

# Glenn Groundwater Authority

## Groundwater Sustainability Agency

225 North Tehama Street, Willows, CA 95988 | 530.934.6540

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### Special Meeting of the Glenn Groundwater Authority Board of Directors

March 22, 2023 | 1:30 PM

225 North Tehama Street, Willows, CA 95988

Remote Public Participation Option:

Microsoft Teams meeting

**Join on your computer, mobile app or room device**

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Meeting ID: 240 599 495 897

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### MEETING AGENDA

1. CALL TO ORDER (pg. 4)
2. ROLL CALL (pg. 4)
3. APPROVAL OF MINUTES (pg. 4)
  - a. \*Approval of the meeting minutes from February 13, 2023.
4. PERIOD OF PUBLIC COMMENT (pg. 10)

Members of the public are encouraged to address the GGA Board of Directors on items relevant to the GGA. Public comments are limited to no more than 5 minutes. No action may be taken on public comments.
5. FISCAL YEAR 2021/2022 ANNUAL AUDIT (pg. 10)
  - a. \*Receive presentation and accept Glenn Groundwater Authority Groundwater Sustainability Agency Financial Statements and Supplementary Information Year Ended June 30, 2022.
6. STAFF UPDATES (pg. 40)
7. FINANCIAL REPORT (pg. 40)
  - a. \*Review and accept Monthly Activities Report. (pg. 41-42)
  - b. \*Review and consider approval of claims. (pg. 43)
8. COLUSA SUBBASIN GROUNDWATER SUSTAINABILTY PLAN IMPLEMENTATION (pg. 45)

9. GGA GROUNDWATER RECHARGE PILOT PROJECT (pg. 45)
  - a. Receive an update on the GGA Groundwater Recharge Services.
  - b. \*Approve Drought Executive Order N-7-22, Action 13 Self-Certification Form and authorize the Program Manager to submit the form on behalf of the GGA. (pg. 47)
  - c. \*Approve Agreement between Glenn Groundwater Authority and Orland-Artois Water District Regarding Groundwater Recharge Pilot Project. (pg. 53)
  - d. \*Direction and/or approval of additional pilot project recharge sites for Phase 1 project implementation.
  
10. PRESENTATION ON COLUSA SUBBASIN WATER YEAR 2022 ANNUAL REPORT (pg. 56)
  
11. GSP IMPLEMENTATION FEE PROJECT (pg. 56)
  - a. Receive update on the GSP Implementation Fee Project.
  - b. Receive an update on outcomes from the Public Workshops.
  - c. Discussion of Fee Options to consider.
  - d. Review next steps and provide direction to consultant team and staff.
  
12. COMMITTEE UPDATES (pg. 57)
  - a. Executive Committee
    - i. CGA/GGA Joint Executive Committee
  - b. Fee Study Ad Hoc Committee
  - c. Groundwater Recharge Pilot Project Ad Hoc Committee
  - d. Technical Advisory Committee
  
13. FAIR POLITICAL PRACTICES COMMISSION: FORM 700 REMINDER (pg. 57)
  
14. CLOSED SESSION (pg. 58)
 

Gov't Code §54956.9 – Conference with Legal Counsel – Anticipated or significant exposure to litigation regarding tax refund claims and challenges to previously adopted property related fees.
  
15. CLOSED SESSION (pg. 58)
 

Gov't Code §54956.9 – Conference with Legal Counsel – Existing Litigation  
 Aqualliance, California Water Impact Network, and California Sportfishing Alliance vs. Colusa Groundwater Authority, Glenn Groundwater Authority  
 Colusa County Superior Court - Case Number CV24584
  
16. CLOSED SESSION (pg. 58)
 

Gov't Code §54956.9 (d)(2) Conference with Legal Counsel – Significant exposure to litigation – one matter.
  
17. REPORT OUT FROM CLOSED SESSION (pg. 58)
  
18. MEMBER REPORTS AND COMMENTS (pg. 58)
  
19. NEXT MEETING (pg. 58)
  
20. ADJOURN (pg. 58)

\*Indicates Action Item

A complete agenda packet, including back-up information, is available for public inspection during normal work hours at 225 North Tehama Street, Willows, CA 95988. After posting of this Meeting Agenda, the public may request copies of support information for public agenda items listed.

