet from 2006 to 2015.⁴³ However, the Plan's current water budget shows an increase in storage of 1,000 AFY. The projected water budget with future land use and climate change anticipates an increase in groundwater pumping by 58,000 AFY yet presents a lower value of overdraft of 7,300 AFY (cumulative change in groundwater storage of -365,000 acre-feet) over the 50-year implementation horizon.⁴⁴

Since the GSP submittal, annual report data submitted to the Department demonstrates that groundwater storage within the Subbasin has dramatically decreased, deviating from the values reported in the GSP for the historical and projected water budgets. Specifically, the overdraft reported for water year (WY) 2021 (which represents change between October 1, 2020, and September 30, 2021) was -418,000 acre-feet and -377,170 acre-feet for WY 2022.⁴⁵ Combined, these values represent a loss of storage of over 795,000 acre-feet in just a two-year period, which is more than double the anticipated overdraft predicted over the 50-year implementation horizon. Department staff recognize WY 2021 and WY 2022 were critically dry years; however, the magnitude of the loss of storage observed during these two years is significantly greater than the average value provided in the historical water budget of -166,000 acre-feet for the previous critically dry water year types, indicating that overdraft is increasing.⁴⁶ Based on a review of the information included in the GSP and annual reports, and the discrepancies in the reported projections of overdraft, Department staff are unable to conclude the GSAs have included a

⁴¹ 23 CCR § 355.4(b)(6).

⁴² Colusa Subbasin GSP, Table 3-12, p. 215.

⁴³ Colusa Subbasin GSP, Figure 3-29, p. 184.

⁴⁴ Colusa Subbasin GSP, Section 3.3.6, p. 229.

⁴⁵ Department of Water Resources, SGMA Portal, Annual Report Module, WY 2021 and WY 2022 Data, Reported Overdraft, Colusa Subbasin.

⁴⁶ Colusa Subbasin GSP, Table 3-13, p. 218.

reasonable assessment of overdraft conditions for the Subbasin based on the best available information. (See [Corrective Action 1a](#)).

GSP Regulations require the Department to evaluate whether the Plan includes a reasonable means to mitigate overdraft.⁴⁷ While the GSP documents a projected groundwater overdraft in the Subbasin of 7,300 AFY, Department staff believe the actual overdraft the GSAs will be required to mitigate is likely much more based on information included in the GSP and annual reports. The GSP proposes an adaptive management approach with planned projects and management actions to address groundwater level declines in the Orland and Arbuckle areas and a portfolio of other ongoing and potential projects to achieve sustainability across the Subbasin.⁴⁸ The planned projects all involve reducing groundwater pumping by securing more surface water for direct application or in-lieu groundwater recharge.

The GSP states that the expected benefits of all planned projects will provide more than 80,000 AFY to the Subbasin at full implementation and “are expected to address potential sustainability concerns in the projected future conditions water budgets, even under the effects of 2070 CT climate change.”⁴⁹ However, Department staff note the GSP states that certain projects will not be available for implementation during critically dry years and two of the projects described as ongoing are described as having expiring contracts so the actual benefits of these projects may be lower than the projected values. Further, given the recent reduction of groundwater storage of 795,000 acre-feet in the last two years, it would take nearly ten years of these projects being fully implemented combined with the Subbasin operating within its sustainable yield to offset this loss of storage. While SGMA states that overdraft during a period of drought is not sufficient to establish an undesirable result for the chronic lowering of groundwater levels, this is contingent on the GSAs managing extractions and recharge as necessary to ensure that reductions in groundwater levels or storage are offset by increases in groundwater levels or storage during other periods.⁵⁰ Based on the information contained in the GSP, it does not appear the GSAs have proposed a suite of projects and management actions that will be sufficient to offset the recent overdraft observed in the Subbasin. The GSAs do not appear to have an urgency to implement the necessary projects and management actions to mitigate overdraft and Department staff are concerned that continued overdraft will exacerbate the current problems the basin is experiencing, which include dry wells and worsening land subsidence. Accordingly, for the above reasons, Department staff cannot conclude that the GSP has presented a reasonable means to mitigate overdraft (see [Corrective Action 1b](#)).

⁴⁷ 23 CCR § 355.4(b)(6).

⁴⁸ Colusa Subbasin GSP, Chapter 6, p. 301.

⁴⁹ Colusa Subbasin GSP, Section 6.2.2, p. 312.

⁵⁰ Water Code § 10721(x)(1).

3.1.3 Corrective Action 1

The GSAs should revise the GSP to provide a reasonable assessment of overdraft conditions using the best available information and describe a reasonable means to mitigate overdraft. Specifically, the Plan must be amended as follows:

- a. Reevaluate the assessment of overdraft conditions in the Subbasin. Specifically, the GSAs should examine the assumptions that were used to develop the current overdraft and the projected overdraft estimates in the projected water budget considering the results vary greatly from the values reported in the recent annual report data. The assessment should include the latest information for the Subbasin to ensure the GSP includes the required projects and management actions to mitigate overdraft in the Subbasin.
- b. Develop and describe a reasonable means to mitigate the overdraft that is continuing to occur in the Subbasin. Specifically, the GSAs should describe proposed management actions that are commensurate with the level of understanding of groundwater conditions in the Subbasin and provide sufficient details for Department staff to be able to clearly understand how the Plan's projects and management actions will mitigate overdraft in the Subbasin under different climate scenarios.

3.2 DEFICIENCY 2. THE GSP DOES NOT ESTABLISH SUSTAINABLE MANAGEMENT CRITERIA FOR CHRONIC LOWERING OF GROUNDWATER LEVELS IN A MANNER SUBSTANTIALLY COMPLIANT WITH THE GSP REGULATIONS.

3.2.1 Background

It is up to the GSA to define undesirable results and describe the effect of undesirable results on the beneficial uses and users of groundwater.⁵¹ From this definition, the GSA establishes minimum thresholds, which are quantitative values that represent groundwater conditions at representative monitoring sites that, when exceeded individually or in combination with minimum thresholds at other monitoring sites, may cause the basin to experience undesirable results.⁵² Put another way, the minimum thresholds represent conditions that, if not exceeded, should prevent the basin from experiencing the undesirable results identified by the GSA. Minimum thresholds for chronic lowering of groundwater levels are the groundwater elevation indicating a depletion of supply at a given location that may lead to undesirable results.⁵³ Quantitative values for minimum thresholds should be supported by information and criteria relied upon to establish and justify the minimum threshold,⁵⁴ and a quantitative description of

⁵¹ 23 CCR § 354.26 (b)(3), § 354.28 (b)(4).

⁵² 23 CCR § 354.28, DWR Best Management Practices for the Sustainable Management of Groundwater: Sustainable Management Criteria (DRAFT), November 2017.

⁵³ 23 CCR § 354.28 (c)(1).

⁵⁴ 23 CCR § 354.28 (b)(1).

how conditions at minimum thresholds may affect the interests of beneficial uses and users of groundwater.⁵⁵

3.2.2 Deficiency Details

Based on its review, Department staff conclude the Plan has not defined sustainable management criteria for chronic lowering of groundwater levels in a manner required by SGMA and the GSP Regulations. Generally, the GSP's descriptions of undesirable results are unclear and justification for the establishment of minimum thresholds is not provided with evidence of the consideration of the interests of beneficial uses and users, and sufficient supporting information is not provided in the GSP. The lack of this information limits Department staff's ability to evaluate whether the criteria are reasonable or whether the GSA plans to operate the Subbasin to avoid undesirable results.⁵⁶

GSP Regulations require that GSAs define undesirable results caused by the chronic lowering of groundwater levels by identifying a significant and unreasonable depletion of supply that is present when an undesirable result occurs.⁵⁷ The GSP describes an undesirable result as: "if sustained groundwater levels are too low to reasonably satisfy beneficial uses and users within the Subbasin over the planning and implementation horizon of this GSP."⁵⁸ The GSP additionally states that an undesirable result would occur "when 25 percent or more of the representative monitoring wells (i.e., 12 of 48 wells) in the Subbasin fall below their minimum groundwater elevation threshold levels for 24 consecutive months."⁵⁹

Department staff have identified deficiencies with how the GSAs have defined undesirable results. The Plan's definition of undesirable results uses undefined qualifying language that renders the meaning indeterminate. The GSP aims to prevent "...levels [that] are too low to reasonably satisfy beneficial uses and users within the Subbasin," as mentioned above. However, the GSP does not define or describe these conditions, or explain who would make this determination. Additionally, without a quantitative definition or clear description of the qualifier "reasonably", it is unclear how the GSAs will identify whether observed impacts would be considered significant and unreasonable. While the GSP includes in its portfolio of potential management actions a domestic well mitigation program, this management action "is currently in the early conceptual stage"⁶⁰ and "would only be implemented if determined to be necessary under future monitoring of the Subbasin."⁶¹ The GSP indicates each GSA will investigate implementing a program in its respective portions of the Subbasin and acknowledge details of the potential programs have yet to be determined. Consequently, the GSP presents no details regarding the action's implementation timeline, criteria for implementation, benefits, or costs and

⁵⁵ 23 CCR § 354.28 (b)(4).

⁵⁶ 23 CCR §§ 354.28(b)(1), 354.28(b)(2), 354.28(b)(3), 354.28(b)(4), 354.28(c)(1).

⁵⁷ 23 CCR § 354.26 (a).

⁵⁸ Colusa Subbasin GSP, Section 5.3.1.1, p. 269.

⁵⁹ Colusa Subbasin GSP, Section 5.3.1.2, p. 270.

⁶⁰ Colusa Subbasin GSP, Table 6-46, p. 384.

⁶¹ Colusa Subbasin GSP, Section 6.5.1, p. 359.

funding. Without more information, Department staff are unable to evaluate when and how the well mitigation program may be implemented or evaluate its potential feasibility and effectiveness at this time.

Additionally, the Plan defines undesirable results as a function of minimum conditions necessary to reasonably satisfy beneficial uses and users of groundwater but does not describe or explain what those conditions would be or how they were determined. This is compounded by the fact that the Plan does not demonstrate how or whether the interests of those beneficial uses and users were considered. As a result, it would not be possible to know whether it was appropriate to the needs of beneficial uses and users in the Subbasin, as determined by the GSAs. The quantification of undesirable results as 25 percent or more of the representative monitoring wells (i.e., 12 of 48 wells) in the Subbasin fall below their minimum groundwater elevation threshold levels for 24 consecutive months is unsatisfactory because the Plan does not explain why this threshold would avoid effects the GSAs have determined to be significant and unreasonable. On the contrary, the values and timing of exceedances appear to be arbitrary.

The lack of specificity in what the GSAs are managing the Subbasin to avoid (i.e., undesirable results) is especially problematic considering current and projected conditions. The Subbasin has already experienced 102 dry wells according to the Household Dry Well Reporting System.⁶² The GSAs have proposed minimum thresholds that will allow at least 20 percent of the Subbasin's 3,500 domestic wells⁶³ (700 wells) to be dewatered. The GSAs have not explained how it was determined the current and projected well outages in the Subbasin are not considered an undesirable result, even though those conditions appear to meet the definition of an undesirable result provided in the GSP (i.e., "sustained groundwater levels are too low to reasonably satisfy beneficial uses and users within the Subbasin"). Department staff conclude the GSAs must reevaluate and clearly define and provide its rationale for when undesirable results occur in the Subbasin, based on a thorough consideration of the interests of beneficial uses and users of groundwater, as required by the GSP Regulations (see [Corrective Action 2a](#)).

The GSP Regulations require GSAs to set the minimum thresholds for chronic lowering of groundwater levels at "the groundwater elevation indicating a depletion of supply at a given location that may lead to undesirable results."⁶⁴ The GSP sets minimum thresholds for the principal aquifer as the deeper value of the 20th percentile of shallowest domestic well depths in the monitoring well's Thiessen polygon, or 50 percent of [historical] range below the historical low groundwater elevation.⁶⁵ The GSAs use the 20th percentile of shallowest domestic well depths for 35 of the 48 representative monitoring sites and 50 percent of the range below the historical low for the remaining 13 representative

⁶² Department of Water Resources, Dry Well Reporting System, Accessed September 2023, <https://mydrywatersupply.water.ca.gov/report/>.

⁶³ Colusa Subbasin GSP, Section 2.1.2.4, p. 88.

⁶⁴ 23 CCR § 354.28(c)(1).

⁶⁵ Colusa Subbasin GSP, Section 5.4.1.1, p. 284.

monitoring sites.⁶⁶ For these 13 sites, the protection of 80 percent of domestic wells does not apply to their Thiessen polygons, and the GSP explains these minimum thresholds were developed to provide adequate operational flexibility to protect the conjunctive use of groundwater for agricultural production.⁶⁷

The GSAs acknowledge some of the minimum thresholds were not developed to represent a depletion of supply that would lead to undesirable results, but instead developed to “protect the conjunctive use of groundwater for agricultural production.”⁶⁸ The GSP does not explain why the value of 50 percent of the range of historical levels was selected or why this threshold represents a depletion of supply. The Plan does not adequately describe the information used to develop the criteria used to establish this minimum threshold,⁶⁹ nor explain how managing the Subbasin to this minimum threshold will avoid the undesirable results it describes and defines. The subjective and vague nature of the GSP’s undesirable result definitions (as discussed above) compounds this problem. Department staff conclude that the minimum thresholds must be revised by the GSAs to be based upon the depletion of supply that would lead to undesirable results (see [Corrective Action 2b](#)).

GSP Regulations require GSAs to consider how conditions at minimum thresholds may affect the interests of beneficial uses and users of groundwater⁷⁰ and require the Department to evaluate whether the interests of those beneficial uses and users were considered.⁷¹ While the GSAs utilized the 20th percentile of domestic well depth to establish the majority of the minimum threshold values, for 13 of the sites they selected a deeper threshold and the potential effects to the beneficial uses and users in these areas is unclear. Further, the GSAs do not describe how allowing more than 20 percent of domestic wells to go dry has considered the interests of these particular beneficial uses and users. Considering that the GSAs have set minimum thresholds substantially below historical lows, the Plan does not provide a clear description of the circumstances under which such impacts would become significant and unreasonable to particular beneficial uses and users. Department staff are unable to determine whether the interests of beneficial uses and users of groundwater, as well as the land uses and property interests potentially affected by the use of groundwater in the Subbasin, have been considered.⁷² The GSAs must identify the number, location, and percentage of all wells that may be impacted at the proposed minimum thresholds that will not receive assistance through the well mitigation program and explain how the interests of beneficial uses and users were considered (see [Corrective Action 2c](#)).

⁶⁶ Colusa Subbasin GSP, Table 5-2, p. 285.

⁶⁷ Colusa Subbasin GSP, Section 5.4.1.1, p. 284.

⁶⁸ Colusa Subbasin GSP, Section 5.4.1.1, p. 284.

⁶⁹ 23 CCR 354.28 (a).

⁷⁰ 23 CCR 354.28 (b)(4).

⁷¹ 23 CCR 355.4 (b)(4).

⁷² 23 CCR § 355.4 (b)(4).

GSP Regulations require GSAs to discuss the relationship between the minimum thresholds for each sustainability indicator, including an explanation of how the GSA has determined that basin conditions at each minimum threshold will avoid undesirable results for each of the sustainability indicators.⁷³ The GSP discusses the relationship between groundwater levels and land subsidence by stating, “The minimum thresholds for groundwater levels are not expected to contribute to undesirable results for inelastic land subsidence, as they are protective of a range around historical groundwater elevations.”⁷⁴ The discussion included in the GSP describing the relationship between land subsidence is insufficient, especially considering areas within the Subbasin are prone to, and have active, land subsidence conditions. The GSP proposes minimum thresholds that allow groundwater levels to drop more than 150 feet in portions of the Subbasin, including substantial declines between 100 and 150 feet near Arbuckle and 50 to 100 feet near Orland in areas experiencing land subsidence. Based on the currently proposed thresholds, it is highly likely the Subbasin will experience ongoing and potentially worsening land subsidence as water levels decline during plan implementation. It is imperative the GSAs include a robust discussion of the relationship between the proposed groundwater level thresholds and land subsidence and analyze how allowing continued declines in the Subbasin will impact land subsidence conditions (see [Corrective Action 2d](#)).

3.2.3 Corrective Action 2

The GSA must provide a more detailed explanation and justification regarding the selection of the sustainable management criteria for groundwater levels, particularly minimum thresholds, and quantitatively describe the effects of those criteria on the interests of beneficial uses and users of groundwater. Department staff recommend the GSA consider and address the following:

- a. Refine the description of undesirable results to clearly describe the significant and unreasonable conditions the GSA is managing the Subbasin to avoid. This must include a quantitative description of the negative effects to beneficial uses and users that would be experienced at undesirable result conditions.⁷⁵ The GSA should fully disclose and describe and explain its rationale for determining the number of wells that may be dewatered and the level of impacts to groundwater dependent ecosystems that may occur without rising to significant and unreasonable levels constituting undesirable results. Lastly, the GSA should explain how potential alternate supplies of water or well mitigation will be considered by the GSA during its management of the Subbasin in a project or management action as part of the GSP. Department staff also encourage the

⁷³ 23 CCR § 354.28 (b)(2).

⁷⁴ Colusa Subbasin GSP, Section 5.4.1.1.1, p. 286.

⁷⁵ 23 CCR § 354.28 (b)(3).

GSAs to review the Department's April 2023 guidance document titled *Considerations for Identifying and Addressing Drinking Water Well Impacts*.⁷⁶

- b. Revise minimum thresholds to be set at the level where the depletion of supply across the Subbasin may lead to undesirable results⁷⁷ and provide the criteria used to establish and justify minimum thresholds.⁷⁸ Fully document the analysis and justifications performed to establish the criteria used to establish minimum thresholds. Clearly show each step of the analysis and provide supporting information used in the analysis.⁷⁹
- c. Provide an evaluation of how minimum thresholds may affect the interests of beneficial uses and users of groundwater or land uses and property interests.⁸⁰ Identify the number and location of wells that may be negatively affected when minimum thresholds are reached. Compare well infrastructure for all well types in the Subbasin with minimum thresholds at nearby, suitably representative, monitoring sites. Document all assumptions and steps clearly so that it will be understood by readers of the GSP. Include maps of potentially affected well locations, identify the number of potentially affected wells by well type, and provide a supporting discussion of the effects.
- d. Analyze how groundwater level minimum thresholds, which allow continued declines in the Subbasin, may impact land subsidence conditions.

3.3 DEFICIENCY 3. THE GSP DOES NOT ESTABLISH SUSTAINABLE MANAGEMENT CRITERIA FOR LAND SUBSIDENCE IN A MANNER SUBSTANTIALLY COMPLIANT WITH THE GSP REGULATIONS.

3.3.1 Background

The GSP Regulations state that minimum thresholds for land subsidence should identify the rate and extent of subsidence that substantially interferes with surface land uses and may lead to undesirable results. These quantitative values should be established in accordance with SGMA and the GSP Regulations, which require information and criteria relied upon to establish and justify the minimum threshold,⁸¹ and how minimum thresholds may affect the interests of beneficial uses and users of groundwater or land uses and property interests,⁸² including maps or graphs showing the rates and extents of

⁷⁶ <https://water.ca.gov/Programs/Groundwater-Management/Drinking-Water-Well>

⁷⁷ 23 CCR 354.28 (c)(1).

⁷⁸ 23 CCR 354.28 (a).

⁷⁹ 23 CCR 354.28 (b)(1).