In compliance with the Americans with Disabilities Act, The Glenn Groundwater Authority will make available to persons with a disability disability-related modification or accommodations. Notification two days prior to the meeting will enable the Glenn Groundwater Authority to make arrangements to provide reasonable accommodations. If requested, this document and other agenda materials can be made available in an alternative format for persons with a disability who are covered by the Americans with Disabilities Act. Contact Lisa Hunter at 530-934-6540.

# Glenn Groundwater Authority

## Groundwater Sustainability Agency

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#### 1. CALL TO ORDER

The Chairperson will call the meeting to order and lead the [flag salute](#).

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#### 2. ROLL CALL

Roll call will be conducted.

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#### 3. APPROVAL OF MINUTES

- a. \*Approval of the meeting minutes from February 13, 2023.

Draft meeting minutes from the February 13, 2023 meeting are attached.

#### Attachments

- February 13, 2023 GGA Board meeting minutes

# Glenn Groundwater Authority

## Groundwater Sustainability Agency

225 N. Tehama Street, Willows, CA 95988 | 530.934.6540

### Meeting Minutes

#### Glenn Groundwater Authority Board of Directors

February 13, 2023 | 1:30 p.m.

LOCATION: 225 North Tehama Street, Willows, CA 95988

Public participation was also offered via teleconference; accessible via telephone, computer, smartphone or tablet.

| Director Members Present:  | Alternate/2 <sup>nd</sup> Alternate Directors | Agency Representing:   |
|----------------------------|---|--|
| X Grant Carmon             | X Tom Arnold                                  | County of Glenn  |
| X Bruce Roundy             | R Pete Carr (1:33)                            | City of Orland   |
|                            | Ed Vonasek (2 <sup>nd</sup> )                 | City of Orland   |
| X Gary Hansen (Vice Chair) | Evan Markey                                   | City of Willows  |
| X Matt Deadmond            | R Leslie Nerli                                | Glide Water District   |
| X John Amaro (Chair)       | R Thad Bettner (1:33)                         | Glenn-Colusa Irrigation District   |
| X Charles Schonauer        | X Emil Cavagnolo                              | Orland-Artois Water District   |
| X Randy Hansen             | Wade Danley                                   | Kanawha Water District   |
| X Mark Lohse               | Seth Fiack                                    | Monroeville Water District   |
| X Gary Enos                | Lance Boyd                                    | Princeton-Codora-Glenn Irrigation District/<br>Provident Irrigation District |

Directors attending remotely are designated with "R" and are not counted toward a quorum, do not vote, and are considered members of the public.

#### Others in attendance:

Lisa Hunter (GGA/Glenn County), Kaitlyn Murray (Glenn County), Valerie Kincaid (GGA Counsel), Jacques DeBra (Luhdorff & Scalmanini Consulting Engineers), Eddy Teasdale (Luhdorff & Scalmanini Consulting Engineers), Jenny Scheer (Water and Land Solutions), Ryan Fulton (Larry Walker Associates), Brandon Davison (DWR), Toni Longley, Jaime Lely, Arne Gustafson

#### 1. CALL TO ORDER

- Chair John Amaro called the meeting to order at 1:30 p.m. and the pledge of allegiance was recited.

#### 2. ROLL CALL

- Roll call was taken as indicated above.

#### 3. APPROVAL OF MINUTES

- a. \*Approval of the special meeting minutes from December 19, 2022.
- b. \*Approval of the meeting minutes from January 9, 2023.

- Chair Amaro invited comments or revisions on the aforementioned meeting minutes. No comments were heard.

**On motion by Director Gary Hansen, seconded by Director Enos, the special meeting minutes of the December 19, 2022 meeting and the meeting minutes of the January 9, 2023 meeting were unanimously approved as presented.**

#### 4. PERIOD OF PUBLIC COMMENT

- Chair Amaro invited public comments; whereby, no public comments were heard.

#### 5. STAFF UPDATES

- Ms. Hunter stated the 2021-2022 fiscal year audit is underway and she is working with CliftonLarsonAllen to complete the necessary work. The draft report is expected to be shared at the March 2023 Board meeting.
- Ms. Hunter stated in regards to Well Permit Acknowledgement Forms in compliance with Executive Order N-7-22, three forms were received between January 9, 2023 and February 13, 2023.

#### 6. FINANCIAL REPORT

- a. \*Review and accept Monthly Activities Report.
- b. \*Review and consider approval of claims.

**On motion by Director Schonauer, seconded by Director Roundy, it was unanimously ordered to approve the Monthly Activities Report as presented.**

- Relating to Item 6.b, Director Enos asked for clarification about the invoice dates. Ms. Kincaid responded there are several invoices from Paris Kincaid because there are two matter number, one for litigation activities and one for non-litigation activities. Some of the invoices for one of the matters had gotten held up and so several months of invoices are being brought forward at once.
- It was noted the invoice dates for 7/1/2023, 8/1/2023, and 9/1/2023 should have been listed as 7/1/2022, 8/1/2022, and 9/1/2022.

**On motion by Director Enos, seconded by Director Randy Hansen, it was unanimously ordered to approve the claims.**

#### 7. COLUSA SUBBASIN GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION

- Ms. Hunter stated that Davids Engineering/Luhdorff & Scalmanini Consulting Engineers (LCSE) are preparing the Colusa Subbasin Water Year 2022 Annual Report. This is a joint effort with the Colusa Groundwater Authority (CGA), who also holds the consultant contract. Team coordination is occurring regularly and the format of the report will be very similar to last year's report with the addition of the drought impacts section. The draft report will be discussed at the CGA/GGA Joint TAC meeting on March 10 and a final report will be produced in mid-late March and uploaded to the SGMA Portal by April 1. The CGA and GGA Boards will each receive a presentation on the outcomes of the report at their March meetings, with stakeholder presentations in early-mid April.
- Ms. Hunter stated a meeting is planned for February 16 to connect with CGA staff and Alternate Director Bettner to discuss the Colusa Subbasin GSP Administrator topic.
- Ms. Hunter further reported the phase 1 project site (Van Tol) is under review by counsel.

## 8. GSP IMPLEMENTATION FEE PROJECT

- a. Receive report from GGA Fee Study Ad Hoc Committee.
  - b. Receive presentation from consultant team.
  - c. Provide input on the preliminary five-year revenue projection.
  - d. Provide input on outreach plan and public outreach meetings.
- Chair Amaro, Director Carmon, and Director Lohse provided comments on the ad hoc committee activities and emphasized the change from planning to implementation, the schedule, budget development, and public outreach. The committee suggested that public outreach should occur after the budget development is relatively set, but before options are finalized.
  - Jacques DeBra and Eddy Teasdale, with LSCE, provided a presentation on the GGA Long-Term Funding Project. The presentation covered SGMA timelines, funding strategies, an overview of what other GSAs what done for funding and examples of implemented fees, funding needs, project schedule and fee development process, review of the GGA fee history, draft five-year revenue projections and considerations, compliance considerations, public outreach, and options evaluation criteria.
  - Discussion ensued on various considerations and assumptions including project implementation, inflation rate, contingency, grant procurement, legal fees, acreage, and funding strategies. Outcomes of the discussion included changing legal services to \$150,000 for all five years, including \$100,000 for GSP implementation, and include the CPI for the inflation factor rather than three percent. There was consensus to bring the revenue projections with the noted changes for the public outreach and to develop talking points for board members.
  - Further discussion on the public outreach events and potential meeting topics took place. While the schedule is rather tight, there was agreement to hold three outreach events (Orland, Willows, Ord Bend) to hear ideas from stakeholders on how to fund GGA administration and GSP compliance for the next five years. It will be important to touch on data needs and cost for implementing particular options.
  - The Board agreed to cancel the March 14, 2023 Board meeting and hold a special Board meeting on March 22, 2023 in order to focus on public outreach and hear the outcomes of the meetings at the March Board meeting, if schedules align. It was clarified that public meeting summaries will be produced and the purpose of the meetings is to open the conversation about funding and potential options with stakeholders and hear comments, ideas, and brainstorming.
  - The Board directed the Fee Study Ad Hoc Committee to work with the consultants to finalize materials for the outreach meetings. Board members were encouraged to advertise to stakeholders using their agency's regular communication methods.