⁸⁰ 23 CCR 354.28 (b)(4).

⁸¹ 23 CCR § 354.28 (b)(1).

⁸² 23 CCR § 354.28 (b)(4).

land subsidence defined by the minimum thresholds.⁸³ Additionally, the legislative intent of SGMA is to avoid or minimize subsidence.⁸⁴

It is up to the GSAs to define undesirable results and the GSAs must describe the effect of undesirable results on the beneficial uses and users of groundwater.⁸⁵ From this definition, the GSAs establish minimum thresholds, which are quantitative values that represent groundwater conditions at representative monitoring sites that, when exceeded individually or in combination with minimum thresholds at other monitoring sites, may cause the basin to experience undesirable results.⁸⁶ Put another way, the minimum thresholds represent conditions that, if not exceeded, should prevent the Subbasin from experiencing the undesirable results identified by the GSAs.

Minimum thresholds for land subsidence should identify the rate and extent of subsidence that substantially interferes with surface land uses and may lead to undesirable results. These quantitative values should be supported by the identification of land uses and property interests that have been affected, or are likely to be affected, by land subsidence in the Subbasin, including an explanation of how the GSAs have determined and considered those uses and interests, and the GSAs' rationale for establishing minimum thresholds in light of those effects.⁸⁷ Further, quantitative values for minimum thresholds should be supported by information and criteria relied upon to establish and justify the minimum threshold,⁸⁸ and a quantitative description of how conditions at minimum thresholds may affect the interests of beneficial uses and users of groundwater.⁸⁹

3.3.2 Deficiency Details

Based on its review, Department staff conclude the Plan has not defined sustainable management criteria for land subsidence in a manner required by SGMA and the GSP Regulations. Generally, descriptions of undesirable results are unclear, justification for the establishment of minimum thresholds is not provided with evidence of the consideration of the interests of beneficial uses and users, and sufficient supporting information is not provided in the GSP. The lack of these details does not allow Department staff to evaluate whether the criteria are reasonable or whether the GSAs plan to operate the Subbasin to avoid undesirable results.⁹⁰

The GSP defines undesirable results for land subsidence in the Subbasin as “a result that would cause significant and unreasonable impacts to critical infrastructure over the planning and implementation horizon of this GSP.”⁹¹ Department staff regard this

⁸³ 23 CCR § 354.28(c)(5).

⁸⁴ Water Code § 10720 (e).

⁸⁵ 23 CCR § 354.26 (b)(3), § 354.28 (b)(4).

⁸⁶ 23 CCR § 354.28, DWR Best Management Practices for the Sustainable Management of Groundwater: Sustainable Management Criteria (DRAFT), November 2017.

⁸⁷ 23 CCR § 354.28 (c)(5)(A).

⁸⁸ 23 CCR § 354.28 (b)(1).

⁸⁹ 23 CCR § 354.28 (b)(4).

⁹⁰ 23 CCR §§ 354.28(b) *et seq.*, 354.28(c)(5) *et seq.*

⁹¹ Colusa Subbasin GSP, Section 5.3.5.1, p. 278.

definition to be problematic. Although the GSP provides a general list of critical infrastructure, the GSP does not identify specific infrastructure that the GSA deems “critical” or indicate what effect subsidence would have on that infrastructure and explain the point at which those impacts would become “significant and unreasonable”. The GSP states that “the Subbasin has extensive networks of pipelines and open canals and drains owned by various surface water suppliers that are used to convey irrigation and drain water. These networks are likely the existing infrastructure most sensitive to land subsidence.”⁹² However, the GSP does not identify specific infrastructure susceptible to land subsidence or describe what constitutes significant and unreasonable effects. Without specific information describing the features susceptible to experiencing adverse impacts due to subsidence and the point at which the GSA considers those impacts to be significant and unreasonable, Department staff are not able to evaluate whether the Plan has adopted a reasonable approach to avoid those impacts.

The GSP provides some information about infrastructure that is susceptible to subsidence. The GSP states that “the Subbasin has extensive networks of pipelines and open canals and drains owned by various surface water suppliers that are used to convey irrigation and drain water. These networks are likely the existing infrastructure most sensitive to land subsidence.”⁹³ The GSP provides a map of streams, rivers, and water conveyance features.⁹⁴ However, the GSP does not identify specific infrastructure susceptible to land subsidence or describe what constitutes significant and unreasonable effects. Department staff recommend the GSAs identify critical infrastructure susceptible to land subsidence and describe what constitutes significant and unreasonable effects for land subsidence in the Subbasin (see [Corrective Action 3a](#)).

When updating its definition of undesirable results, the GSA will need to determine conditions that would be significant and unreasonable even if they occur locally. Department staff note that the proposed definition of undesirable results could potentially lead to localized significant and unreasonable impacts within the Subbasin without them being considered undesirable results by the GSAs, and as a result, may end up being insufficiently protective of the interests of beneficial uses and users of groundwater in the Subbasin, including infrastructure features of concern identified by the GSA. Additionally, in reviewing the Department’s InSAR subsidence data, Department staff note that the subsidence rate has increased significantly in localized areas near Orland (up to 0.5 feet per year) and Arbuckle (up to 0.8 feet per year) between July 2021 and July 2023, and that a water-conveyance facility, the Tehama-Colusa Canal, runs through these areas. Department staff recommend the GSAs revise the definition of undesirable results to specifically identify and quantify of subsidence cause significant and unreasonable effects on beneficial uses and users of groundwater caused by land subsidence and define the

⁹² Colusa Subbasin GSP, Section 5.4.5.1, p. 293.

⁹³ Colusa Subbasin GSP, Section 5.4.5.1, pp. 292-293.

⁹⁴ Colusa Subbasin GSP, Figure 3-6, p.129.

narrowest geographic extent of basin conditions that could lead to such results (see [Corrective Action 3b](#)).

Because the legislative intent of SGMA is to avoid or minimize subsidence.⁹⁵ Considering the Subbasin has significant recent subsidence and contains infrastructure that the GSP identifies as susceptible to subsidence, that the GSAs should identify the total cumulative amount of subsidence that can occur without causing significant and unreasonable impacts to the beneficial uses and users of groundwater, surface land uses, and property interests, all of which must be clearly defined. The total cumulative amount of subsidence should consider the conditions necessary to minimize or halt subsidence during GSP implementation and maintain those conditions once sustainability has been achieved on or before 2042 (see [Corrective Action 3c](#)).

Additionally, the GSAs do not intend to assess exceedances of minimum thresholds until Sacramento Valley benchmarks are resurveyed and five years of subsidence has been measured. GSAs may use the Sacramento Valley benchmarks data, collected and made available through the Department's Ground Surface Displacement - Land Subsidence Monitoring program, but that monitoring program was not designed for and would not provide information sufficient to track subsidence for SGMA purposes. Despite this, the GSP does not provide any commitment to a monitoring schedule for the land subsidence network, which may lead to periods of more than five years without measurements to assess subsidence and the potential for undesirable results that may require responsive action. Because of the infrequent schedule of monitoring, the Sacramento Valley benchmark surveying network will not be sufficient to detect gradual changes in subsidence or identify the exceedance of minimum thresholds in time to prevent significant impacts to beneficial uses and users of groundwater. As such, the Plan's proposal to monitor subsidence would not provide the short-term information required by the GSP regulations.⁹⁶ Considering the Department provides quarterly updates for monthly InSAR subsidence data covering much of the Subbasin, the GSP does not address or explain why the GSAs have decided to not utilize this reliable data source to assess whether management is causing significant and unreasonable effects to surface land uses. Further, Department staff cannot conclude the GSP's proposed monitoring for subsidence during GSP Plan implementation is utilizing the best available information. The GSAs must provide a clear schedule for land subsidence monitoring and describe how the monitoring data will be evaluated to determine if undesirable results are occurring in the Subbasin (see [Corrective Action 3d](#)).

Under SGMA, subsidence must be minimized or eliminated. Given the occurrence and increasing rates of subsidence in the Colusa Subbasin, the GSP must include specific actions that will be taken to minimize subsidence (see [Corrective Action 3e](#)).

⁹⁵ Water Code § 10720 (e).

⁹⁶ 23 CCR § 354.34(a).

3.3.3 Corrective Action 3

The GSAs must provide a more detailed explanation and justification regarding the selection of the sustainable management criteria, monitoring method, and projects or management actions related to land subsidence. Department staff recommend the GSAs consider and address the following:

- a. Identify facilities and/or structures, land uses and property interests that may be susceptible to impacts from land subsidence and should quantify the amount of land subsidence that would result in functional impacts to that infrastructure. The GSAs should describe the rationale and any analysis performed to inform the quantification of undesirable results in these areas. Provide maps and graphs showing the extent and rate of land subsidence in the basin at the minimum threshold.⁹⁷
- b. Provide the information and criteria relied upon to establish and justify the minimum threshold.⁹⁸ Describe how the interests of beneficial uses and users may be affected if conditions reach minimum thresholds.⁹⁹
- c. Revise the individual minimum thresholds to identify the rate and extent of land subsidence that substantially interferes with surface land uses and may lead to undesirable results. Identify a cumulative amount of tolerable subsidence that, if exceeded, would substantially interfere with groundwater and land surface beneficial uses and users in the Subbasin. The GSAs should also explain how the rate and extent of any future subsidence permitted in the Subbasin may interfere with surface land uses.
- d. Provide a clear schedule for more frequent land subsidence monitoring using the best available data and describe how the monitoring data will be evaluated to determine if undesirable results are occurring in the Subbasin. If the GSAs determine not to use available InSAR data, the GSAs should provide support and justification for why an alternative approach that excludes InSAR data is reasonable and uses the best available information.
- e. Provide specific details and schedule for projects or management actions that will be implemented to minimize or eliminate subsidence. The projects or management actions must be supported by best available information and science¹⁰⁰ and take into account the level of uncertainty associated with the Subbasin.¹⁰¹

⁹⁷ 23 CCR § 354.28 (c)(5) *et seq.*

⁹⁸ 23 CCR § 354.28 (b)(1).

⁹⁹ 23 CCR § 354.28 (b)(4).

¹⁰⁰ 23 CCR § 354.44 (c).

¹⁰¹ 23 CCR § 354.44 (d).

4 STAFF RECOMMENDATION

Department staff believe that the deficiencies identified in this assessment should preclude approval of the GSP for the Sacramento Valley – Colusa Subbasin. Department staff recommend that the GSP be determined incomplete.

Task Order Agreement for Professional Engineering Services

To: Carol Thomas-Keefer
Program Manager
Colusa Groundwater Authority

From: Katherine Klug
Davids Engineering, Inc.

Date: November 17, 2023

Project name: Colusa Subbasin GSP Revisions

Project #: 1173.04

1 Scope of Services

The professional services to be performed by Davids Engineering, Inc. (DE or CONSULTANT) for Colusa Groundwater Authority (CGA or CLIENT) under this AGREEMENT are described by written task orders made pursuant to and referencing this AGREEMENT. A sample task order form is shown in Attachment A, but other forms may be used as mutually agreed between CONSULTANT and CLIENT.

2 Compensation

CLIENT will compensate CONSULTANT on the basis of labor plus direct expenses. Compensation will not exceed the estimated budgets specified by task orders without prior written authorization by CLIENT. CONSULTANT labor will be charged according to the hourly rates listed in Attachment B. Direct expenses will be billed without markup. Vehicle and equipment usage will be charged at the rates indicated in Attachment C.

3 Other Terms

Professional services covered by this AGREEMENT will be performed in accordance with the PROVISIONS and any attachments or schedules, incorporated herein by reference. This AGREEMENT is binding, represents the entire agreement of CLIENT and CONSULTANT concerning the subject matter hereof, and supersedes all prior agreements and understandings and may only be changed by written amendment executed by both parties.

4 Task Order Agreement Signatures

Approved for CLIENT

Signed: _____

Name: _____

Title: _____

Date: _____

Accepted for Davids Engineering, Inc.

Signed: _____

Name: _____

Title: _____

Date: _____

5 Provisions

1. Authorization to Proceed

Authorization for CONSULTANT to proceed with the work described in subsequent written task orders will be concurrent with the execution of said task orders as described in this AGREEMENT.

2. Labor Rates

CONSULTANT's Labor Rates are those hourly rates charged for work performed on the PROJECT by CONSULTANT's employees of the indicated labor classifications. These rates are subject to annual calendar year adjustments and include all allowances for salary, overheads, and fee, but do not include allowances for Direct Expenses.

3. Direct Expenses

CONSULTANT's direct expenses are those necessary costs and charges incurred for the PROJECT including, but not limited to: (1) the direct costs of transportation, meals and lodging, mail, sub-contractors and outside services; special CLIENT-approved PROJECT-specific insurance, letters of credit, bonds, and equipment and supplies; (2) CONSULTANT's current standard rate charges for direct use of CONSULTANT's vehicles, computing systems, printing and reproduction services.

4. Cost Opinions

Any cost opinions or PROJECT economic evaluations provided by CONSULTANT will be on a basis of experience and judgment, but, since CONSULTANT has no control over market conditions or bidding procedures, CONSULTANT cannot warrant that bids, ultimate construction cost, or PROJECT economics will not vary from these opinions.

5. Standard of Care

The standard of care applicable to CONSULTANT services will be the degree of skill and diligence normally employed by professional engineers or consultants performing the same or similar services at the time CONSULTANT's services are performed.

6. Insurance

During the term of this AGREEMENT, CONSULTANT shall maintain worker's compensation and employer's liability insurance as required by California law and comprehensive automobile insurance and general liability insurance that provide protection for claims which may arise out of CONSULTANT's performance under this AGREEMENT. The amount of such comprehensive automobile and general liability insurance coverages shall be not less than a single limit coverage applying to bodily and personal injury liability and property damage of \$1,000,000 each occurrence and \$2,000,000 annual aggregate. CONSULTANT will maintain professional errors and omissions insurance of \$1,000,000 each occurrence and \$1,000,000 annual aggregate during the term of this AGREEMENT.

7. Termination

This AGREEMENT may be terminated by CLIENT for convenience on 30 days' written notice. CONSULTANT may terminate this AGREEMENT only upon the breach of same by CLIENT. If either party defaults in the performance of this AGREEMENT or materially breaches any of its PROVISIONS, the non-breaching party may terminate this agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party, or five business days after

mailing of notice, whichever occurs first. For purposes of this PROVISION, material breach of the AGREEMENT includes, but is not limited to: CLIENT's failure to pay CONSULTANT any compensation due as provided for in PROVISION 8; or CLIENT's or CONSULTANT's material breach of any representation or agreement contained in this AGREEMENT. On termination, CONSULTANT will immediately cease performing any further services under this AGREEMENT, and will be paid for all work performed up to the termination date plus termination expenses such as, but not limited to, reassignment of personnel, subcontract termination costs, and related closeout costs. If no notice of termination is given, relationships and obligations created by this AGREEMENT will be terminated upon completion of all applicable requirements of this AGREEMENT.

8. Payment to CONSULTANT

Monthly invoices will be issued by CONSULTANT for all work performed under this AGREEMENT. Invoices are due and payable on receipt. Interest at a rate of 1 percent per month, or that permitted by law if lesser, will be charged on all past-due amounts starting 45 days after date of invoice. Payments will first be credited to interest and then to principal. In the event of a disputed or contested billing, only that portion so contested will be withheld from payment, and the undisputed portion will be paid. CLIENT will exercise reasonableness in contesting any bill or portion thereof.

9. Indemnity

CONSULTANT shall indemnify (but not defend) CLIENT and its directors, officers, agents, and employees for and against liability or loss, including litigation costs and expenses and attorney fees, to the extent caused by the negligence or willful misconduct of CONSULTANT, or its agents, employees, or subcontractors, or of other persons for whom CONSULTANT is legally responsible, in connection with this AGREEMENT or the prosecution of work under it, except for liability or loss arising from CLIENT's willful misconduct or negligence. Indemnity shall extend to liability or loss occurring after completion of the work, as well as during the work's progress. CONSULTANT specifically agrees that this indemnification agreement includes indemnity for any claims, damages or liability for injuries (including death) incurred or sustained by CONSULTANT's own employees.

CLIENT shall indemnify CONSULTANT and its directors, officers, agents, and employees for and against liability or loss, including litigation costs and expenses and attorney fees, to the extent caused by the negligence or willful misconduct of CLIENT, or its agents, employees, or subcontractors, or of other persons for whom CLIENT is legally responsible, in connection with this AGREEMENT or the prosecution of work under it, except for liability or loss arising from CONSULTANT's willful misconduct or negligence. Indemnity shall extend to liability or loss

occurring after completion of the work, as well as during the work's progress. CLIENT specifically agrees that this indemnification agreement includes indemnity for any claims, damages or liability for injuries (including death) incurred or sustained by CLIENT's own employees.

10. Relationship of the Parties

It is mutually understood and expressly agreed that the obligations under this AGREEMENT are of an independent contractor, and not as an employee of CLIENT. Accordingly, CONSULTANT will not be eligible for any of CLIENT's employee benefits, and CLIENT will have no duty to make any deduction or withholding from the consulting fees or reimbursements.

11. No Third Party Beneficiaries

This AGREEMENT gives no rights or benefits to anyone other than CLIENT and CONSULTANT and has no third party beneficiaries. CONSULTANT's services are defined solely by the AGREEMENT, and not by any other contract or AGREEMENT that may be associated with the Project.

12. Assignments

This is a bilateral personal services AGREEMENT. Neither party shall have the power to or will assign any of the duties or rights or any claim arising out of or related to this AGREEMENT, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. These conditions and the entire AGREEMENT are binding on the heirs, successors, and assigns of the parties hereto.

13. Force Majeure

Neither CONSULTANT nor CLIENT shall be liable to the other for damages or delay in performing under this AGREEMENT, or for the direct or indirect costs resulting from such delay, arising out of labor strikes, riot, public disturbances, war, fire, accidents, extraordinary weather conditions or natural catastrophes, or any other cause beyond the control of either party.

14. AGREEMENT Not Exclusive

This AGREEMENT is understood and agreed not to be exclusive as both CLIENT and CONSULTANT reserve the right to enter into arrangements for consulting services with others.

15. Limitation of Liability/Waiver of Consequential Damages

To the maximum extent permitted by law, CONSULTANT's liability to CLIENT and all other consultants, contractors and subcontractors on the PROJECT arising from CONSULTANT's negligent acts, errors and omissions or breach of this AGREEMENT shall be limited, such that the total aggregate liability of CONSULTANT to all those named shall not exceed CONSULTANT's total compensation received from CLIENT for the services rendered under this AGREEMENT. CLIENT agrees that in no instance shall CONSULTANT be

responsible, in whole or in part, for the negligent errors or omissions of any other party, including other consultants or contractors. This limitation shall apply regardless of the cause of action or legal theory asserted. CLIENT and CONSULTANT waive punitive and consequential damages for claims, disputes or other matters in question arising out of or relating to this AGREEMENT, including, without limitation, rental expenses, indirect loss or damage of any kind, losses of use, income, profit, financing, business and reputation, and additional financing costs.

16. Rights in Result of Services

The results or products of CONSULTANT's services under this AGREEMENT shall be, upon full payment of the amounts owed to CONSULTANT hereunder, the property of CLIENT, including all documents (including without limitation, all writings, drawings, blueprints, pictures, recordings, computer or machine readable data, and all copies or reproductions thereof) which describe or relate to the services performed or to be performed pursuant to this AGREEMENT or the results thereof, and shall be delivered to CLIENT upon request, except for one copy, which may be retained by CONSULTANT for CONSULTANT's files. CLIENT shall defend, indemnify and hold harmless CONSULTANT from and against any claims, liabilities or losses, including litigation costs and expenses and attorneys' fees, arising out of the use of the results or products of CONSULTANT's services other than on the PROJECT.