## 9. UPDATE ON 2022 URBAN COMMUNITY DROUGHT RELIEF GRANT PROGRAM APPLICATION STATUS

- Ms. Hunter reported the 2022 Urban Community Drought Relief Grant Program application was submitted with a total request of \$3,676,322 which includes the cost of water for groundwater recharge. The DWR website stated 150 applications were received with a total request of nearly \$2 billion. There is approximately \$2 million available through the program, which highlights the intense competition for the funding opportunity.

- Ms. Hunter referred to the letters of support received for the project, which were included in the meeting packet and the grant application. She thanked the agencies that were able to provide the letters in such a short timeframe and noted the high level of support from potential partners.

10. \*CONSIDER SPONSORING REGISTRATION FOR ATTENDANCE AT CALIFORNIA IRRIGATION INSTITUTE ANNUAL CONFERENCE

- Chair Amaro asked if there were any volunteers or if staff was interested in attending the California Irrigation Institute Annual Conference. Ms. Hunter indicated she would be interested in attending, but would need to check the calendars. She further noted she plans to bring other opportunities to the Board's attention in hopes that members may be able to attend events and bring information back to the Board. Director Carmon stated he was signed up to attend.

**On motion by Director Carmon, seconded by Director Gary Hansen, it was unanimously approved to sponsor Ms. Hunter to attend the California Irrigation Institute Annual Conference if availability permits.**

11. COMMITTEE UPDATES

- Executive Committee
  - CGA/GGA Joint Executive Committee
- Fee Study Ad Hoc Committee
- Groundwater Recharge Pilot Project Ad Hoc Committee
- Technical Advisory Committee

- There was nothing additional to report on Item 11.

12. FAIR POLITICAL PRACTICES COMMISSION: FORM 700 REMINDER

- Chair Amaro reminded members to submit their Form 700s.

13. CLOSED SESSION

Gov't Code 54956.9 – Conference with Legal Counsel – Anticipated or significant exposure to litigation regarding tax refund claims and challenges to previously adopted property related fees.

14. CLOSED SESSION

Gov't Code 54956.9 – Conference with Legal Counsel – Existing Litigation  
Aqualliance, California Water Impact Network, and California Sportfishing Alliance vs. Colusa Groundwater Authority, Glenn Groundwater Authority  
Colusa County Superior Court – Case Number CV24584

15. CLOSED SESSION

Gov't Code §54956.9 (d)(2) Conference with Legal Counsel – Significant exposure to litigation – one matter.

- No public comments were presented or heard for Items 13, 14, or 15.
- The Board adjourned to closed session at 3:29 p.m.

16. REPORT OUT FROM CLOSED SESSION

- The Board returned from closed session at 4:08 p.m.



- In regards to Item 13, the Board received an update from counsel and provided direction. In regards to Items 14 and 15, the Board received an update from counsel.

#### 17. MEMBER REPORTS AND COMMENTS

- Director Lohse stated he has received phone calls regarding the Board of Supervisors changing the groundwater transfer policy and requested the County representatives provide an update at the next meeting. Director Carmon mentioned the Board is planning to have a study session to bring draft documents forward and begin a dialogue and receive comments. Discussion ensued on the purpose of the potential change in policy, complexities of water transfers, and considerations.

#### 18. NEXT MEETING

- The next regular meeting is scheduled for March 14, 2023 at 1:30 p.m.; however, it may be rescheduled to March 22, 2023 to accommodate the public workshops discussed during Item 8. Director Amaro encouraged members to attend as many of the public outreach workshops as possible.

#### 19. ADJOURN

- The meeting was adjourned at 4:15 p.m.

DRAFT

#### 4. PERIOD OF PUBLIC COMMENT

Members of the public are encouraged to address the GGA Board of Directors on items relevant to the GGA. Public comments are limited to no more than 5 minutes. No action may be taken on public comments.

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#### 5. FISCAL YEAR 2021/2022 ANNUAL AUDIT

- a. \*Receive presentation and accept Glenn Groundwater Authority Groundwater Sustainability Agency Financial Statements and Supplementary Information Year Ended June 30, 2022.

On September 13, 2022, the GGA Board approved CliftonLarsonAllen LLP (CLA) to provide Annual Audit Services for Fiscal Year 2021/2022 with the option of extending the contract for three (3) fiscal years thereafter, and authorize the Chairman to execute an agreement with CliftonLarsonAllen LLP not to exceed \$9,500 pending counsel review. The Agreement was reviewed by counsel and executed by the Chairman on October 3, 2022. Staff coordinated with CLA staff throughout the audit process. CLA staff will provide a presentation on the draft *Glenn Groundwater Authority Groundwater Sustainability Agency Financial Statements and Supplementary Information Year Ended June 30, 2022* report.

The draft report is undergoing final review at CLA. Staff recommends accepting the audit report. If substantial changes are made during final review at CLA, the report will be brought back to the GGA.

#### Attachments

- *Glenn Groundwater Authority Groundwater Sustainability Agency Financial Statements and Supplementary Information Year Ended June 30, 2022*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2022**

FOR DISCUSSION PURPOSES ONLY  
DRAFT REPORT

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
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YEAR ENDED JUNE 30, 2022**

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**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
LIST OF DIRECTORS  
YEAR ENDED JUNE 30, 2022**

| <b>NAME</b>        | <b>AGENCY</b>  | <b>POSITION</b> |
|--------------------|--|-----------------|
| Grant Carmon       | County of Glenn  | Director        |
| Bruce Roundy       | City of Orland   | Director        |
| Gary Hansen        | City of Willows  | Director        |
| Matt Deadmond      | Glide Water District   | Director        |
| George Nerli       | Glide Water District   | Director        |
| John Amaro         | Glenn-Colusa Irrigation District   | Director        |
| Charles Schnonauer | Orland-Artois Water District   | Director        |
| Randy Hansen       | Kanawha Water District   | Director        |
| Mark Lohse         | Monroeville Water District   | Director        |
| Gary Enos          | Princeton-Codora-Glenn Irrigation District/Provident Irrigation District | Director        |
| Tom Arnold         | County of Glenn  | Alternate       |
| Pete Carr          | City of Orland   | Alternate       |
| Evan Markey        | City of Willows  | Alternate       |
| Leslie Nerli       | Glide Water District   | Alternate       |
| Michael Alves      | Glide Water District   | 2nd Alternate   |
| Thaddeus Bettner   | Glenn-Colusa Irrigation District   | Alternate       |
| Emil Cavagnolo     | Orland-Artois Water District   | Alternate       |
| Andrea Jones       | Orland-Artois Water District   | 2nd Alternate   |
| Wade Danley        | Kanawha Water District   | Alternate       |
| Seth Fiack         | Monroeville Water District   | Alternate       |
| Lance Boyd         | Princeton-Codora-Glenn Irrigation District/Provident Irrigation District | Alternate       |
| Ed Vonasek         | City of Orland   | 2nd Alternate   |

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Glenn Groundwater Authority  
Groundwater Sustainability Agency  
Willows, California

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund, of the Glenn Groundwater Authority Groundwater Sustainability Agency (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule on pages 3 and 17 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our

Board of Directors  
Glenn Groundwater Authority  
Groundwater Sustainability Agency

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated [REPORT DATE] on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Roseville, California  
[REPORT DATE]

DRAFT REPORT  
FOR DISCUSSION PURPOSES ONLY



**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

This section of Glenn Groundwater Authority Groundwater Sustainability Agency's (the Authority), annual financial report provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2022. This section should be read in conjunction with the Authority's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year include the following:

- The assets of the Authority exceeded its liabilities at June 30, 2022 by \$1,355,395.
- The Authority's total assets increased by \$436,394.