17. CONSULTANT'S Qualifications

CONSULTANT is experienced and qualified to perform the Services and is authorized to do business in the State of California. CONSULTANT has, and shall maintain at all times it is performing the Services, sufficient facilities, expertise, staff, assets and other resources to perform its duties under this AGREEMENT. CONSULTANT holds, and shall maintain at all times it is performing the Services, all licenses, permits or other certifications necessary to perform its duties under this AGREEMENT. CONSULTANT is in compliance with and shall continue to comply with all laws that apply to it, subject to the right of reasonable contest. CONSULTANT is a corporation, duly organized, validly existing and in good standing under the laws of the State of California, and has the full right, power and authority to enter into this AGREEMENT and to perform all of the obligations and liabilities of CONSULTANT required to be performed hereunder.

18. Hazardous Materials

CONSULTANT shall have no duty to identify, discover, handle, remove or remediate any hazardous materials or

toxic substances ("Hazardous Materials") in any form. To the fullest extent permitted by law, CLIENT shall indemnify, defend and hold harmless CONSULTANT from and against any claim, defense costs, damages or liability which in any way arises out of the presence, alleged presence of, or alleged exposure to Hazardous Materials.

19. Sole Corporate Remedy

It is intended by the parties to this AGREEMENT that CONSULTANT's services in connection with the PROJECT shall not subject CONSULTANT's individual employees, officers, directors or principals to any personal legal exposure for the risks associated with this PROJECT. Therefore, and notwithstanding anything to the contrary contained herein, the CLIENT agrees that as the CLIENT's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against Davids Engineering, Inc, a California corporation, and not against any of CONSULTANT's employees, officers, directors, or principals.

20. Notices

Any notices required to be given under this AGREEMENT by either party to the other may be effected by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices must be addressed to the parties at the addresses appearing on the first page of this AGREEMENT, but either party may change the address by giving written notice in accordance with this PROVISION. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of the day of receipt or the fifth day after mailing, whichever occurs first.

21. Governing Law/Venue

This AGREEMENT will be governed by and construed in accordance with the laws of the State of California. Venue for any dispute shall be in the county where the PROJECT is located.

22. SEVERABILITY

If any provision of this AGREEMENT is held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this AGREEMENT is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

Attachment A

Sample Task Order for Professional Engineering Services

To: <Contact name>
<Contact title>
<Client name>

From: <Name>
Davids Engineering, Inc.

Date: <Date>

Project name: <Project name>

Project #: <ClientNumber.ProjectNumber>

Task name: <Task name>

Task order #: <Task order number>

Davids Engineering, Inc. (DE or CONSULTANT) is pleased to provide this proposal to <Client> (CLIENT) to prepare/develop, assess, etc. <"what"> to <"general objective">. Pursuant to the Task Order Agreement for Professional Services between CLIENT and CONSULTANT dated <Agreement date>, CLIENT desires and CONSULTANT agrees to perform the services according to the following terms.

1. Task Order Overview and Objective

<Why?>

2. Task Order Approach

<How?>

3. Task Order Description

3.1. Scope of Services

The scope of services to be performed by Davids Engineering is organized into XX tasks as described below:

1. <Task 1>

3.2. Deliverables

The following deliverable(s) will be provided to <Client>:

1. <Deliverable 1>

3.3. Assumptions

The following assumptions were made in developing this proposal. To the extent that these assumptions do not hold true, the effort and therefore the cost and schedule required to perform the services could be affected.

1. <Assumption 1>

3.4. Schedule

DE proposes to complete all work by <date>. Work will progress to meet milestones on a timeline as defined in the table below. Delays in the notice to proceed from <Client> will result in corresponding delays or shifts to the subsequent milestones. Schedule implications or deviations from the milestone dates that occur during the work will be made known to <Client> as soon as practicable.

3.5. Costs

CONSULTANT costs associated with performing this task order will be billed to the CLIENT on a time and materials basis not to exceed <\$\$\$> without prior written authorization.

<Insert budget table>

4. Task Order Signatures

Approved for CLIENT

Signed: _____

Name: _____

Title: _____

Date: _____

Accepted for Davids Engineering, Inc.

Signed: _____

Name: _____

Title: _____

Date: _____

Attachment B

Labor Rate Schedule

2023 Rate Schedule

Labor Rates (Effective January 1, 2023)

Labor Classification	Hourly Rate ¹	Labor Classification	Hourly Rate ¹
Engineering Team		Technical Team	
Senior Principal Engineer	\$258	Supervising Technician	\$172
Principal Engineer	\$245	Senior Technician	\$157
Supervising Engineer	\$224	Associate Technician II	\$150
Senior Engineer	\$205	Associate Technician I	\$141
Associate Engineer II	\$195	Staff Technician II	\$132
Associate Engineer I	\$184	Staff Technician I	\$122
Staff Engineer II	\$172	Assistant Technician II	\$104
Staff Engineer I	\$159	Assistant Technician I	\$89
Assistant Engineer II	\$135	Intern Team	
Assistant Engineer I	\$117	Intern II	\$76
Specialist Team ²		Intern I	\$53
Supervising Specialist	\$202	Client Intern ³	\$35
Senior Specialist	\$185	Support Team	
Associate Specialist II	\$176	Senior Project Assistant	\$118
Associate Specialist I	\$166	Associate Project Assistant	\$106
Staff Specialist II	\$155	Staff Project Assistant	\$92
Staff Specialist I	\$143	Other	
Assistant Specialist II	\$122	Expert Witness	Market Rate ⁴
Assistant Specialist I	\$105	Strategic Advisor	Market Rate ⁴
		Graphic Designer	\$75

Notes:

¹ Labor and equipment rates are subject to revision at the beginning of each calendar year.

² Specialist Team includes, but is not limited to, Controls Engineers, Data Scientists, Hydrologists/Hydrogeologists, etc.

³ DE team member working under direct client supervision.

⁴ Market rates subject to negotiation.

Attachment C

Equipment Rate Schedule

Vehicle, Equipment, and Material Rates (Effective January 1, 2023)

Item	Rate ¹
Current IRS Mileage (\$ / mile)	\$0.655
Field Vehicle (4 x 4) (\$ / mile)	\$1.00
Meals (\$ / person / day)	\$60.00
Hotel (\$ / person / day)	\$150.00
SonTek RiverSurveyor Acoustic Doppler Current Profiler (ADCP) (\$ / day)	\$300.00
EMLID Real Time Kinematic (RTK) Survey (\$ / day)	\$175.00
Fuji Portaflow Transit Time (\$ / day)	\$100.00
SonTek FlowTracker Acoustic Doppler Velocimeter (ADV) (\$ / day)	\$110.00
Pressure Transducer (\$ / month)	\$80.00
Color Plotter (\$ / square foot)	\$8.00
Monitoring and control equipment and materials (\$ / item)	Unit Costs

Notes:

¹ Labor and equipment rates are subject to revision at the beginning of each calendar year.

Task Order for Professional Engineering Services

To: Carol Thomas-Keefer
Program Manager
Colusa Groundwater Authority

From: Katherine Klug
Davids Engineering, Inc.

Date: November 17, 2023

Project name: Colusa Subbasin GSP Revisions

Project #: 1173.04

Task name: Phase 1 Revisions

Task order #: 01

Davids Engineering, Inc. (DE or CONSULTANT) is pleased to provide this proposal to the Colusa Groundwater Authority (CGA or CLIENT) to complete the Phase 1 Revisions for the Colusa Subbasin Groundwater Sustainability Plan (GSP) to address deficiencies identified by the California Department of Water Resources (DWR) in their October 26, 2023, determination letter. Pursuant to the Task Order Agreement for Professional Services between CLIENT and CONSULTANT dated November 17, 2023, CLIENT desires and CONSULTANT agrees to perform the professional services according to the following terms.

1 Task Order Overview and Objective

On October 26, 2023, DWR completed their initial evaluation of the Colusa Subbasin GSP and determined that the GSP is “incomplete” pursuant to Section 355.2(e)(2) of the GSP Regulations, initiating a 180-day period for the GSAs to address three identified deficiencies by April 23, 2024:

- DWR finds that the GSP does not include a reasonable assessment of overdraft conditions and a reasonable means to mitigate overdraft,
- DWR finds that the sustainable management criteria (SMC) for chronic lowering of groundwater levels (GWL) are not substantially compliant with the GSP regulations, and
- DWR finds that the SMC for subsidence are not substantially compliant with the GSP regulations.

There are multiple approaches, both from a technical and policy perspective, for addressing the three identified deficiencies. Given the range of alternatives, DE recommends approaching the GSP revisions in a two-phased manner, in which:

- Phase 1 will focus on: (1) reviewing the deficiencies that DWR identified with the GSAs, (2) discussing policy and technical alternatives for addressing the deficiencies with the GSAs and DWR, and (3) initiating work on required technical revisions.

- Phase 2 will focus on: (1) completion of technical revisions informed by the GSAs' policy and technical decisions, (2) meeting with the GSAs, DWR, and the public to discuss the GSP revisions, (3) preparing and receiving feedback on the draft Revised GSP, and (4) completing the final Revised GSP for adoption by the GSA Boards of Directors (GSA Boards) and submitting the adopted Revised GSP to DWR before the April 23, 2024 deadline.

This Task Order covers the work to be completed in Phase 1 of the proposed GSP revisions process.

2 Task Order Approach

DE proposes to complete the work under this Task Order in close coordination with GSA staff and in discussions with the GSA Boards, GSA Ad Hoc Committees, and/or the GSA Joint Technical Advisory Committee (TAC), at the direction of the GSA Boards. Work under this Task Order will also be coordinated to the extent possible with concurrent efforts to develop the Colusa Subbasin GSP Annual Report for Water Year 2023. Anticipated points of coordination with the Annual Report efforts are noted in the Scope of Services below.

3 Task Order Description

3.1 Scope of Services

The scope of services to be performed by Davids Engineering is organized into four tasks as described below:

Task 1. Participate in Meetings with GSA Staff

- Meet biweekly with GSA staff to discuss GSP revision process, required technical revisions, and coordination needed for GSA and DWR meetings (***coordinated with Annual Report efforts***). It is assumed that CONSULTANT will summarize and share action items and outcomes of meetings with GSA staff.
- Prepare for and participate in three additional meetings with GSA staff, scheduled on an as-needed basis at the request of GSA staff. It is assumed that CONSULTANT will summarize and share action items and outcomes of meetings with GSA staff.

Task 2. Participate in Meetings with GSAs to Discuss Policy and Technical Alternatives

This task encompasses the effort required to frame necessary policy and technical decisions that must be made by the GSAs to move forward with addressing the three deficiencies identified by DWR.

- Prepare summaries of policy and technical alternatives, recommendations, and associated supporting materials for up to five meetings with the GSAs (including meetings with the GSA Boards, GSA Ad Hoc Committees, and Joint TAC). It is assumed that CONSULTANT will be responsible for preparing technical materials, and will provide those materials to GSA staff for circulation among the GSAs. It is assumed that GSA staff will lead the scheduling and coordination of the GSA meetings, and will lead the processes needed to reach GSA decisions.
- Participate in said meetings to discuss policy and technical alternatives.

Task 3. Participate in Meeting with DWR to Review Policy and Technical Alternatives

This task will support the GSAs in meeting with DWR to review the three identified deficiencies and the potential policy and technical alternatives for addressing those deficiencies.

- Prepare summary of policy and technical recommendations and associated supporting materials for one meeting with DWR and the GSAs. It is assumed that CONSULTANT will be responsible for preparing technical materials, and will provide those materials to GSA staff for circulation among the GSAs and DWR, as desired. It is assumed that GSA staff will lead the scheduling and coordination of the DWR meeting.
- Participate in said meeting to discuss policy and technical recommendations.

Task 4. Initiate Required Technical Revisions

Efforts under this task will initiate required technical revisions that will be incorporated into meeting materials and the draft Revised GSP in Phase 2. It is anticipated that additional technical revisions will be made and finalized in the Revised GSP in Phase 2, pending outcomes of Phase 1 meetings and GSA decisions.

- Begin revisions of overdraft estimates (current, projected) consistent with more recent conditions. It is assumed that this work will be completed in Phase 2 and incorporated into the Revised GSP in Phase 2.
- Develop updated undesirable result definitions for GWL and subsidence, consistent with DWR's recommendations. The updated undesirable result definitions would be provided to the GSA Boards for consideration and approval prior to GSP adoption in Phase 2.
- Begin revisions of the subsidence SMC and monitoring network to be temporarily based on Interferometric Synthetic Aperture Radar (InSAR) data until such a time as the Sacramento Valley benchmark network is resurveyed. It is assumed that this work will be completed in Phase 2 and incorporated into the Revised GSP in Phase 2.
- Generate additional data summaries, maps, and documentation of SMC relative to wells and GDEs in the Subbasin to support the selection of SMC (***coordinated with Annual Report efforts***).

3.2 Deliverables

The following deliverable(s) will be provided to CLIENT:

1. Technical materials to help facilitate meetings with GSAs and to frame GSA technical and policy decisions
2. Technical materials to help facilitate meeting with DWR
3. Draft work products for required technical revisions (to be incorporated into meeting materials and the draft Revised GSP in Phase 2)

3.3 Assumptions

The following assumptions were made while developing this proposal. To the extent that these assumptions do not hold true, the effort and therefore the cost and schedule required to perform the services could be affected.

1. All work set forth in this proposal is limited to the 180-day review period.
2. CLIENT will be the lead for scheduling and coordinating meetings with the GSAs, Joint TAC, and DWR.
3. CONSULTANT will be responsible for documenting all technical and policy decisions made by the GSAs for review and approval by staff.
4. CONSULTANT attendance at the specified number of meetings identified in the Scope of Services is included, assuming attendance by two DE staff members at each meeting. CONSULTANT assumes at least one in-person attendee at each meeting with the GSA Boards, GSA Ad Hoc Committees, and Joint TAC, and two remote attendees for each GSA staff meeting and DWR meeting.
5. CLIENT will be the lead for all stakeholder outreach.
6. CLIENT will be responsible for preparing and providing notice to cities and counties within the GSP area at least 90 days prior to the public hearing for GSP adoption (per California Water Code §10728.4).
7. CLIENT will provide legal review and/or assistance as may be required.
8. CLIENT will provide review of draft work products and feedback in a timely manner.
9. Progress and decisions in the development of GSP Projects and Management Actions will be driven by the GSAs.
10. Any and all work performed under this proposal shall be on a time and materials basis consistent with CONSULTANT's rate schedule then in effect.
11. Any work requested by CLIENT and performed by CONSULTANT outside the scope set forth herein will result in additional fees charged at CONSULTANT's rates then in effect.
12. All deliverables will be provided in electronic format.
13. Completion of the work set forth in this proposal does not guarantee acceptance of the revised GSP by DWR.

3.4 Schedule

DE proposes to complete work on Phase 1 by January 30, 2024, at which point Phase 2 would be initiated and would conclude with submittal of the Revised GSP by the April 23, 2024 deadline. Work in Phase 1 will progress to meet milestones on a timeline as defined in Table 1. The overall proposed schedule for Phase 1 and Phase 2 is shown in Table 2. Delays in the notice to proceed from CLIENT will result in corresponding delays or shifts to the subsequent milestones. Schedule implications or deviations from the milestone dates that occur during the work will be made known to CLIENT as soon as practicable.

Table 1. Task Order Milestones and Milestone Dates.

Milestone	Milestone Date	Note
Notice to Proceed	November 28, 2023	CGA Board meeting date
Meeting with GSA Boards	December 12, 2023	GGA Board meeting date, proposed as Joint GSA Board meeting
Meetings with GSAs (Ad Hoc Committees)	December-January (TBD)	Meetings to continue discussions on policy and technical alternatives
Meeting with DWR	December-January (TBD, pending GSA and DWR schedules)	Meeting with GSA representatives and DWR to review DWR comments, policy and technical alternatives
Meetings with GSAs (Ad Hoc Committees, GSA Boards as needed)	January 2024 (TBD, following meeting with DWR)	Meetings to reach GSA decisions on policy and technical alternatives
Phase 1 Conclusion, Phase 2 Notice to Proceed	January 30, 2024	GSA decisions needed by this point to move forward with Phase 2.

3.5 Costs

CONSULTANT costs associated with performing this task order will be billed to the CLIENT on a time and materials basis not to exceed \$47,519 without prior written authorization (Table 3). While estimated costs are based on a detailed task-by-task buildup, actual project costs will not necessarily be tracked on a task basis, nor will individual task budgets constrain charges for work performed up to the total estimated budget.

4 Task Order Signatures

Approved for CLIENT

Accepted for Davids Engineering, Inc.

Signed: _____

Signed: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Table 2. Draft Schedule for Colusa GSP Revisions Process (Phases 1 and 2).

Phase	Task	2023				2024				Note:				
		November		December		January		February			March		April	
		1-15	16-30	1-15	16-31	1-15	16-31	1-15	16-29	1-15	16-31	1-15	16-30	
Proposal	Prepare Proposal for GSAs													
Phase 1	Notice to Proceed		11/28/2023											
Phase 1	Participate in Meetings with GSA Staff													(a)
	Participate in Meetings with GSAs to Discuss Policy and Technical Alternatives													
	Participate in Meeting with DWR to Review Policy and Technical Alternatives													
	Initiate Required Technical Revisions													
	Provide Notice of Anticipated Public Hearings (GSA Staff)													
Proposal	Prepare Proposal for GSAs													
Phase 2	Notice to Proceed						1/30/2023							
Phase 2	Participate in Meetings with GSA Staff													(a)
	Proceed with Work on Technical Revisions Informed by GSA Decisions													
	Participate in Meetings with GSAs to Review GSP Revisions													
	Public Involvement in GSP Updates (Anticipated in Select GSA Meetings, Hearings)													
	Share Draft Revised GSP with GSAs, Receive Feedback													
	Share Final Revised GSP with GSAs													
	Public hearings for adoption of Revised GSP													
	Submit Revised GSP													

Note:

- (a) The GSA’s legal counsel should consider if readoption of the GSP is necessary under the authorities granted to the GSA during the initial GSP development. If a GSP must be readopted, the GSA may do so following a public hearing held at least 90 days after providing notice to cities and counties within the GSP area (see California Water Code §10728.4). **This notification can be made very early in the process in anticipation that the GSP’s revisions will be adopted within the 180-day period allowed to address the GSP’s deficiencies.**

Table 3. Task Order Cost Summary.