**AUTHORITY HIGHLIGHTS**

- The Property Related Fee remained stable at \$1.50 per acre.
- Colusa Subbasin GSP Development Project continued.
- The Colusa Subbasin GSP was finalized and adopted in December 2021 following multiple public comments periods and a public hearing.
- The Colusa Subbasin GSP was submitted to the California Department of Water Resources (DWR) in January 2022.
- A lawsuit was filed listing the GGA as a defendant in February 2022.
- The Colusa Subbasin GSP Water Year 2021 Annual Report was prepared and submitted to DWR by April 1, 2022.
- The Colusa Groundwater Authority (CGA) continued to manage a Proposition 1 and Proposition 68 grant on behalf of the Colusa Subbasin, which reimburses some GSP Development project costs. The GGA coordinates with CGA as needed. The grants will be completed by December 2022.
- The GGA issued a Request for Qualifications in June 2022 for groundwater recharge consulting services with the expectation a consultant would be selected by October 2022. The GGA is interested in exploring, designing, and implementing a phased recharge plan. The consultant will provide support for planning, analyzing, designing, and implementing selected groundwater recharge projects.
- Planning began to evaluate a fee structure for the next five years. The GGA planned to issue a Request for Qualifications in July 2022 for consultant support. A new fee structure is anticipated to be in place by August 2023.
- The GGA prepared for the Sustainable Groundwater Management Round 2 Grant solicitation, expected to open in the fall 2022.
- Continuing obligations for agency business and public participation (Board meetings, public outreach events, coordination with neighboring agencies, etc.)

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also includes additional required supplementary information in addition to the basic financial statements.

**REQUIRED FINANCIAL STATEMENTS**

**Government-Wide Financial Statements** are designed to provide readers with a broad overview of Authority finances, in a manner similar to a private-sector business.

The *Statement of Net Position* include information on the Authority's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

DRAFT REPORT  
FOR DISCUSSION PURPOSES ONLY

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**REQUIRED FINANCIAL STATEMENTS (CONTINUED)**

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the Authority that are principally supported by intergovernmental revenues (governmental activities). The governmental activities of the Authority are Groundwater Sustainability Agency activities in compliance with the Sustainable Groundwater Management Act and related groundwater sustainability activities. There are no business-type activities.

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and to demonstrate finance-related legal compliance. The Authority's fund is a *governmental fund*.

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as of balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the Authority's budgetary comparative information for the general fund.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The *Statement of Net Position* provides information about the financial position of the Authority as a whole, including all assets and liabilities on the full accrual basis. Over time, increases or decreases in the Authority's net position may serve as one useful indicator of the Authority's overall financial position. In the case of the Authority, total assets exceeded liabilities by \$1,355,395 as of the close of the fiscal year. This amount is the total net position as of June 30, 2022.

**AUTHORITY'S NET POSITION**

|                     | 2022                | 2021              | Amount<br>Change  | Percentage<br>Change |
|---------------------|---------------------|-------------------|-------------------|----------------------|
| Assets:             |                     |                   |                   |                      |
| Current Assets      | \$ 1,563,278        | \$ 1,126,884      | \$ 436,394        | 38.73 %              |
| Total Assets        | <u>1,563,278</u>    | <u>1,126,884</u>  | <u>436,394</u>    | <u>38.73</u>         |
| Liabilities:        |                     |                   |                   |                      |
| Current Liabilities | 207,883             | 394,733           | (186,850)         | (47.34)              |
| Total Liabilities   | <u>207,883</u>      | <u>394,733</u>    | <u>(186,850)</u>  | <u>(47.34)</u>       |
| Net Position:       |                     |                   |                   |                      |
| Unrestricted        | 1,355,395           | 732,151           | 623,244           | 85.13                |
| Total Net Position  | <u>\$ 1,355,395</u> | <u>\$ 732,151</u> | <u>\$ 623,244</u> | <u>85.13</u>         |

The Authority's net position increased by \$623,244, primarily from an increase in expenses.