Colusa Subbasin GSP Revisions - Phase 1 Revisions															
Project Task/Subtask	Labor Costs							Labor Costs Subtotal (\$)	Current IRS Mileage (\$ / mile)	Direct Costs		Direct Costs Subtotal (\$)	Total Cost (\$)		
	Senior Principal Engineer	Principal Engineer	Supervising Engineer	Associate Engineer I	Staff Engineer I	Assistant Engineer I	Associate Project Assistant			DE Equipment and Peripherals					
										Hourly Rates				Description	\$1
										\$258	\$245				
Task 1 - Participate in Meetings with GSA Staff															
Meet biweekly with GSA staff <i>(coordinated with Annual Report efforts)</i>	Time included in Annual Report budget.														
Prepare for and participate in three additional meetings with GSA staff, as needed			3	6				\$1,776					\$1,776		
Task 1 Subtotals			3	6				\$1,776					\$1,776		
Task 2 - Participate in Meetings with GSAs to Discuss Policy and Technical Alternatives															
Prepare summaries of policy and technical alternatives, recommendations, and associated supporting materials for GSAs	4	4	24	36			12	1	\$15,522				\$15,522		
Participate in five GSA meetings (Board, Ad Hoc Committee, and Joint TAC)			20	20					\$8,160	400	Chico to/from Willows/Colusa	\$262	\$8,422		
Task 2 Subtotals	4	4	44	56			12	1	\$23,682	400		\$262	\$23,944		
Task 3 - Participate in Meeting with DWR to Review Policy and Technical Alternatives															
Prepare summary of policy and technical recommendations and associated supporting materials for DWR and GSA discussion	1	2	3	3					\$1,972				\$1,972		
Participate in one meeting with GSAs and DWR			2	2					\$816				\$816		
Task 3 Subtotals	1	2	5	5					\$2,788				\$2,788		
Task 4 - Initiate Required Technical Revisions															
Begin revisions of overdraft estimates (current, projected) <i>(coordinated with Annual Report efforts)</i>			8	12			16		\$5,872				\$5,872		
Develop updated undesirable result definitions for GWL and subsidence	1	1	2	8					\$2,423				\$2,423		
Begin revisions of subsidence SMC and monitoring network based on InSAR			2	4	4	4			\$2,288				\$2,288		
Generate additional data summaries, maps, and documentation of SMC <i>(coordinated with Annual Report efforts)</i>			8	16	16	8	2		\$8,428				\$8,428		
Task 4 Subtotals	1	1	20	40	20	28	2		\$19,011				\$19,011		
SubTotals	6	7	72	107	20	40	3		\$47,257	400		262	\$47,519		

Colusa Groundwater Authority Board of Directors Meeting

November 28, 2023 | 1:30 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 6: Recommendation to Accept Proposal from Nigro & Nigro for Audit Services

ACTION ITEM

6a. *Consider approving and authorizing Chairman to execute agreement with Nigro & Nigro for audit services for FY 2021-22 through FY 2023-24

BACKGROUND:

Earlier this year, CGA issued a Request for Proposals for Biennial Audit Services following the resignation of the audit firm that was previously contracted to perform CGA’s audit for FY 2021-22. The RFP sought proposals for audits for FY 2021-22, FY 2022-23 and FY 2023-24, with an option to extend the agreement for two additional years.

CGA’s RFP was sent to eight audit firms and received two proposals – one from Nigro & Nigro PC and one from Chavan & Associates, LLP, and both proposals were deemed to be responsive. Staff interviewed the firm’s representatives, reviewed the firm’s qualifications, and believe each firm is well-qualified. Chavan & Associates LLP’s cost proposal did not include a quote for the State Controller’s Financial Transaction Report but staff was verbally quoted \$1,500 per year per report. Each firm indicated it could complete both the FY 2021-22 and 2022-23 audit years before June 30, 2024.

Proposals for Audit Services:

	<u>Cost per audit</u>	<u>State Controller’s Report</u>	<u>Total</u>
Nigro & Nigro PC	\$10,000	\$500	\$10,500/year FY22-24
Chavan & Associates, LLP	\$12,500 (2 yrs) \$14,000 FY23-24	\$1,500 \$1,500	\$14,000/year FY22-23 \$15,500 FY24

RECOMMENDATION:

Staff recommends that the Board approve and authorize the Chairman to accept the proposal from Nigro & Nigro for audit services for FY 2021-22 through FY 2023-24, with the option to extend the contract for two additional years if desired.

ATTACHMENTS:

- Proposal for audit services from Chavan & Associates, LLP and Nigro & Nigro PC

**PROPOSAL FOR CONDUCTING
THE ANNUAL INDEPENDENT AUDIT
OF THE
COLUSA GROUNDWATER AUTHORITY**

Submitted August 3, 2023



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037
Phone: (650) 346-1329
Fax: (408) 872-4159
E-mail: sheldon@cnallp.com
Contact: Sheldon Chavan, Partner

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ATTACHMENTS:

- A. Peer Review Report



Chavan and Associates, LLP
Certified Public Accountants

August 3 2023

Colusa Groundwater Authority
100 Sunrise Blvd
Colusa, CA 95932

We are pleased to have this opportunity to submit our proposal to provide auditing services for the Colusa Groundwater Authority (the "Authority"). Our understanding of the work outlined in the request for proposal is that we will audit the financial statements of the Authority for fiscal years ending June 30, 2022, 2023 and 2024, with two option years.

Our audits will be performed in accordance with auditing standards generally accepted in the United States of America and the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*. We will also apply the necessary procedures to prepare the reports as requested in the RFP and noted in our cost proposal. As a result of our audit, we will express an opinion on the fair presentation of the basic financial statements, as listed in the RFP, in accordance with GAAP. We will also issue a report on internal controls over financial reporting and on compliance with applicable laws and regulations in accordance with *Government Auditing Standards*.

Throughout the contract period, we will provide consultation on accounting and compliance issues and attend meetings to discuss the audit and management comments. It is our commitment to the Authority that we will complete the work within the agreed time frame and that we have the resources, time and personnel to dedicate to this engagement for the entirety of the contact. We are confident Chavan & Associates LLP ("C&A") is the best-qualified firm to serve as your independent auditors. A brief list of reasons includes:

- We specialize in the audits of local governments and not for profit entities.
- Our partners have 79 years of combined experience auditing local governments.
- Our firm and key professionals are properly licensed to practice in the state of California.
- Our service will be dependable, reliable and timely.
- We will be sensitive to your workload. We understand you and your staff must keep up with your current work as well as deal with the audit.
- Our staff and partners are available twelve months of the year to serve our audit clients. You are important to our firm and we promise a high level of involvement and enthusiasm at all levels.
- The engagement partner will be the lead for your audit, will attend all conferences and meetings, and will supervise the audit directly during each year and phase of the engagement.



Chavan and Associates, llp
Certified Public Accountants

- We offer flexible staffing and scheduling, especially during COVID-19. We can send a full team onsite, work 100% remotely, or send a small team on site to minimize exposure. All of our team members are vaccinated and will follow your policies in regard to COVID-19.
- To improve the efficiency of the audit process, we use an online software, Engagement Organizer (EO), to provide a list of information and monitor the workflow during the audit. The link to EO is provided early during the planning process and includes items for both interim and year-end work, such that we can edit the list as needed moving forward. All documents can be uploaded here and notes, status updates and comments are done through EO. We also have a secure portal as an additional way to share information.

We are secure in our belief that our firm is the best qualified to meet your needs and we commit to perform the services required in the time period specified. Once you have examined our proposal and contacted our references, we feel you will agree.

Staffing for the audit will include one Engagement Partner, one Associate Partner, one Supervisor, one Professional Staff and one Administrative Staff. The Engagement Partner, one Senior and one Staff will be assigned to visit your offices, as feasible with regard to COVID-19 circumstances. The Engagement Partner, Associate Partner, Supervisor and Senior Auditor will be available throughout the entire contract period. The firm and all assigned key personnel are licensed to practice in California. Please see page 7 of our proposal for the audit timeline. We expect this schedule to be consistent for each year of the audit, except that we have added one day to the first biennial audit. We will also add one team member for the biennial audit.

Sheldon Chavan and Paul Pham (15105 Concord Circle, Suite 130, Morgan Hill, CA, 95037, 650-346-1329, Sheldon@cnallp.com) are the partners authorized to sign and obligate the firm contractually and represent the firm. He is empowered to submit the bid and authorized to sign a contract. This proposal is a firm and irrevocable offer for 90 days.

We look forward to being of service to you.

Very truly yours,

Sheldon Chavan, C.P.A., Partner
Chavan & Associates, LLP

Section A

Background & Experience

Section A Background & Experience

Colusa Groundwater Authority Proposal for Auditing Services

Independence

C&A is independent of the Authority and all of its component units as defined by generally accepted auditing standards and the **U.S. General Accountability Office's Government Auditing Standards**. *In all matters relating to the audit work, the audit organization and individual auditors, whether government or public, should be free from personal and external impairments to independence, should be fiscally independent, and should maintain an independent attitude and appearance.*

C&A did not have any professional relationships involving the Colusa Groundwater Authority, or any of its agencies and component units, for the past five (5) years that would cause a conflict of interest relative to the scope of services identified in the request for proposal.

License to Practice in the State of California

C&A and all key professionals are properly licensed to practice as certified public accountants in the State of California and do not have any record of substandard work or unsatisfactory performance pending with the State Board of Accountancy. C&A is registered with the California State Board of Accountancy and our state number is PAR 7294.

Contractor Identification and Introduction

Company Name: Chavan & Associates, LLP (C&A)
Address: 15105 Concord Circle, Suite 130, Morgan Hill, CA 95037
Office: 408-217-8749
Fax: 408-872-4159
E-mail: Sheldon@cnallp.com
CA File Number: 202009218003
FEIN: 27-0630496
Authorized to Sign: Sheldon Chavan, Partner; Paul Pham, Partner

Our partners have performed audits under Governmental Auditing Standards, the Single Audit Act and the State Controller's Office Minimum Audit Requirements for a combined 79 years; Sheldon for 24 years, Jeff for 40 years and Paul Pham for 15 years. In August of 2009, we established C&A as a limited liability partnership. C&A is a local audit firm in San Jose, CA specializing in local government auditing and consulting. We have audited and prepared Annual Comprehensive Financial Reports (**ACFRs**) and basic financial statements as required by the Government Finance Officers Association (**GFOA**) and the Governmental Accounting Standards Board (**GASB**) for cities, fire districts, water districts, sanitation districts, JPAs and other types of special districts. Our partners have been reviewers of ACFRs for the **GFOA and CSMFO**. Most recently, C&A prepared ACFRs of City of Saratoga, the City of Oroville, City of Suisun, City of Pacific Grove, and City of Carmel-by-the Sea for the year ending June 30, 2022. Our goal at C&A is to provide premium audit services at a reasonable fee. We believe that continuous partner involvement helps us achieve our goal, which is why our partners are constantly involved in every audit. Ultimately, minimizing on-the-job training allows us to focus exclusively on servicing our clients.



*Single Audit
Experience*

Section A Background & Experience

Colusa Groundwater Authority Proposal for Auditing Services

Firm Size, Staff Size, Location and Staffing

We also have **Thirteen** professional, full-time staff in addition to our three partners/reviewers and one administrative person that will be available to assist as needed throughout the engagement. Our engagement partners are directly involved with the audits. Our central office is located in Morgan Hill, CA. Staffing for the Authority’s audit will include the following professionals (audit experience):

Paul Pham, CPA, Associate Partner (15 years)
 Jeff Ira, CPA, Independent Reviewer (40 Years)
 Andrew Quintero, Senior Auditor (5 years)
 Matthew Ojeda, Senior Auditor (7 years)

One of the professional staff could change from year to year. The Authority will be notified of any staff changes prior to fieldwork. The Engagement Partner, manager, and supervisor will be the same during each year of the engagement.

Range of Services

The following summarizes the range of services we provide:

Entity Type	Number of Clients	Percent by Entity	Auditing	Management, Accounting & Other	Nonprofit Tax
Local Education Agencies	33	30%	100%	0%	0%
Charter Schools	13	12%	100%	0%	100%
Non-profit Organizations	22	20%	91%	0%	68%
Cities and Towns	14	13%	79%	0%	0%
Special Districts	19	17%	84%	16%	0%
Privately Held	9	8%	67%	22%	0%

	GAAS Audit	GAGAS Audit	Single Audit	Bond Audit	EAAP Audit
Percent by Service Type	92%	75%	39%	19%	41%

Contract Terminations and Affirmation Concerning Substandard Audit Work

C&A and all assigned personnel do not have any record of substandard work, contract failures, outstanding claims, litigation, investigations, or other unsatisfactory performance issues against us or pending with the State Board of Accountancy or any other entity. In addition, we have not had any federal or state desk review or field reviews of our audits. C&A has no record of lost clients or contract failures.

Section A

Background & Experience

Colusa Groundwater Authority Proposal for Auditing Services

Equal Opportunity Employer

C&A is an equal opportunity employer and is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all applicable federal and state laws and regulations relating to equality.

Subcontractor

C&A will not be engaged with any subcontractors during this engagement.

Business Licenses

C&A will obtain and maintain a valid business license throughout the duration of the contract, as applicable.

Quality Control Review

We are enrolled in the AICPA quality control peer review program. Our peer review was performed in compliance with AICPA and GAO requirements and included a selection of government audit engagements. Our audits complied with auditing standards generally accepted in the United States of America and Generally Accepted Governmental Auditing Standards.

Insurance

C&A maintains the following insurance:

- Commercial General Liability Insurance (bodily injury and property damage) is \$4,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Automobile Bodily Injury and Property damage liability insurance is \$2,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Professional Liability Insurance carrier is Philadelphia Insurance Company. The per claim/aggregate limit of the liability is \$3,000,000.
- Workers Compensation Insurance carrier is Twin City Insurance Company. The per claim/aggregate limit of the liability is \$1,000,000.

Section B

Audit Methodology and Approach

Section B - Audit Methodology and Approach

Colusa Groundwater Authority Proposal for Auditing Services

The C&A audit approach begins with an entrance conference between Sheldon Chavan and management to gather information for risk assessment and audit planning. Upon the conclusion of the entrance conference, Sheldon will plan and schedule C&A's **three phase audit** approach and prepare a list of items to be provided for Phase I of the audit. Significant aspects of each phase are outlined below as augmented based on our review of the Authority's financial reports, RFP, Budget documents, and Council and Finance Commission agendas and minutes:

Three Phase Audit Approach

Phase I - Planning and Risk Assessment

This phase is designed to evaluate your operating and accounting procedures and will provide the basis for a significant portion of our letter to management. The results of our work during this phase will determine our audit approach for significant accounts and compliance. We plan to begin this phase by meeting with management and relevant committees to plan the audit and discuss any significant issues with the proposed audit plan and timeline.

At least four weeks prior to the beginning of this phase, we intend to provide the Authority with a link to Engagement Organize ("EO")r detailing the information and timing that will be needed in order to facilitate the completion of the audit in a timely manner. Having all items in EO uploaded prior to the beginning of the audit field work will allow us to complete the audit within the allotted time frame or earlier. We will also begin the testing of federal compliance for major programs during this phase, if applicable. The EO will include Phase I, II, and III items once uploaded and will updated during the year. The Authority will be able to leave notes on each item, upload attachments and message our team through EO.

We plan the audit and obtain our **understanding of the internal control structure**, control environment, and accounting system through:

Internal Controls Documentation

- Inquiries of appropriate management and staff personnel.
- Inspection of the Authority's documents, records, budget and related materials, organizational charts, manuals and programs.
- Observation of the Authority's activities and operations to corroborate the results of inquiries.
- Testing of the controls to determine they are operating as planned.
- Performance of preliminary analytical review on interim financials. The analytical review entails comparing similar information for the same time frame from the prior year and also comparing current year-to-date information to the budget to determine areas that may need additional attention during Phase II.
- Review and evaluation of the Authority's financial and other management **information system controls** and procedures. Our staff has gained invaluable experience with systems such as HTE, Multiple Operation Management (MOM), Springbrook, Pentamation, QuickBooks, Digital Schools, SunGuard, Escape, FUNDS, CECC, SACS, Financial 2000, SASi and many others. It is our goal to maximize the usage of your computer system during the audit.

This phase constitutes approximately 30% of all non-clerical hours of the engagement and may be combined with Phase II if desired. At the completion of Phase I, an exit conference will be held to discuss findings and recommendations and prepare for Phase II.

Section B - Audit Methodology and Approach

Colusa Groundwater Authority Proposal for Auditing Services

Phase II - Substantive Audit Procedures and Compliance

This phase is designed to complete our substantive and compliance audit procedures on the accounts of the Authority. The approach for Phase II will be based on the results of Phase I. Audit programs will be tailored for your Authority's needs. This work will begin after the closing of your books.

Sample size and selection is based on our assessment of risk and planned or actual deviations. A typical **sample size will be 25 to 60** items and be randomly selected. Our sampling methods vary depending

Sampling Methods

on the type of tests we perform. Sample selection for compliance work will be based on the respective compliance and audit guides, KC, our experience and judgment, and other various sources. We use Knowledge Coach (KC) audit programs by Commerce Clearing House (CCH) to assist in our risk determination and sampling selection. We also use **ProSystems fx Engagement** paperless audit, Microsoft Excel, and Microsoft Word on laptops to perform the audit. Generally, we prefer

information provided in electronic format, however we use production scanners in the office and portable scanners in the field for information that is unavailable in electronic format.

Analytical procedures during Phase II involve comparing current data to prior year and budget data, calculating dollar and percentage variances and investigating differences. We also analyze trends and relationships of the various financial statement components and ratios.

Analytical Procedures & Laws and Regulations

Laws and regulations subject to audit will be determined based on inquiry and familiarity we gain with the Authority and with state and federal compliance requirements. We also attend seminars and webinars related to state and federal regulations to keep abreast of new requirements.

Phase II will take approximately 40% of the engagement hours. At this time, an exit conference will be held to discuss findings and recommendations, the status of new accounting principles and reporting requirements, and prepare for Phase III.

Phase III - Financial Statement Preparation and Review

This phase consists of preparing or assisting with the preparation of your financial statements, **as required in the RFP**, in conformity with accounting principles generally accepted in the United States of America. We will also prepare all other financial and compliance reports required of us as listed on the RFP. The required reports and management letter will be submitted to management as noted in the timeline in the RFP, unless otherwise agreed. We will also ensure that new GASB pronouncements identified in phase I and II have been appropriately accounted for and disclosed in the financial statements and that the impact of these statements is sufficiently presented in our audit reports. The most efficient way to ensure we meet the reporting deadlines is to have the audited trial balance and final adjustment completed by the last day of fieldwork. This, in combination of the automation provided by **Prosystems Engagement** will reduce the lag time from the completion of field work and report issuance.

Our reporting process is automated through our audit software. Once we obtain the Authority's trial balance in electronic format, we can import that into our system, which will automatically code and update all financial statements and most note disclosures in the financial statements and notes. We can

Section B - Audit Methodology and Approach

Colusa Groundwater Authority Proposal for Auditing Services

also auto link tables, charts and other documents the Authority would like to generate. **All of this information can be shared through our online secure lockbox/filesshare website at www.cnallp.com** and through our **online engagement portal** which is linked to our list of items. All agreed upon adjustments will be linked in our audit software. This greatly reduces the report preparation time and involvement of Authority staff and creates more opportunity for review of information systems, internal controls and management recommendations. At the end of this phase we will provide a summary of audit adjustments and uncorrected misstatements (passed adjustments).

We anticipate that Phase III will comprise approximately 30% of the engagement hours, including the majority of the clerical hours. The timing of each phase of the audit is estimated based on the assumption that the Authority will meet their close schedule and responsibilities as noted in the request for proposal.

Please note that we generally hold entrance conferences at the beginning of Phase I and II and exit conferences at the end of Phase I, II and III. However, we are available to meet with the Authority at any time.

Compliance and Program Specific Auditing

Included in all phases are specific procedures required to complete individual compliance items. Analytic and sampling procedures generally follow those described in the preceding phase, but are modified, when needed, to meet specific guidelines of the programs audited.

Recommendations for Improved Operations

We feel we have accumulated valuable knowledge in accounting and auditing which has allowed us to offer a wide range of specific recommendations to increase the efficiency and effectiveness of our audit clients. With our background, we can provide services that may be very beneficial to you presently and in the future. As our client, you can look to us for informed support **year-round in all areas of interest or concern**. In the course of our engagement with the Authority, we will provide prompt, knowledgeable answers to your questions regarding all aspects of accounting, finance, management, and operations. It is our policy to discuss discrepancies and recommendations with Authority staff directly involved and then with management, as necessary. If an item warrants inclusion in the report as a finding, we will obtain management's responses to each finding. All responses will be reviewed with management and relevant committees before they are presented to the Authority Board

Irregularities and Illegal Acts

We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the Audit Committee (or similar) and Attorney.

Control Risk Assessment

As part of our audit approach, we use KC forms, narratives, questionnaires and summary schedules to gain an understanding of the control environment and assess its overall effectiveness. This helps us identify the types of potential misstatements and factors that affect the risk of material misstatement and their impact on the audit plan.

Analytical Procedures

Analytical procedures are used at three points of time during our audit; planning, substantive testing, and final review of the completed financial statements. Analytical procedures are used to obtain

Section B - Audit Methodology and Approach

Colusa Groundwater Authority Proposal for Auditing Services

knowledge of conditions and events, to indicate the presence of possible misstatements, to provide substantive evidence of balances and to assess the financial condition of the Authority.

As we obtain knowledge about the Authority, we will be able to direct our attention to areas requiring greater audit emphasis as well as provide substantive evidence in support of recorded account balances.

Identification of Potential Audit Problems

Each year we approach the audit objectively and use a risk-based approach to anticipate any potential audit problems. If anything were to come to our attention during the course of the audit, it would be reported to the proper management level depending on the nature of the problem and as noted in the RFP.

Resources Available for Standards Interpretations

In addition to the items published by GFOA, AICPA, FASB, and GASB, we use RIA checkpoint and Thompsons as our main online reference material. As our client, the Authority will have access to all our resources.

Summary of Staff Hours by Phase

Level of Staff	Phases		Total Hours
	I & II	III	
Engagement Partner	10	10	20
Associate Partner	2	2	4
Senior Staff	24	8	32
Professional Staff	24	8	32
Administrative Staff	4	4	8
Totals	64	32	96

Summary Timeline

Segment	Estimated	Phase
Entrance Conference	August 31, 2023	I
Audit Planning C&A's Office	August 31, 2023	I
List of Items Required by Client and Audit Plan	September 8, 2023	I
Preparation and Mailing of Confirmation Letters to 3rd Parties	September 8, 2023	I/II
Year-end Field Work Planning Meeting	September 21, 2023	I/II
Year-end Field Work	September 27, 2023	I/II
Exit Conference	September 29, 2023	I/II
Final List of Management Point and Recommendations	October 6, 2023	I/II
Audit Adjustments	October 6, 2023	I/II
Draft Reports, Financials, Management Letters	October 20, 2023	III
Final Reports, Financials, Management Letters	November 3, 2023	III
Board, Committee & Public Presentations	As Needed	III

Section C

Scope of Services

Section C - Scope of Services
Colusa Groundwater Authority Proposal for Auditing Services

Audit Scope

We understand, accept and have included in our work plan the following scope of services:

- A. Express an opinion on the fair presentation of the Authority's basic financial statements in conformity with generally accepted accounting principles.
- B. Perform certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
- C. Provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.
- A. The audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.
- B. Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:
 - a. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
 - b. A report on compliance and internal control over financial reporting based on an audit of the financial statements. A report on compliance and internal control over compliance applicable to each major federal program.

In the required report[s] on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls. The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, w which shall be referred to in the report on compliance and internal controls.

Section D

Partner, Supervisory and Staff Resumes

Section D - Partner, Supervisory and Staff Resumes

Colusa Groundwater Authority Proposal for Auditing Services

We are aware of the need for continuity of personnel on the engagement and promise that the Engagement Partner will be directly involved in the audit **during each year** of the contract. We believe that extensive partner involvement provides continuity that could not be achieved in any other way. All staff committed in this proposal will be available for the entire June 30, 2023 audit and are available 12 months a year for questions, comments and implementation support. We understand that the Engagement Partners, managers and other supervisory staff and specialists may be changed only with the express prior written permission of the Authority. Other audit personnel may be changed at our discretion as long as the replacements have substantially the same or better qualifications or experience. The Authority retains the right to approve or reject replacements.

Sheldon Chavan, CPA

Managing Partner (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)



Sheldon holds a B.S. in Accounting from San Jose State University. He began his career in public accounting in **1998** and has been auditing local governments and nonprofit organizations ever since. Sheldon is a CPA licensed in California and a member of AICPA, CalCPA, CSMFO, GAQC and GFOA. **He has also been a member of the GFOA Special Review Committee, with responsibility for reviewing ACFR's for award of the Certificate of Excellence in Financial Reporting.** Sheldon has prepared/reviewed ACFR's for the City of Berkeley, City of Sunnyvale, City of Pittsburg and many others over his career. Most recently, Sheldon prepared the ACFR of the City of Oroville, City of Saratoga and the City of Pacific Grove for the fiscal years ended June 30, 2021 (partial listing).

ACFR
Preparation

Sheldon has managed governmental audits his entire career, which includes the technical review of all work papers, staffing, scheduling, reporting, state compliance, federal compliance, state controllers reports and much more. He is responsible for running the audit in the field and providing accounting and auditing technical support to other partners and staff, primarily in the areas of compliance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, and the provisions of the Federal Single Audit Act and the United States Office of Management and Title 2 CFR Part 200 (Uniform Guidance). Sheldon also ensures that each staff has met the continuing professional education requirements under these standards and teaches several in-house seminars a year. He also administers our firm's quality control system as required by GAAS and Yellow Book standards. Sheldon has been performing audits under the Single Audit Act his entire career. Understanding the complexities of the various federal programs is one of his specialties. Over the years, Sheldon has audited major programs such as National School Lunch, Title II Education Technology, IDEA Special Education Local Assistance, Title I, Education Jobs Fund, Title IV Drug Free Schools, NCLB Title III, Title II Improving Teacher Quality, CDBG, Shelter Plus Care, Home Investment in Affordable Housing, HUD Section 8, Highway Planning and Construction, Medi-Cal, Low-income Low Energy Assistance, and many more.

Sheldon has extensive experience auditing government bond programs and can assist the Authority with bond covenant calculations, bond compliance, tax filings, bond arbitrage issues and any other general

Section D - Partner, Supervisory and Staff Resumes

Colusa Groundwater Authority Proposal for Auditing Services

reporting requirements. In addition, we currently have multiple clients for which we complete special bond performance audits each year. We also provide contractor prequalification services for some clients who use restricted bond funds for modernization and infrastructure improvements.

Sheldon's recent continuing professional education:

Description of Program/Training
Yellow Book: Revised Government Auditing Standards
Government Auditing Standards - Yellow Book
Frequent Government and NPO Frauds: Misuse of Assets
Governmental and Nonprofit Annual Update: Federal Government Activities
Single Audit Lighting Round
Governmental Audit Quality Center Annual Update Webcast
Program-Specific Audits' plus 'Audit Tools and Guidance'
Applying Risk Assessment Standards: Understanding the Entity and Its Environment
GASB Updates
Governmental Accounting and Auditing Conference Webcast - 5121266C
Not-for-Profit Organizations Conference Webcast - 5121343C
Cases in NFP Acct. & Auditing: 'Financial Statement Requirements' plus 'Net Asset Classifications'
Governmental Auditing: Course Two Performance Audits
Governmental Auditing: Course Three Financial Audits, Attestation Engagements, and..
Governmental Accounting and Reporting
Ethics: AA&C LLP - Accounting Firm Practice Development Committee
State and Local Govt Planning Considerations
Cases in NFP Acct. & Auditing: Contributions
Field Work Documentation: Preparation, Maintenance, Types of Workpapers
School District Update Including LCFF and LCAP Compliance
School Districts Conference
Understanding the Changes to Yellow Book Independence
California Regulatory Review Course
Fraud Audit Techniques Using Excel
Applying the Uniform Guidance in Your Single Audits
Testing Compliance' plus 'Reporting Requirements
Fid Act Understanding impacts of GASB 84
Its Here! Fid Act Implementation Considerations
Accounting and Auditing Conference
Bernard Madoff Investment Securities' Auditor'
The Detection and Prevention of Fraud in Financial Statements
Governmental Auditing: Course One Fundamental Principles for Government Auditing

Section D - Partner, Supervisory and Staff Resumes

Colusa Groundwater Authority Proposal for Auditing Services

The following is a **partial list** of Sheldon’s clients over the years:

Cities and Towns	Special Districts/JPA's	School Districts/COE's	Nonprofits and Other
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	2006 Washington St.
City of Berkeley	Central Marin Sanitation Agency	Belmont Redwood Shores	Bay Area Special Education JPA
City of Carmel-by-the-Sea	East Bay Dischargers Authority	Burlingame	Bay Area Water Users Association
City of Del Rey Oaks	Fairfield-Suisan Sanitation	Cabrillo Unified	Black Adoption Placement
City of Marina	Half Moon Bay Fire Protection	Campbell Union	Boys and Girls Clubs of Sonoma
City of Novato	Hayward Area Parks and Rec	Cloverdale Unified	Center for Empowering Refugees
City of Oroville	Highland Recreation District	Cotati Rohnert Park	Children of Grace
City of Pacific Grove	Los Trancos Water District	Hillsborough City	Collective Roots
City of Pittsburg	Mckinney Water District	La Honda Pescadero	Credo High School
City of Point Arena	Menlo Park Fire Protection	Lakeside	Diagnostics for the Real World
City of Salinas	Midpen Regional Open Space	Las Lomas Elementary	Hidaya Foundation
City of San Rafael	Pleasant Hill Parks and Rec	Lassen View Elementary	Livebooks
City of Saratoga	Point Montara Fire District	Los Altos Elementary	Mashery
City of Scotts Valley	Santa Clara Regional Open Space	Luther Burbank	Mission Charter
City of Sonoma	Saratoga Cemetery District	Manton Joint Union	Mission Language and Vocational
City of South San Francisco	South Bayside System Authority	Menlo Park City	Morgan Hill Charter Foundation
City of Suisun City	South San Francisco Conf. Ctr.	Millbrae Elementary	Morgan Hill Charter School
City of Sunnyvale	Sausalito-Marín City Sanitation	Mineral	Nob Hill Home Owners Assoc.
City of Tracy	Tahoe Regional Planning Agency	Mountain View Whisman	O'Conner Water
Town of Los Gatos	The Cities Group	Orchard	One Million Lights
Town of Windsor	Valley of the Moon Fire	Pacifica	Orange County Charter School
	West Bay Sanitary District	Plum Valley	Pathway to Choices
	West County Wastewater District	Portola Valley Elementary	Pyramid Alternatives
	Westborough Water District	Red Bluff	Redwood City Education Foundation
	Woodside Fire Protection District	Salinas Union High	San Jose Conservation Charter
		San Bruno Park	San Jose Conservation Corps
		San Carlos Elementary	Singularity University
		San Mateo County Office	Sociometrics
		San Mateo Union High	South Tahoe Area Transit Authority
		Scotts Valley Unified	Stone Bridge Charter School
		Sequoia Union High	Woodside Atherton Authority
		Sonoma Valley Unified	Work2future Foundation
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Jeffrey J. Ira, CPA

Independent Reviewer, (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)



Jeffrey is a graduate of Humboldt State University with a B.S. in Business with a concentration in Accounting. He is a CPA licensed in California, a member of the AICPA, the California Society of CPAs, the GFOA and the CSMFO. Jeff joined our firm in 2017 and has been auditing local governments since 1981. Jeff is a member of the GFOA Special Review Committee, with responsibility for reviewing CAFR’s for award of the Certificate of Excellence in Financial Reporting. **Jeff served as a Councilmember and the Mayor for Redwood City.** He has also served on various local governing boards and committees, which makes him acutely aware of both your financial and management needs. Jeff will be responsible for concurrent review of your audit, which is a quality control measure designed to ensure the audit is completed effectively and in compliance with governmental auditing standards, compliance requirements and uniform guidance requirements.

Section D - Partner, Supervisory and Staff Resumes

Colusa Groundwater Authority Proposal for Auditing Services

Jeff has forty years of professional experience and has participated in a variety of auditing and consulting engagements with cities, school districts, and special districts including the following (partial listing):

Cities and Towns	Special Districts	School Districts/COE's
City of Berkeley	Bay Area Water Supply Conserv. Agency	Antelope Elementary
City of Cloverdale	Central Marin Sanitation Agency	Cabrillo Unified
City of Oroville	East Bay Dischargers Authority	Cotati Rohnert Park
City of Point Arena	Half Moon Bay Fire Protection	La Honda Pescadero
City of Saratoga	Los Trancos Water District	Lassen View Elementary
City of Sonoma	Menlo Park Fire Protection	Las Lomas Elementary
City of Tracy	Pleasant Hill Parks and Rec	Los Altos Elementary
Town of Los Gatos	Point Montara Fire Protection District	Luther Burbank
City of Pittsburg	Santa Clara Regional Open Space Auth	Redwood City Elementary
City of San Rafael	Saratoga Cemetery District	Menlo Park City
City of Concord	South Bayside Systems Authority	Millbrae Elementary
City of Salinas	South San Francisco Conf. Ctr.	Santa Cruz City
City of Sunnyvale	Tahoe Regional Planning Agency	Mountain View Whisman
City of San Carlos	The Cities Group	Orchard School District
City of South San Francisco	West Bay Sanitary District	Burlingame
City of Marina	West County Wastewater District	Jefferson Union High
City of San Bruno	Westborough Water District	Portola Valley Elementary
City of Campbell	Woodside Fire Protection District	Red Bluff
City of Novato	Highland Recreation	San Bruno Park
Town of Atherton	Coast side Water District	San Mateo County Office
City of Cupertino		Sequoia Union High
		Sonoma Valley Unified
		San Mateo Unified
		Ravenswood Elementary
		Windsor Unified
		Woodside Elementary

A summary of Jeff's recent professional education includes:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

Section D - Partner, Supervisory and Staff Resumes

Colusa Groundwater Authority Proposal for Auditing Services

Paul Pham, CPA

Associate Partner (AICPA, CalCPA)



Paul received his Bachelor of Science from Pacific University and hopes to pursue a Master of Accountancy in the near future. Paul has been working in public and private accounting since 2007 and has completed Fourteen governmental audit seasons. He has completed financial and compliance audits for the entities listed below since 2007. Besides the standard control documentation and substantive testing required for GAAS audits, Paul has performed audits and prepared reports under OMB Subpart F and the Single Audit Act for most of the entities listed below. He has audited Federal grants from various agencies, including FEMA, HUD, FTA, the Department of Education (Title I, Special Education, Title II, Adult Ed) and much more.

Paul's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a partial list of Paul's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Charter Schools
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	Bay Area Water Users Association
City of Berkeley	Central Marin Sanitation Agency	Burlingame	Black Adoption Placement
City of Carmel-by-the-Sea	Fairfield-Suisan Sanitation District	Cabrillo Unified	Boys and Girls Clubs of Sonoma
City of Del Rey Oaks	Menlo Park Fire Protection	Cotati Rohnert Park	Center for Empowering Refugees
City of Oroville	Midpen Regional Open Space	Hillsborough City	Children of Grace
City of Pacific Grove	Santa Clara Regional Open Space	La Honda Pescadero	Collective Roots
City of Point Arena	Saratoga Cemetery District	Las Lomitas Elementary	Crede High School
City of Rocklin	South Bayside System Authority	Lassen View Elementary	Hidaya Foundation
City of Saratoga	South San Francisco Conf. Ctr.	Los Altos Elementary	Livebooks
City of Sonoma	Suasalito-Marin City Sanitation District	Luther Burbank	Mashery
City of Suisun City	Tahoe Regional Planning Agency	Manton Joint Union	Mission Charter
City of Tracy	The Cities Group	Millbrae Elementary	Mission Language and Vocational School
Town of Los Gatos	Valley of the Moon Fire	Mineral	NASA AMES Exchange
	West Bay Sanitary District	Mountain View Whisman	Orange County Charter School
	Westborough Water District	Orchard	Pathway to Choices
		Pacifica	Pyramid Alternatives
		Plum Valley	Redwood City Education Foundation
		Portola Valley Elementary	San Jose Conservation Charter
		Red Bluff	San Jose Conservation Corps
		San Bruno Park	Sociometrics
		San Carlos Elementary	South Tahoe Area Transit Authority
		San Lorenzo Valley Unified	Stone Bridge Charter School
		San Mateo County Office	Work2future Foundation
		Scotts Valley Unfied	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Section D - Partner, Supervisory and Staff Resumes

Colusa Groundwater Authority Proposal for Auditing Services

Andrew Quintero

Senior Auditor

Andrew has successfully completed five seasons of governmental auditing. Andrew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and cities. He has been the Senior Auditor in-charge of clients such as the Town of Yountville, City of Suisun City, Fairfield-Suisun Sanitary District and many more. Besides the standard control documentation and substantive testing required for GAAS audits, Andrew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

Matthew Ojeda

Senior Auditor

Matthew graduated from the San Jose State University, with a B.S. in Accounting. Starting in public accounting in 2014, he has successfully completed seven seasons of governmental auditing. Matthew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various special districts and school districts. Besides the standard control documentation and substantive testing required for GAAS audits, Matthew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

Professional Education and Training

Our professionals complete 80 hours of continuing professional education every two years in auditing and accounting which includes at least 80 hours of governmental auditing and accounting training specific to local governments. We use a combination of in-house seminars, self-study and outside seminars sponsored by AICPA, GFOA, the California Education Foundation and other recognized groups.

All assigned staff meet the educational requirements for Governmental engagements as specified by the California Board of Accountancy, Federal General Accounting Office, Governmental Accounting Standards Board, and the AICPA as appropriate.

Section E

Similar Engagements

Section E - Similar Engagements

Colusa Groundwater Authority Proposal for Auditing Services

Client References and Similar Engagements

The following projects were completed by C&A:

Entity Name	Bay Area Water Supply & Cons Agency	City of Pacific Grove	Ross Valley Sanitary District
Contact Person	Deborah Grimes	Tori Hannah	Felicia Newhouse
Title	Finance Manager	Administrative Services Director	Business & Administrative Services Manager
Address	155 Bovet Rd., Ste 650, San Mateo, CA 94402	300 Forest Ave, Pacific Grove, CA 93950	2960 Kerner Blvd, San Rafael, CA 94901
Phone	650-349-3000	831-648-3103	415-870-9761
E-mail	DGrimes@bawasca.org	thannah@cityofpacificgrove.org	fnewhouse@rvsd.org
Audit Period	6/30/2022	6/30/2022	6/30/2022
Hours	160	340	180
Fiscal Years Audited	8	5	6
Partner	Sheldon Chavan	Paul Pham	Sheldon Chavan
GFOA Award	No	Yes	Yes
Entity Type	Special District	City	Special District
Scope of Work	Revenue Bond Audit GAGAS Audit SCO Min Audit Req Review SCO Report SAS 114 Report Management Letter Year Round Consultation	ACFR GAGAS Audit Single Audit/OMB GANN Limit AUP SAS 114 Report Management Letter Measure S Audit Year Round Consultation	ACFR GAGAS Audit SCO Min Audit Req Single Audit SAS 114 Report Management Letter Year Round Consultation

Section F

Additional Information

Section F - Additional Information

Colusa Groundwater Authority Proposal for Auditing Services

Current Client List

Cities/Towns	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
City of Albany	✓	✓	✓			✓	
City of Carmel-by-the-Sea	✓	✓	✓			✓	
City of Del Rey Oaks		✓	✓			✓	
City of El Cerrito	✓	✓	✓	✓		✓	
City of Lincoln	✓					✓	
City of Marina	✓	✓	✓			✓	
City of Oroville	✓	✓	✓	✓		✓	
City of Pacific Grove	✓	✓	✓	✓		✓	
City of Point Arena		✓	✓			✓	
City of Rocklin	✓	✓	✓	✓		✓	
City of Saratoga	✓	✓	✓	✓		✓	
City of Suisun City	✓	✓	✓	✓		✓	
Town of Los Gatos	✓	✓	✓	✓		✓	
Town of Yountville	✓	✓	✓			✓	

Local Education Agencies	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Antelope School District		✓	✓		✓		
Burlingame School District		✓	✓	✓	✓		✓
Cabrillo Unified School District		✓	✓	✓	✓		✓
Corning Union High School District		✓	✓	✓	✓		
Cotati-Rohnert Park Unified School District		✓	✓	✓	✓		✓
Cottonwood Union School District		✓	✓		✓		
Golden Valley Unified School District		✓	✓	✓	✓		
Hillsborough City School District		✓	✓	✓	✓		
Jefferson Union High School District		✓	✓	✓	✓		✓
Las Lomas School District		✓	✓		✓		✓
Lassen View Union Elementary School District		✓	✓		✓		
Los Altos School District	✓	✓	✓	✓	✓		✓
Luther Burbank School District		✓	✓	✓	✓		
Menlo Park City School District		✓	✓	✓	✓		
Millbrae School District		✓	✓		✓		✓
Mountain View Whisman School District		✓	✓	✓	✓		✓
Napa Valley Unified School District		✓	✓	✓	✓		✓
Orchard School District		✓	✓		✓		✓
Pacifica School District		✓	✓	✓	✓		
Red Bluff Joint Union High School District		✓	✓	✓	✓		✓
Red Bluff Union Elementary School District		✓	✓	✓	✓		
Roseland Elementary School District		✓	✓	✓	✓		✓
San Bruno Park School District		✓	✓	✓	✓		
San Carlos School District		✓	✓	✓	✓		✓
San Lorenzo Valley Unified School District		✓	✓	✓	✓		✓
San Mateo Foster City School District		✓	✓	✓	✓		✓
Santa Rosa City Schools		✓	✓	✓	✓		✓
Sequoia Union High School District		✓	✓	✓	✓		✓
Sonoma Valley Unified School District		✓	✓	✓	✓		✓
Soquel Union Elementary School District		✓	✓	✓	✓		✓
Union School District		✓	✓	✓	✓		✓
West County Transportation Agency		✓	✓		✓		
Woodside Elementary School District		✓	✓		✓		✓

Charter Schools	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Charter School of Morgan Hill		✓	✓		✓	✓	
Cottonwood Creek Charter School		✓	✓		✓	✓	
Credo High School		✓	✓		✓	✓	
Kid Street Charter School		✓	✓		✓	✓	
The Reach Charter School		✓	✓		✓	✓	
Mission Preparatory School		✓	✓		✓	✓	
Pathways Charter School		✓	✓		✓	✓	
Roseland Charter School		✓	✓	✓	✓	✓	
RSTEM Academy Charter School		✓	✓		✓	✓	
Stone Bridge Charter School		✓	✓		✓	✓	
Unity Schools		✓	✓		✓	✓	
University Preparatory Academy		✓	✓		✓	✓	
Woodland Star Charter School		✓	✓		✓	✓	

Section F - Additional Information

Colusa Groundwater Authority Proposal for Auditing Services

Special Districts	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Bay Area Water Supply Conservation Agency		✓	✓	✓			
Castro Valley Sanitary District		✓	✓				
El Dorado Hills Community Services District	✓	✓	✓				
Lake Canyon Community Services District		✓	✓				
Midpeninsula Regional Open Space District		✓	✓	✓			
Mid-Peninsula Water District						✓	
North County Library Authority		✓	✓				
Purissima Hills Water District						✓	
Ross Valley Sanitary District	✓	✓	✓				
Sausalito-Marín City Sanitation District		✓	✓	✓			
Stege Sanitary District		✓	✓				
South San Francisco Conference Center		✓					
The Cities' Group			✓				
Tres Pinos Water District		✓	✓				
Valley of the Moon Fire District		✓	✓	✓			
West Bay Sanitary District		✓	✓				
West Valley Sanitation District		✓	✓				
West Valley Clean Water Authority		✓	✓				
Westborough Water District						✓	

NonProfit Organizations	CAFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Boys and Girls Clubs of Sonoma Valley		✓				✓	
Center for Empowering Refugees & Immigrants		✓				✓	
Children of Grace						✓	
Hidaya Foundation		✓				✓	
Mission Language and Vocational School		✓				✓	
Morgan Hill Charter School Foundation		✓				✓	
Mountain View Educational Foundation						✓	
NASA AMES Exchange		✓				✓	
New Ballet School		✓					
O'Connor Tract Co-Operative Water Co.		✓				✓	
Peninsula College Fund		✓					
Peninsula Conflict Resolution Center		✓				✓	
Redwood City Education Foundation		✓				✓	
River of Life Foundation		✓	✓	✓			
San Mateo County Exposition and Fair Association		✓				✓	
Sonoma Valley Hospital Foundation		✓				✓	
St. Andrew's Residential Programs for Youth		✓	✓				
Starting Arts, Inc.		✓	✓				
STARS Preschool		✓	✓				
The San Jose Library Foundation		✓	✓	✓		✓	
Work2future Foundation		✓				✓	
Young Women's Christian Assoc. of Sonoma		✓	✓	✓			

Privately Held Corporations	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Air Filter/Control						✓	
Dfusion, Inc.		✓	✓	✓			
Diagnostics for the Real World		✓	✓	✓			
FRTek US, LLC		✓					
Pathway to Choices		✓					
Roberts of Woodside						✓	
System Services International		✓					
Tri-Cities Community Development Center		✓					
Tri-State Seminar, LLC		✓					

Section F - Additional Information

Colusa Groundwater Authority Proposal for Auditing Services

Technology in the Audit

C&A is a paperless firm and we use secure cloud servers for file sharing. We have Lenovo laptops and Fujitsu scanners that we use in the field. Our secured laptops are synchronized to our cloud server every day to avoid loss of data. The scanners allow for flexibility during the audit since it is not feasible to expect every document in electronic format.

Our secure online file share and engagement organizer provide for a better option over e-mailing electronic files. Each of our clients has an account login username and password through our website or an emailed link that allows them to upload files. This is especially helpful with sensitive information such as payroll data as it is much more secure than e-mail.

Our audit software is **ProSystems fx Engagement** which we compliment with Knowledge Coach (KC) audit programs and workpapers. These programs allow us to roll-forward audit information without having to replace the audit programs in the binder because they automatically update with changes in auditing and accounting standards every month. Finally, we have purchased data extraction software for each of our laptops that convert Adobe and other file types to Word and Excel.

All of the above-mentioned technological innovations make the audit more efficient and provides us the opportunity to spend time in areas that are more meaningful to the Authority. It also reduces the time and effort required by Authority staff to provide information and minimizes redundancy from year to year in the audit.

Proposal Exceptions

C&A did **not** have any exceptions or requested changes to the Authority's RFP conditions or requirements.

C&A's Responsibility for Detecting Fraud

While audits are not designed to root out every instance of fraud, we have a responsibility to detect material misstatements in the financial statements caused by either fraud or error. Accordingly, generally accepted auditing principles prescribe specific audit procedures to detect fraud that must be carried out during each audit. C&A must hold a fraud brainstorming session at the beginning of the audit. This session is designed to provide a time for the audit team to consider how the client could commit fraud. The brainstorming meeting is used to set a tone of professional skepticism in the audit. Because committing material financial statement fraud often requires adjustments to financial records, C&A will test journal entries for any signs of manipulation. Another likely place for fraud is in accounting estimates since management may be able to influence accounting estimates to manipulate the financial statements. Generally, we perform procedures to determine if the methodology for completing accounting estimates has changed from the prior year and examine the directionality of estimates as a whole. We also closely examine significant unusual transactions outside of normal operations. This examination requires organizations to explain the purpose and rationale for the transaction and we corroborate management's response with other information received during the audit.

Attachments



Attachment A

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 18, 2021

To the Partners of Chavan & Associates, LLP
and the Peer Review Committee
of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Chavan & Associates, LLP in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements are identified as not having been performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

To the Partners of Chavan & Associates, LLP **Attachment A**
and the Peer Review Committee
of the California Society of Certified Public Accountants
Page 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Chavan & Associates, LLP in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Chavan & Associates, LLP has received a peer review rating of *pass*.

The Peer Group, LLP

Santa Ana, California

March 04, 2022

Sheldon Chavan
Chavan & Associates LLP
11135 Sunrise Ridge Cir
Auburn, CA 95603-6012

Dear Sheldon Chavan:

It is my pleasure to notify you that on February 22, 2022, the California Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is June 30, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Peer Review Committee

Peer Review Program
The Peer Review Program Team
peerreview@calcpa.org
650-522-3094

cc: John Georger

Firm Number: 900005340457

Review Number: 577158


COST PROPOSAL

FOR THE ANNUAL INDEPENDENT AUDIT

OF THE

COLUSA GROUNDWATER AUTHORITY

Submitted August 3, 2023



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037
Phone: (650) 346-1329
Fax: (408) 872-4159
E-mail: sheldon@cnallp.com
Contact: Sheldon Chavan, Partner

Cost Proposal

Colusa Groundwater Authority Proposal for Auditing Services

Date: August 3, 2023

Firm: Chavan & Associates, LLP (C&A)
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037
Phone: (650) 346-1329

Contact Person: Sheldon Chavan, Managing Partner
Sheldon@cnallp.com
650-346-1329

Price per Year by Service Level:

Services	Hours	Optional				
		2022	2023	2024	2025	2026
District Audit and Management Letters	96	\$ 12,500	\$ 12,500	\$ 14,500	\$ 15,000	\$ 15,000
Additional Printed Copies of Reports	N/A	Included	Included	Included	Included	Included
GASB implementation and guidance	N/A	Included	Included	Included	Included	Included
Present Reports to Board and Committees	N/A	Included	Included	Included	Included	Included
Meals, Lodging and Transportation	N/A	Included	Included	Included	Included	Included
Total All-Inclusive Maximum Price	96	\$ 12,500	\$ 12,500	\$ 14,500	\$ 15,000	\$ 15,000

Please note that if the Authority were to incur expenditures of federal awards of \$750,000 or more in a fiscal year, the fee to perform the single audit under uniform guidance would be an additional \$4,000 for one major program. Additional major programs would be billed at \$2,500 per major program.

Certification: I, the undersigned, certify I am duly authorized to represent C&A and I am empowered to submit this bid. In addition, I certify I am authorized to contract with the Colusa Groundwater Authority on behalf of C&A.



Signature

Managing Partner

Title

August 3, 2023

Date

Sheldon Chavan

Name

Cost Proposal

Colusa Groundwater Authority Proposal for Auditing Services

Schedule of Professional Fees

Our professional fees are based on actual time devoted to an engagement, at hourly rates related to the experience levels of the individuals performing the work. The following is our standard fee schedule for our audit personnel:

	Standard & Quoted Hourly Rates		Hours	Optional				
				Fiscal Year Ending				
	2022	2023	2024	2025	2026			
Engagement Partner	\$ 300	20	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,180	\$ 6,180	
Associate Partner/Reviewer	250	4	1,000	1,000	1,000	1,030	1,030	
Senior Auditor	125	32	4,000	4,000	4,000	4,120	4,120	
Professional Staff	100	32	3,200	3,200	3,200	3,296	3,296	
Administrative Staff	100	8	800	800	800	824	824	
Professional Discount	N/A	N/A	-	-	(500)	(450)	(450)	
Total Fees Base Audit		96	15,000	15,000	14,500	15,000	15,000	
Combined Biennial Audit Discount	N/A		(2,500)	(2,500)	-	-	-	
Total All-Inclusive Maximum Price		96	\$ 12,500	\$ 12,500	\$ 14,500	\$ 15,000	\$ 15,000	

Manner of Payment

Progress payments will be made on the basis of actual audit work completed during the course of the audit and out-of-pocket expenses incurred in accordance with the firm’s proposal. Interim billing shall cover a period of not less than a calendar month. Details of staff hours with billing rates will be required to be included on each invoice. Payment will be made based upon actual costs not to exceed the maximum outlined in the proposal.

Rates for Additional Professional Services

In the event that extraordinary circumstances require additional services beyond the agreed upon scope, C&A will provide, in writing and in advance, the reasons for the additional services along with our estimated costs and a statement that no work will be performed prior to District approval. **Rates for additional services would be the same as those identified under the quoted hourly rates above.**

**PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
Colusa Groundwater Authority**

**For the Fiscal Years Ending
June 30, 2022-2024
(with option for two subsequent years)**

NIGRO & NIGRO^{PC}

Respectfully Submitted on October 13, 2023 by:

Paul J. Kaymark, CPA
Nigro & Nigro, PC
pkaymark@nncpas.com
Federal Tax ID: 30-0636241
Nncpas.com

Murrieta Office: 25220 Hancock Ave. #400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
Walnut Creek: 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

Let's Work Together!



*By applying our financial expertise,
we partner with our clients to build
valuable relationships that inspire success.*

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October 13, 2023

Board of Directors
Colusa Groundwater Authority
1213 Market Street
Colusa, CA 95932

Dear Board Members:

Thank you for the opportunity to submit this proposal to continue providing audit services for the Colusa Groundwater Authority (Authority). Our understanding of the work to be done is: the annual audit of the Authority's financial statements for the fiscal years ending June 30, 2022-2024, with an option to extend for two additional years. Based on our history with water agencies, I believe our firm would be a great fit, and we would develop a great working relationship. Our staff works hard to help ensure our audits are completed with the highest level of service and meet all deadlines.

Currently, our current State Water Project clients are as follows:

Palmdale Water District, Littlerock Creek Irrigation District and San Geronio Pass Water Agency

Although many people think that all water agencies function in the same manner, we know that's not the case. The audit leadership team we've assigned to your Authority, including myself, will take the time to learn the intricacies of your organization. We find that by delving deep into our client's structure and operations we are able to make recommendations that are not only useful, but also practical to implement.

At Nigro & Nigro, PC, our greatest strengths correspond to your most critical needs; we possess the full spectrum of resources needed to most effectively help the Authority's management team and Board members meet their goals – all at a very competitive rate. We believe we are your best choice.

- **Credibility, Reputation, and Resources of a Large Firm** without sacrificing the small-firm touch. Our CPAs and consultants can help you analyze and address financial, operational, and regulatory issues so you can focus attention on serving your citizens. We were originally formed in 1999, and now perform annual audits for approximately 80+ public agencies annually.
- **State-Wide Reach with Local Presence.** At Nigro & Nigro, we have the benefit of having the resources of a state-wide firm while serving you from our Murrieta office. We also have an office in Walnut Creek for additional resources.
- **Efficiency.** Our use of portal software allows you to upload audit documentation at any time, which will minimize disruption to your staff and enable timely completion of all deliverables.

- **An Efficient and Effective Work Plan.** We currently serve over 80+ governmental entities state-wide, which enables our staff to understand the scope of the audit. We also understand the Authority's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective work plan that takes into consideration your needs for high quality audit services, as well as timely deliverables. As a result of our efficient work plan, we commit to meeting your deadlines to complete our auditing services within the time period you specify.
- **Thought Leadership.** Members of our firm have been actively involved as presenters in numerous industry conferences and programs, including the GFOA, CSDA, and CSMFO. We have incorporated our experience with these committees into our audit framework.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the engagement team members who are selected based on their experience, focus on serving local government agencies, and who are the best fit for you. Each of the Authority's engagement team members have completed and exceeded the mandatory requirement for continuing professional education hours as requested in the RFP. Paul Kaymark, Partner, will be the main contact for the Authority regarding this project.
- **A Focus on Providing Consistent, Dependable Service to Government Entities.** Nigro & Nigro is organized by industry, affording our clients with industry-specific expertise supplemented by valuable local service and insight. Therefore, the Authority will enjoy the service of members of our Governmental Audit Services Team who have experience with similar governmental entities and understand the issues and environment critical to you. You will not have to train our auditors.

You may have many options in selecting a professional audit firm. By choosing Nigro & Nigro, you will gain value-added accounting and operational insights. We are the right fit for the Authority, as we have the expertise and depth of resources within our firm to offer you exceptional service while maintaining a sincere and honest relationship. We understand the work, we are committed to meeting your deadlines, and we would like the opportunity to continue to be your auditors. We also commit to meeting or exceeding your expectations.

Thank you once again for the opportunity to present our qualifications. If you have any questions about our offerings, please do not hesitate to contact me.

Sincerely,



Paul J. Kaymark, CPA
Audit Services Partner

LICENSE TO PRACTICE IN CALIFORNIA

The Firm and its entire CPA staff hold licenses to practice in the State of California. The Firm's CPA's are all members in good standing with the California Society of CPA's and the AICPA. We will assign a California licensed CPA as the auditor in charge of the audit.

PROFILE OF THE FIRM

Statement of Independence

Our standards require that we be without bias with respect to your operations. The Firm is independent of all entities listed in the RFP, as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's "Governmental Auditing Standards". In addition, the Firm shall give the Authority written notice of any relevant professional relationships entered into during the period of this agreement.

Experience

Nigro & Nigro team members are highly trained in governmental accounting and auditing, which sets us apart as being able to add value beyond the basic attest engagement. We are comfortable working with clients of various sizes. Within the past five years, we have worked with numerous governmental clients with revenues ranging from \$200,000 to over \$300 million.

Prior to any audit engagement, our engagement team leader will meet with the Board, Audit Committee and Management to gain a full understanding of the philosophy, objectives and policies for operating the organization, as well as to discuss significant business, regulatory and accounting matters that will affect the audit. At the conclusion of the audit, we will communicate the results of the audit with the Board, Audit Committee and Management.

Areas of specialization include:

- Audit and Review Services
- Government Auditing Standards & Single Audits
- Annual Report of Financial Transactions
- Agreed Upon Procedures Engagements
- Comprehensive Annual Financial Report (CAFR) development

PROFILE OF THE FIRM (CONTINUED)

Size of Our Firm

Firm-wide, we have the following staffing for our governmental audit services:

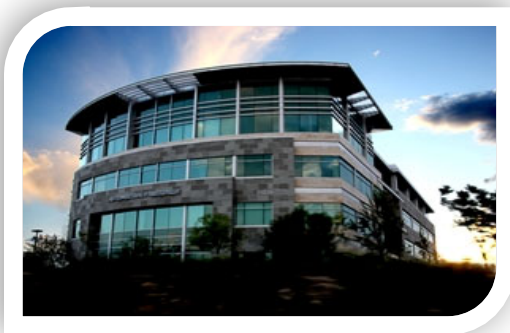
Position	Number of Employees	Number of Licensed CPA's
Partner*	7	7
Senior Manager	1	1
Manager	3	1
Supervisor	5	-
Senior	5	1
Associates	10	-
Support Staff	5	-
Total	36	10

**Although the term "partner" is used throughout this proposal to avoid confusion, the firm is organized as a Professional Corporation, and the firm's owners are "shareholders."*

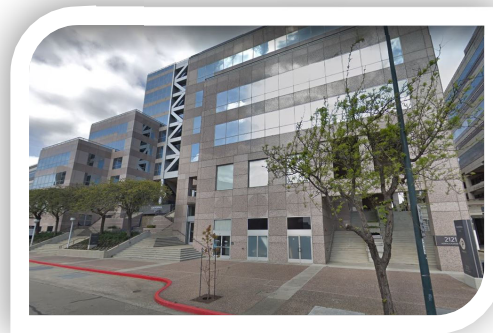
Size and Location of Offices

The firm was originally established in 1999. In 2013, we opened our second office in Northern California in order to better serve our growing client base of agencies in the San Francisco Bay Area. The Firm now has five partners and a professional staff of 18 accountants and expects to add more in the coming years as we continue to grow. We are a full service firm, providing audit and review, tax, consulting, and accounting services to local government, non-profit organizations, charter schools, commercial businesses and homeowners' associations. The office serves clients of all sizes and industries, however, we focus on government agencies, just like yours.

We are prepared to do what it takes to provide the extra level of service required to maintain a long-term business relationship.



MURRIETA OFFICE



WALNUT CREEK OFFICE

Range of Activities Performed

- Consulting and other services for numerous other agencies and not-for-profits
- Tax services for individuals, corporations, and non-profit organizations

PROFILE OF THE FIRM (CONTINUED)

Peer Review

Our firm's most recently issued peer review report can be found under the "Additional Documents" section of the proposal. A firm can receive a "Fail", "Pass with Deficiencies", or a "Pass" rating. The firm's most recent peer review report rating was a Pass. This rating indicates that the firm's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects. As required by our membership in the Government Audit Quality Center (GAQC), the peer review included a selection of a sample of governmental audit engagements.

Meet Your Audit Leadership Team

Listed on the following pages are the resumes of the management team that will be assigned to your audit. As mentioned previously, our staff members have considerable governmental audit experience. This gives us a pool to draw on in addition to the group listed.

Name	Role	Years of Experience in Audits
Paul J. Kaymark, CPA	Lead Partner	29
Peter Glenn, CPA	Review Partner	15
Jared Solmons, CPA	Audit Manager	5
Stacy Macias	Audit Supervisor	5
Anabel Cruz, CPA	Audit Senior	4

Paul J. Kaymark, CPA

Lead Audit Partner

Paul joined the firm in 2019 and has more than 26 years of previous public accounting and auditing governmental entities experience. Paul is our choice for new governmental audit clients, having extensive experience in the areas of governmental entities. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

Mr. Kaymark has been working on audit engagements of governmental agencies, not-for-profit organizations, as well as for-profit corporations and companies. His previous experience includes audit and consulting work for large and small businesses with a focus on client service. Paul strives to build strong relationships with his clients by assisting them with any emerging issues and being available as a resource.

Consulting Services:

Mr. Kaymark has experience in a variety of governmental issues, garnered from his auditing experience over the years. He regularly consults with clients in areas of:

Special District Accounting:

- Internal controls
- Financial reporting
- Annual report of financial transactions

Financial Reporting:

- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections
- Pension and OPEB accounting

Some Agencies Served:

- Palmdale Water District
- Mojave Water Agency
- Western Municipal Water District
- El Toro Water District
- East Orange County Water District
- Trabuco Canyon Water District



California Special Districts Association

Districts Stronger Together

CSDA Workshop Speaker



Education:

Bachelor of Science, Business Administration, Accountancy
California State University, Long Beach
1994

Licenses and Certifications:

- Certified Public Accountant, California
- GFOA Certificate for Excellence in Financial Reporting - Reviewer

Professional Affiliations:

- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)
- California Special District Association (CSDA)

Continuing Education:

Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation including:

- Governmental and Nonprofit Annual Update
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Grant Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates



Water and Wastewater Clients Audited and/or Consulted With Over My Career

Water and Wastewater

Metropolitan Water District of Southern California
Los Angeles County Sanitation District
Long Beach Water Department
Glendale Water and Power
Colton Public Utilities
Baldy Mesa Water District
Bear Valley Community Services District
Beaumont-Cherry Valley Water District
Big Bear City Community Services District
Cabazon Water District
California Domestic Water Company
Casitas Municipal Water District
Castaic Lake Water Agency
Chino Basin Water Conservation District
Chino Basin Watermaster
Coachella Valley Water District
Diablo Water District
East Orange County Water District
El Toro Water District
Farm Mutual Water Company
Golden Hills Community Services District
Goleta Water District
Hi-Desert Water District
Inverness Public Utilities District
Irvine Ranch Water District
Joshua Basin Water District
Jurupa Community Services District
Leucadia Wastewater District
Mesa Consolidated Water District
Mojave Water Agency
Monte Vista Water District
Montecito Water District
North Coast County Water District
North Marin Water District
Novato Sanitary District
Palmdale Water District

Water and Wastewater, continued

Phelan Pinon Hills Community Services District
Pomona Valley Protective Agency
Purissima Hills Water District
Rincon del Diablo Water District
Rosamond Community Services District
Rossmoor Los Alamitos Area Sewer District
Sacramento Suburban Water District
San Bernardino Valley Water Conservation District
San Gabriel Valley Municipal Water District
San Lorenzo Valley Water District
Santa Ana Watershed Project Authority
Santa Margarita Water District
Saticoy Sanitary District
Solano County Water Agency
Soquel Creek Water District
Stallion Springs Community Services District
Summerland Sanitary District
Trabuco Canyon Water District
Tres Pinos Water District
Triunfo Sanitation District
Twentynine Palms Water District
Vallecitos Water District
Valley County Water District
Ventura Regional Sanitation District
Victor Valley Water District
Victor Valley Wastewater Reclamation Authority
Victorville Water District
Water Facilities Authority - Joint Power Agency
Water Replenishment District
West County Agency
West County Wastewater District
West Valley Water District
Westborough Water District
Western Municipal Water District
Western Riverside County Regional Wastewater
Yorba Linda Water District

Peter Glenn, CPA

Review Partner

Peter joined the firm in 2011 after nearly three years of previous public accounting and auditing experience. Peter will work under the general direction of the partner. Peter is our choice for new governmental audit clients, having successfully worked on each of the Firm's clients since beginning with the Firm. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

Audit Services:

Peter Glenn began his auditing career with Nigro & Nigro in 2011, participating in audits of special districts, LEAs, other governmental audits, and agreed-upon procedure engagements. Prior to joining the firm, he worked for three years at another public accounting firm, developing his auditing skills. He has previously been the in-charge accountant for some of the firm's largest clients.

Consulting Services:

Mr. Glenn has experience in a variety of governmental accounting issues, derived from his auditing experience at the firm. He regularly consults with clients in areas of:

Special District Accounting:

- Internal controls
- Financial reporting & GASB 34
- Annual report of financial transactions

Financial Reporting:

- Uniform Guidance
- Performance Audits
- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections

Other Agencies Served:

- Palmdale Water District
- Mojave Water Agency
- Western Municipal Water District
- El Toro Water District
- East Orange County Water District
- Trabuco Canyon Water District



Education:

Bachelor of Science, Business Administration, Accounting
California State University,
San Marcos, 2008, Magna Cum Laude

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- CASBO Annual Conference
- SSC Finance & Management Conferences
- Government Accounting & Auditing Conference
- In-house training for audit staff (presenter)



Jared Solmons, CPA

Manager

Jared joined the firm in 2019 as a Staff Accountant. After completing his degree, Jared went to work for a midsize construction company where he worked as an estimator and project manager before transitioning into more of an accounting and finance role. It was working in this role that led him to the decision to pursue the goal of becoming a Certified Public Accountant. He continues to hone his skills and expand his knowledge as he branches out into different areas of accounting services and working with various governmental agencies and not-for-profit organizations. Jared will work under the general supervision of the partner and oversee staff as they work together through different audit areas.



Audit Services:

Jared began his career with Nigro & Nigro working on LEA audits before transitioning to focus on special districts and not-for-profit organizations. He focuses on a customer-oriented approach to auditing, striving to build strong relationships by working with clients to help them navigate the ever-changing world of accounting rules and standards.

Consulting Services:

Jared has experience with a variety of governmental and not-for-profit accounting issues, as well as other tax and audit concerns, derived from his audit and consulting experience at the firm. He regularly consults with clients in the areas of:

Special District Accounting:

- Internal control policies, procedures, and best practices
- Year-end closing procedures
- Capital asset and depreciation schedule

Financial Reporting:

- Federal and state compliance
- Single audits
- Revenue and expense tracking by program/grant
- Statement of functional expense
- Compiling financial statements
- Disclosure requirements

Other Agencies Served:

- Palmdale Water District
- Scotts Valley Water District
- Oxnard Harbor District
- Big Bear City Airport District
- Pauma Valley Community Services District
- North County Fire Protection District
- San Gabriel Valley Mosquito & Vector Control District
- Ventura County Resource Conservation District
- Tehachapi Valley Recreation & Park District
- Murrieta Valley Cemetery District

Education:

Bachelor of Science, Business Administration, Finance
California State University,
San Marcos, 2013

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- AICPA webinars and CPE
- California Special Districts Association Conference
- Spidell Tax Seminar
- In-house training for audit staff (presenter)

Additional Areas:

- Tax preparation
- QuickBooks knowledge

Stacy Macias

Supervisor

Stacy joined the firm in 2018 as a staff accountant after completing her degree at California State University, Chico and has worked her way up to Senior Accountant. Stacy has worked in a variety of the firm's audit and tax departments. Stacy continues to expand her knowledge as she branches out into different areas of accounting services and working with varying governmental and not-for profit clients. Stacy will work under the general direction of the partner and oversee staff as they work together through different audit areas.

Audit Services:

Stacy began her auditing career on audit engagements of local education agencies, charter schools, governmental agencies, and non-for-profit organizations. Stacy enjoys auditing governmental agencies and non-for-profit due to their varying structures and sizes. Stacy truly values customer service and building client relationships. Her friendly demeanor makes clients comfortable in reaching out to her during the audit process or throughout the year.

Consulting Services:

Stacy has experience in a variety of governmental and not-for-profit accounting, tax, and audit concerns, derived from her audit and consulting experience those industries. She regularly consults with clients in the areas of:

Financial Reporting:

- Year-end closing procedures
- Internal control policies and procedures and best practices
- Compiling Financial Statements
- Revenue and Expense tracking by program/grant
- Statement of Functional Expenses
- Capital assets and depreciation schedules
- Disclosure requirements
- Federal and State compliance

Additional Areas:

- Tax preparation
- QuickBooks knowledge

Other Agencies Served:

- Palmdale Water District
- Ventura County Conservation District
- Antelope Valley Resource Conservation District
- Rowland Water District
- North County Fire Protection District
- Bolinas Fire Protection District
- Bodega Bay Fire Protection District



Education:

Bachelor of Science, Business Administration, Accounting
California State University,
Chico, 2018

Licenses and Certifications:

- CPA License Candidate (expected licensure in 2023)

Continuing Education:

- CalCPA Conferences for Governmental Accounting and Auditing and Not-for-profit Organizations
- Spidell Tax Seminar
- Western CPE Tax update webinars
- In-house training for audit staff (presenter)

Anabel Cruz, CPA

Audit Senior

Anabel began her career in public accounting in 2019 with Nigro & Nigro, PC. Previous to joining the firm, she worked as an Accountant at private sector companies. She has passed the CPA examination and is working towards meeting the requirements needed for licensure. Anabel's audit experience includes audits of governmental and not-for-profit organizations such as cemeteries, resource conservation districts, water Districts, fire Protection Districts and community Service Districts. Anabel values building quality relationships with clients while providing timely and reliable services. Anabel is working under the general direction of the Audit Supervisor.



Audit Services:

Anabel has experience with a variety of governmental and not-for-profit accounting issues derived from her audit and consulting experience at the firm. She regularly consults with clients in the areas of:

Consulting Services:

Anabel has experience in a variety of governmental and not-for-profit accounting and audit concerns, derived from her audit and consulting experience those industries. She regularly consults with clients in the areas of:

Financial Reporting:

- Year-end closing procedures
- Agreed upon procedures
- Internal control policies and procedures and best practices
- Capital assets and depreciation schedules

Other Agencies Served:

- Palmdale Water District
- North County Fire Protection District
- Ventura County Resource Conservation District
- County of San Bernardino ATC
- Winters Cemetery District

Education:

Bachelor of Science, Finance and Accountancy
California State University, Northridge,
2014

Licenses and Certifications:

- Certified Public Accountant, California

Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff

PROFILE OF THE FIRM (CONTINUED)

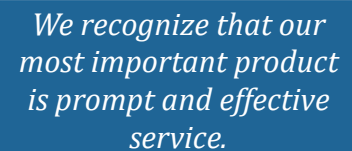
Training & Resources

The Firm is committed to a continuing professional education program, which emphasizes the areas of expertise of each member of our professional staff. The Firm is required to comply with the *Government Auditing Standards* for each professional practicing in the area of governmental accounting and auditing. We are committed to follow those standards, which result in quality audit services, including continuing education for all staff of 60-80 hours each year, specifically in school districts and governmental auditing. As required by *Government Auditing Standards*, all governmental audit staff receives the required continuing education in the area of governmental auditing and accounting. These policies are monitored internally, reviewed annually and certified periodically by independent peer review.

Library facilities are maintained which include current professional literature and specific information for the industries that we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our school district clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of the engagement.

Our staff participates in activities relating to government accounting and reporting issues through our membership and involvement with the following organizations:

- a. American Institute of CPA's Governmental Audit Quality Center
- b. California Society of CPAs
- c. Government Finance Officers Association (GFOA)
- d. California Special Districts Association (CSDA)
- e. Government Accounting Standards Board (GASB)
- f. Association of Certified Fraud Examiners (ACFE)



We recognize that our most important product is prompt and effective service.

Through our participation in these organizations and continuing education provided by them, the Firm continues to stay abreast of all current governmental accounting and reporting issues. Some of the professional education our audit team members have either presented at or attended in the last two years include:

- SSC Annual Finance and Management Conference
- SSC Governor's Budget Workshop
- CSDA Annual Conference
- CSMFO Conference
- GFOA Annual Conference
- Various other governmental workshops

We recognize that our most important product is prompt and effective service. We believe the Authority should work with its CPA firm throughout the entire year. We are available at any time throughout the year to provide any assistance you may need.

PROFILE OF THE FIRM (CONTINUED)

Similar Engagements with Other Special District Water Districts

We currently conduct over 80+ government audits each year and have well rounded experience with local governmental agencies. We are excited for the opportunity to devote our attention to you and your specific needs. Below is a partial list of some similar governmental clients we are currently auditing.

Please contact our clients for a Reference of our services!

Let's start with our State Water Contractor clients:

Palmdale Water District - Dennis Hoffmeyer, CFO (661) 456-1021

Littlerock Creek Irrigation District - Gina Burroughs, OM (661) 944-2015

San Gorgonio Pass Water Agency - Thomas Todd, CFO (951) 845-2577

ACFR Preparation Clients:

Costa Mesa Sanitary District - Kaitlin Tran, FM (949) 645-8400

Hi-Desert Water District - Tanya Gruwell, CFO (760) 228-6271

Las Gallinas Valley Sanitary District - Dale McDonald, ASM (415) 526-1519

Scotts Valley Water District - Nicolas Kuns, FM (831) 600-1904

Trabuco Canyon Water District - Michael Perea, AGM (949) 858-0277

Other Water District Clients:

Calleguas Municipal Water District - Dan Smith, MAS - (805) 579-7132

Montecito Water District - Olivia Rojas, BM (805) 969-2271

Rowland Water District - Myra Malner, DF (562) 697-1726

*** Please check the websites of these above noted clients to review the Financials prepared by our Firm.**

SCOPE OF THE AUDIT

We will audit the basic financial statements of the Authority for the fiscal year ended June 30, 2023-2025 in accordance with the following standards:

- Auditing Standards Generally Accepted in the United States of America
- *Government Auditing Standards*, issued by the Comptroller General of the United States
- Minimum Audit Requirements and Reporting Guidelines for Special Districts

Our audit will be for the purpose of expressing an opinion on the basic financial statements, and will include such auditing procedures as considered necessary to accomplish this purpose. We will also provide an "in-relation-to" opinion on any other supplemental information and statistical schedules. We anticipate issuing the following reports:

- Independent Auditors' Report on the basic financial statements.
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

In addition, we will provide the Authority with a management letter that will give written appraisals of its accounting and related systems. This letter will identify any control deficiencies, significant control deficiencies or material weaknesses that are identified during the audit. We will work with management before audit fieldwork and during the course of the audit to assess internal controls and review mitigating controls in place in an effort to reduce the control deficiencies, significant control deficiencies and material weaknesses that need to be reported to management in writing, assuming there are mitigating controls in place. The letter will also offer recommendations for the elimination of weaknesses that we identify, and we will suggest any methods we discover to help improve efficiency and effectiveness.

We will schedule an appearance with the Board and the Audit Committee that allows an opportunity for us to present the audit and management letter. This is an excellent time for the Authority to resolve any questions it has regarding our audit or management letter. As mentioned earlier, the value in hiring our Firm comes from not only the audit, but from our experience and the education, we can provide. We hope that as questions or concerns arise throughout the year, the Authority staff will contact us and draw on our knowledge and experience.

Non-significant deficiencies discovered during the audit process shall be reported in a separate letter to management, the Board and the Audit Committee, which shall be referred to in the report(s) on internal controls. This separate letter also informs the Board and the Audit Committee of the following:

- 1) The auditor's responsibility under auditing standards generally accepted in the United States of America.
- 2) Significant accounting policies.
- 3) Management judgments and accounting estimates.
- 4) Significant audit adjustments.
- 5) Other information in documents containing audited financial statements.
- 6) Disagreements with management.
- 7) Management consultation with other accountants.
- 8) Major issues discussed with management prior to retention.
- 9) Difficulties encountered in performing the audit.

All working papers and reports will be retained at the Firm's expense for a minimum of seven (7) years, unless the Firm is notified in writing by the Authority of the need to extend the retention period.

SCOPE OF THE AUDIT(CONTINUED)

Segmentation of Engagement

STEP 1: Planning

Our goal in preliminary fieldwork is to gain a thorough understanding of your internal controls, processes and procedures. Our goal is to accomplish as much interim fieldwork as possible so that our stay during final fieldwork is kept to a minimum. Our preliminary work focuses on planning and internal control documentation.

STEP 2: Interim Field Work

Internal Control Documentation

Our internal control documentation usually occurs during interim fieldwork. Our documentation process will be as follows:

- 1) Gather or update documentation for significant processes defined in our preliminary fieldwork.
- 2) Perform a "walk-through" of these significant processes.
- 3) Ask "what can go wrong" questions.
- 4) Identify controls in place. This will include both preventative and detective controls.
- 5) Evaluate the design of internal controls.
- 6) Decide whether to test and rely on controls.
- 7) Summarize preliminary fieldwork and submit management letter of all areas of concern.

STEP 3: Final Fieldwork

We assess risks, design procedures and obtain evidence to support financial statement amounts and disclosures during final fieldwork. Our Firm utilizes a methodology designed specifically for special districts. Our process emphasizes continuous communication with our staff.

Assess Risks and Design Procedures

As outlined in the risk based statements of audit standards (SAS 104 to 111), our Firm uses a risk-based approach to the audit. Our procedures to assess risks and design procedures are as follows:

- 1) Assess risk of material misstatement from errors or fraud based on internal controls combined with inherent risk of significant accounts.
- 2) Design procedures to test controls if considered necessary.
- 3) Design procedures to test details of account balances and classes of transactions based on risk.

Interim and Year End Testing

- 1) Perform tests of controls if considered necessary.
- 2) Perform tests of details of account balances and classes of transactions.
- 3) Evaluate quality and sufficiency of audit evidence.
- 4) Evaluate misstatements.

STEP 4: Audit Completion

Preparation of Audit Report and Management Letter

After reviewing the financial statements, notes and required supplementary schedules, we will agree the data to our working papers and provide a thorough review of all information by using written Firm standards and checklists. We will also review and incorporate any statistical data. This will verify appropriate presentation and disclosure. We will also at this time prepare our management letter that identifies financial trends and recommendations for improvement, reports required communications to the governing board, and discusses change in the environment in which the Authority operates.

SCOPE OF THE AUDIT (CONTINUED)

Proposed Schedule/Level of Staff & Number of Hours Assigned to Each Segment

We will provide a detailed audit plan and prepare a list of schedules upon proposal acceptance. The following table summarizes our proposed segmentation of the engagement by date, segment, and level of staff:

Date/Segment	Total Hours			Total
	Partner/Manager	Supervisor	Staff/Admin	
April				
Preliminary planning and fieldwork	4	2	2	8
May/June				
Interim fieldwork	10	8	8	26
September				
Final fieldwork, report preparation, review, finalization, and presentation	16	12	20	48
Total hours	30	22	30	82
Preliminary planning and fieldwork	4	2	2	8
Control	10	8	8	26
Substantive	6	8	16	30
Reporting	10	4	4	18
	30	22	30	82

Sample Size and the Extent to Which Statistical Sampling is to be Used

We perform sampling techniques and determine sample size after assessing the risk associated with specific transaction classes. No single “cookie-cutter” approach will be followed in regards to sampling techniques, but the Authority can be assured that an appropriate sampling methodology will be utilized. We use the following methods of sampling during our audits: statistical, haphazard, and judgmental. For statistical sampling we use guidance provided by the AICPA and by federal guidelines in accordance with industry standards, which typically recommends sample sizes between 40 to 60 items.

Type and Extent of Analytical Procedures to be Used

We will perform analytical procedures throughout the course of our audit. Professional standards require that analytical procedures be performed in the planning and wrap-up stages of the audit. Analytical review will be used during our expenditure, revenue, budget information as well as many other areas.

These procedures typically entail a review of interim reports, budgets, and comparisons to prior year data. We also use financial statement amounts to calculate certain ratios to determine whether any unusual or unexpected relationships exist in the financial data.

These procedures are then followed by inquiry of key Authority personnel to corroborate the auditors' expectations based on the data.

SPECIFIC AUDIT APPROACH (CONTINUED)

Approach to be Taken to Gain and Document an Understanding of Internal Control Structure(s)

Our audit approach will entail interviews with key personnel in the Authority involved in the design and implementation of internal controls. In conjunction with the interviews, we will perform tests and observations of how well the controls function. Key areas of internal control generally include: cash receipting, accounts payable/purchasing, payroll/personnel, technology, facilities, and maintenance and operations.

Approach to be Taken in Determining Laws and Regulations That Will be Subject to Audit Test Work

We are required to obtain an understanding of the possible financial statement effect of laws and regulations that have a direct and material effect on the determination of financial statement amounts. The determination of laws and regulations is addressed in the planning stage through reading available grant documentation, inquiry of the client, a preliminary review of finance system accounts and search of the Board minutes. We also have working knowledge of the types of laws and regulations under which California special districts operate. We also obtain further information about federal laws and regulations through the Catalog of Federal Domestic Assistance (CFDA) and the Uniform Guidance.

Approach to be Taken in Drawing Audit Samples

Since each program or grant agreement is different, we use many different approaches to sampling in our tests of compliance. The size of the sample considers many factors; size and risk of the program, program maturity, complexity, level of oversight and prior audit findings. AICPA Guidelines generally recommend sample sizes of 25, 40, or 60 items when the population is greater than 250. Ultimately, our professional judgment determines that a representative number of transactions have been selected. You can be confident in our judgment because our peer reviews and an outside review by the U.S. Department of Education have all accepted our audit sampling techniques and procedures.

Use of Technology/Remote Proficiency

In order to facilitate the exchange of data between us and our clients in a secured manner throughout the course of the audit, we employ the use of an online secured portal. Our clients have appreciated this unique and forward-thinking platform which helps minimize duplicate requests and unnecessary email and phone exchanges to request and receive audit documentation. The software is very user-friendly and easy to understand. This also allows us to perform much of the audit remotely without being onsite to reduce our carbon footprint.

AUDIT FEES

Professional	Hours	Rates		Total
		Standard	Quoted	
Partner	10.00	\$ 200.00	\$ 175.00	\$ 1,750.00
Manager	20.00	175.00	150.00	3,000.00
Senior	22.00	150.00	125.00	2,750.00
Staff Members	30.00	125.00	100.00	3,000.00
Admin	-	100.00	75.00	-
Subtotal	82.00			10,500.00
Out-of-Pocket - Included in Rates (We Are Local)				-
Total Max				\$ 10,500.00

Fiscal Year	FY 2022	FY 2023	FY 2024	Total
Audit	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000
State Controller's	\$ 500	\$ 500	\$ 500	\$ 1,500
Total	\$ 10,500	\$ 10,500	\$ 10,500	\$ 31,500

Same Price for FY 2025 and FY 2026

Federal Single-Audit \$5,000 per major program if not clustered

ADDITIONAL INFORMATION

Testimonial

"Few people have the opportunity to work with someone who was a coach and a mentor-but I did when I worked with Paul. I had the pleasure working directly under Paul's supervision and I was particularly impressed by his ability to handle even the toughest clients - and effortlessly. That skill often takes years to develop, but it seemed to come perfectly natural to him. Paul was one of those rare partners who also naturally serve as an inspiring mentor for the whole staff and I was grateful to learn a lot from him."

*Deana Miller
Accounting Manager
PolyCera, Inc.*

Fraud Hotline



Throughout the audit process, we will make available our fraud hotline reporting service at no additional charge over the period of the contract to ensure the Authority has an effective anti-fraud program.



ADDITIONAL DOCUMENTS



Report on the Firm's System of Quality Control

To Nigro & Nigro, PC
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Nigro & Nigro, PC (the firm) in effect for the year ended August 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Nigro & Nigro, PC in effect for the year ended August 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)*, or *fail*. Nigro & Nigro, PC has received a peer review rating of *pass*.

June 11, 2021



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/1/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER RANCHO CAL INSURANCE SERVICES 29930 Hunter Rd Ste 106 Murrieta, CA 92563	CONTACT NAME: James Mitchell PHONE (A/C, No, Ext): (951)260-0190 E-MAIL ADDRESS: jim@ranchoins.com	FAX (A/C, No): (951)260-0189
	INSURER(S) AFFORDING COVERAGE	
INSURED Nigro & Nigro, PC PO Box 1247 Murrieta, CA 92564	INSURER A: Ohio Security Insurance Company NAIC # 24082	
	INSURER B: Amarian Fire and Casualty Company 24066	
	INSURER C: Sequoia Insurance Company 22985	
	INSURER D: Swiss Re Corporate Solutions 29874	
	INSURER E:	
	INSURER F:	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	X	BZS64971750	8/15/2023	8/15/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	BAS64971750	8/15/2023	8/15/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			ESA64971750	8/15/2023	8/15/2024	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	QWC1302193	8/15/2023	8/15/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Cyber Insurance			C-4MQ8-065674-CYBER-2023	8/24/2023	8/24/2024	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Colusa Groundwater Authority Board of Directors Meeting

November 28, 2023 | 1:30 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 7: CGA Board Meeting Schedule

ACTION ITEMS

7a. *Consider Cancellation of December 26, 2023 Board Meeting

BACKGROUND:

The regular Colusa Groundwater Authority Board of Directors meeting for December is currently scheduled for Tuesday, December 26. In light of the Christmas holiday the day before, as well as possible end-of-year vacation schedules, the potential for achieving a quorum of board members and alternates to attend a December 26 meeting is low. Pending board business in December could include guidance on GSP revisions as well as the outreach schedule and materials for a new fee structure; however, action on those items could potentially be guided by committees and deferred to January, or a special meeting could be called for items needing immediate action. The Board could also consider rescheduling the December meeting to a new date.

RECOMMENDATION:

Staff recommends that the CGA Board consider cancelling or rescheduling its regular meeting on December 26.

7b. *Consider Requesting Joint Meeting with GGA Board on December 12, 2023

BACKGROUND:

In response to DWR's recent "incomplete" determination regarding the Colusa Subbasin Groundwater Sustainability Plan, CGA is now working in conjunction with the Glenn Groundwater Authority to address the necessary revisions to the Plan. Because some of the revisions will require policy decisions from the two Groundwater Sustainability Agencies' boards to guide the consultant's work, the CGA board may wish to request a joint meeting with the GGA Board of Directors to ensure agreement on the nature and extent of Plan revisions. Policy guidance to the consultant will be needed soon, in order to meet DWR's April deadline to resubmit the GSP, so a joint meeting of the two GSA boards, if needed, should be held in December if possible. The GGA

Board will hold its regular meeting on December 12. The CGA Board may wish to consider requesting a joint meeting with GGA on that date or on another date.

RECOMMENDATION:

The CGA Board should consider if a joint meeting with the GGA Board is needed; if so, the Board should consider requesting a joint meeting on GGA's regular meeting date of December 12 or on another date to be determined.

7c. *Approval of 2024 Board Meeting Schedule

BACKGROUND:

The CGA Board of Directors traditionally meets on the fourth Tuesday of each month at 1:30 p.m. A draft schedule of dates for 2024 is provided for review and consideration.

RECOMMENDATION:

Staff recommends that the CGA Board review and revise or adopt the draft schedule for its regular meetings in 2024.

ATTACHMENT:

- Draft 2024 CGA Board of Directors Meeting Schedule

COLUSA GROUNDWATER AUTHORITY BOARD OF DIRECTORS

2024 MEETING SCHEDULE

DRAFT

The Colusa Groundwater Authority Board of Directors normally holds its regular meetings on the fourth Tuesday of each month, beginning at 1:30 p.m. Meetings are held at Colusa Industrial Properties, 100 Sunrise Blvd, Colusa CA 95932. Remote meeting access is also available.

- January 23, 2024
- February 27, 2024
- March 26, 2024
- April 23, 2024
- May 28, 2024
- June 25, 2024
- July 23, 2024
- August 27, 2024
- September 24, 2024
- October 22, 2024
- November 26, 2024
- December 24, 2024

Colusa Groundwater Authority Board of Directors Meeting

November 28, 2023 | 1:30 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 8: Butte Subbasin Advisory Board Matters

ACTION ITEM

8a. *Consider Direction to Butte Subbasin Advisory Board representative for member fees

BACKGROUND

The Butte Subbasin is collectively managed by eleven GSAs, including Colusa Groundwater Authority, that cooperatively developed a single GSP. As previously discussed, the Butte Subbasin Advisory Board has engaged Lohdorff & Scalmanini to develop long term budget and funding options for the Butte Subbasin covering basic administration and SGMA compliance. In 2022 each member contributed \$8,000 for SGMA compliance. The current discussion is establishing long term agency contributions to fund the ongoing operations.

The member GSA managers have developed a budget, with annual costs at \$135,713 in 2024 with an estimated 3% annual inflation figure for future years. (Administration costs: \$22,575; SGMA Compliance costs: \$113,138).

Of the options developed for cost sharing, two options received the most support for consideration by the Butte Subbasin Advisory Committee: Option 1, which shares costs equally among the 11 members, and Option 5, which adjusted the fees with a groundwater use component. The BAB met on November 6 to review the budget and fee options but could not reach consensus on the cost-share options. A sub-committee consisting of BAB representatives from Butte County, RD 2106, Richvale Irrigation District and Glenn County was appointed to further review and discuss the fee options and return with the recommendation. The subcommittee met and, after much conversation, agreed upon Option 1, an equal contribution from all agencies for GSP administration and compliance costs. Part of the rationale for this conclusion is that the larger members of the BAB, including Butte County and Western Canal Water District, support some of the administrative and project costs with in-kind support from their organization, and this support keeps the Butte Subbasin administrative budget at a minimal level. Therefore, the Butte Subbasin members have reached a general consensus to adopt an equal cost share for members, with the agreement that the BAB will review and approve the budget and cost share annually and agree to keep joints costs as low as possible.

Screening Results:

Options 1 and 5 best overall options for GSA consideration.

Butte Subbasin GSA - MAs	Option 1 Equal Split	Option 5 (20% GW)	Option 5 (15% GW)	Option 5 (10% GW)
Biggs-West Gridley Water District	\$12,338	\$10,662	\$11,081	\$11,500
Butte County	\$12,338	\$17,859	\$16,479	\$15,098
Butte Water District	\$12,338	\$12,078	\$12,143	\$12,208
City of Biggs	\$12,338	\$9,931	\$10,532	\$11,134
City of Gridley	\$12,338	\$10,149	\$10,696	\$11,243
Colusa Groundwater Authority	\$12,338	\$10,833	\$11,209	\$11,585
Glenn County	\$12,338	\$10,501	\$10,960	\$11,419
Reclamation District 1004	\$12,338	\$12,005	\$12,089	\$12,172
Reclamation District 2106	\$12,338	\$20,280	\$18,294	\$16,309
Richvale Irrigation District	\$12,338	\$10,179	\$10,719	\$11,258
Western Canal Water District	\$12,338	\$11,235	\$11,511	\$11,786
Total Butte Subbasin Costs	\$135,713	\$135,713	\$135,713	\$135,713

RECOMMENDATION:

The CGA Board should consider approving the recommendation of the Butte Subbasin Advisory Committee to adopt Option 1 of the proposed fee options, an equal distribution of costs among the 11 members, amounting to \$12,338 per member for 2024.

8b. *Appointment of New Alternate Representative to Butte Subbasin Advisory Board

BACKGROUND:

CGA traditionally appoints a representative and an alternate as its voting members of the Butte Subbasin Advisory Board (BAB). CGA Director Jeff Moresco currently serves as CGA’s primary representative, and Thad Bettner, previous CGA Board Alternate for the Glenn-Colusa Irrigation District seat, served as CGA’s alternate. With Mr. Bettner’s departure from GCID and consequently from the CGA board, the alternate position to the BAB is now vacant.

RECOMMENDATION:

The CGA Board should consider appointing an alternate from its board members or alternates to serve as the CGA alternate to the BAB.

Colusa Groundwater Authority Board of Directors Meeting

November 28, 2023 | 1:30 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 9: DWR Staff Update

Mr. Brandon Davison or another DWR representative may provide an update on DWR activities.

AGENDA ITEM 10: Committee Reports

10a. Executive Committee – Darrin Williams, Jim Wallace, Frank Nobriga, Hilary Reinhard, Lance Boyd

The Executive Committee met on November 16, 2023, to review recommendations on staffing options for the organization. The committee agreed that CGA's current focus should be on the GSP revisions and new fee structure but wants to continue to explore opportunities to develop a locally-housed staff, perhaps in conjunction with the County or other local agency. RGS has agreed to assist in the preparation of a draft job description that could be used for recruitment and/or discussions with other hosting agencies.

10b. Technical Advisory Committee – Bill Vanderwaal, Jim Wallace, Darrin Williams, Deke Dormer

The CGA/GGA Joint TAC will meet on Friday, December 1, 2023. The Joint TAC will review DWR's recommendations for GSP revisions, discuss annual report development, continue prioritizing GSP implementation tasks, and review other potential opportunities for grant funding to assist with GSP activities. A representative from USBR will provide additional information on its WaterSMART grant programs.

10c. Long Term Funding ad hoc Committee – Darrin Williams, Jeff Moresco, Frank A. Nobriga

The consultant, Luhdorff and Scalmanini Consulting Engineers, continues to prepare outreach materials for the proposed fee structure, and staff will poll the committee for a meeting in December to review these materials and discuss the schedule and locations for outreach events.

10d. Temporary Water Rights ad hoc Committee – Darrin Williams, Jim Wallace, Shelly Murphy
Detailed report provided earlier in the meeting.

Colusa Groundwater Authority Board of Directors Meeting

November 28, 2023 | 1:30 p.m.

AGENDA SUPPORT MATERIALS

AGENDA ITEM 11: Administrative Update

11a. Tax Roll Assessment Error Report

Each year for the past four years, the CGA has adopted an Operations Fee that was approved pursuant to a Proposition 18 process and is placed on Colusa and Yolo County tax rolls for collection. Last May, the CGA Board of Directors again adopted its operations fee at \$1.00 per acre for the 2023-24 tax rolls, amounting to a collection of about \$388,800. Staff, working with its consultant, provides the parcel information and fee amounts to the County Auditor-Controller's office, who then includes our charge on the County tax roll and collects our charges through its property tax billings. The County charges us a \$1 per parcel fee for this service. For the past four years that CGA has levied its parcel charge, the County has deducted its fee from our proceeds. We are aware of the fee, and we include it in our annual budget as an expense.

This year, the County Auditor-Controller's office changed its procedures and form and added its \$1 per parcel fee to CGA's charge, so, on top of CGA's \$1.00 per acre fee, landowners were each charged an extra \$1.00 for the County's fee. As an example, homeowners with a 10-acre parcel were charged \$11.00 for their CGA fee, and landowners with a one-acre parcel were charged \$2.00. The total extra amount being collected by the County amounts to \$5,751.00, which would be equivalent to 5,751 parcels subject to the CGA assessment. The County Auditor will keep that money; it will not be paid to CGA.

Staff is currently working to determine if this overcollection presents an issue for CGA, because the CGA board only authorized the \$1.00 per acre charge; it did not authorize collection of the additional \$1.00 per parcel, or \$5,751.00. In speaking with a representative at the Auditor-Controller's office, she indicated that the County has the authority to impose this fee, but it was not clear if that fee could be imposed on top of CGA's adopted fees without specific CGA action.

Staff, along with the CGA Chair, are further reviewing the matter to determine what, if any, further action is needed by CGA.

11b. Other

The Program Manager may provide updates on other pending administrative or managerial matters.

AGENDA ITEM 12: CLOSED SESSION

Closed Session

a. Conference with Legal Counsel (Gov't Code 54956.9) – existing litigation

Aqualliance et al. v. Colusa Groundwater Authority, Glenn Groundwater Authority
Colusa County Superior Court – Case Number CV24584

Aqualliance et al. v. Biggs-West Gridley Water District, et al.
Butte County Superior Court – Case Number 22CV00348

AGENDA ITEM 13: Report Out of Closed Session

The Attorney will provide a report on any reportable action taken in Closed Session.

AGENDA ITEM 14: Member Reports and Comments

INFORMATION ONLY

CGA Board Members and Alternates are encouraged to share information that may be relevant to the CGA. No action will be taken on any of these items.

AGENDA ITEM 15: Next Meeting

The next regular meeting of the CGA Board is to be determined.

AGENDA ITEM 16: Adjourn