**AUTHORITY'S CHANGES IN NET POSITION**

|                            | 2022                | 2021              | Amount<br>Change  | Percentage<br>Change |
|----------------------------|---------------------|-------------------|-------------------|----------------------|
| Program Revenues:          |                     |                   |                   |                      |
| Intergovernmental Revenues | \$ 1,163,068        | \$ 465,686        | \$ 697,382        | 149.75               |
| Total Program Revenues     | <u>1,163,068</u>    | <u>465,686</u>    | <u>697,382</u>    | <u>149.75</u>        |
| General Revenues:          |                     |                   |                   |                      |
| Investment Return          | 9,465               | (10,596)          | 20,061            | (189.33)             |
| Special Assessment         | 425,535             | 427,017           | (1,482)           | -                    |
| Taxes                      | 255                 | 244               | 11                | -                    |
| Total General Revenues     | <u>435,255</u>      | <u>416,665</u>    | <u>18,590</u>     | <u>4.46</u>          |
| Total Revenues             | 1,598,323           | 882,351           | 715,972           | 81.14                |
| Program Expenses           | <u>975,079</u>      | <u>914,900</u>    | <u>60,179</u>     | <u>6.58</u>          |
| Change in Net Position     | 623,244             | (32,549)          | 655,793           | (2,014.79)           |
| Net Position - Beginning   | <u>732,151</u>      | <u>764,700</u>    | <u>(32,549)</u>   | <u>100.00</u>        |
| Net Position - Ending      | <u>\$ 1,355,395</u> | <u>\$ 732,151</u> | <u>\$ 623,244</u> | <u>85.13</u>         |

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

The Authority administers the professional services agreements with the consultant responsible for GSP development in the Colusa Subbasin. The Colusa Groundwater Authority administers the grant relating to the same work. The Colusa Groundwater Authority provides grant funding reimbursement to the Authority. The increase in Intergovernmental Revenues is related to the arrangement described above relating to reimbursement of grant funded activities from the Colusa Groundwater Authority. Program expenses remain relatively stable accounting for Authority administration and continued work of the GSP development tasks.

Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and on the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

**BUDGETARY HIGHLIGHTS**

Total expenditures were \$580,921 under budget. Special department expenses and professional services were underspent. The variance noted in the professional services is generally attributable to the GSP development services relating to the grant funding arrangement described in the section above.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

A five-year estimated budget was developed during the Proposition 218 Property-Related Fee process in 2019 which will be used to guide setting the annual budget. Factors include estimating administrative costs, insurance, legal fees, professional services, Groundwater Sustainability Plan development, adoption, and implementation costs (examples: technical support, public outreach, studies, writing and finalizing the plan, annual report preparation) including reimbursement of costs from grants when possible, and other related tasks.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview for those who are interested in the Authority's financial position. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Program Manager, Glenn Groundwater Authority, 225 N. Tehama Street, Willows, California 95988.

**BASIC FINANCIAL STATEMENTS**

DRAFT REPORT  
FOR DISCUSSION PURPOSES ONLY

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

**ASSETS**

|                            |              |
|----------------------------|--------------|
| Cash and Investments       | \$ 1,329,842 |
| Due from Other Governments | 231,308      |
| Interest Receivable        | <u>2,128</u> |
| Total Assets               | 1,563,278    |

**LIABILITIES**

|                          |                |
|--------------------------|----------------|
| Accounts Payable         | 186,873        |
| Due to Other Governments | <u>21,010</u>  |
| Total Liabilities        | <u>207,883</u> |

**NET POSITION**

|                    |                            |
|--------------------|----------------------------|
| Unrestricted       | <u>1,355,395</u>           |
| Total Net Position | <u><u>\$ 1,355,395</u></u> |

FOR DISCUSSION PURPOSES ONLY

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

**EXPENSES**

|                       |            |
|-----------------------|------------|
| Professional Services | \$ 969,181 |
| Office Expense        | 4,144      |
| Insurance             | 1,754      |
| Total Expenses        | 975,079    |

**PROGRAM REVENUES**

|                                 |           |
|---------------------------------|-----------|
| Intergovernmental Revenue       | 1,163,068 |
| Net Program Revenues (Expenses) | 187,989   |

**GENERAL REVENUES**

|                        |         |
|------------------------|---------|
| Special Assessment     | 425,535 |
| Taxes                  | 255     |
| Investment Return      | 9,465   |
| Total General Revenues | 435,255 |

**CHANGE IN NET POSITION**

623,244

Net Position - Beginning of the Year

732,151

**NET POSITION - END OF YEAR**

\$ 1,355,395

FOR DISCUSSION DRAFT REPORT PURPOSES ONLY

See accompanying Notes to Basic Financial Statements.



**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
BALANCE SHEET – GOVERNMENTAL FUND  
JUNE 30, 2022**

**ASSETS**

|                            |                                |
|----------------------------|--------------------------------|
| Cash and Investments       | \$ 1,329,842                   |
| Due from Other Governments | 231,308                        |
| Interest Receivable        | <u>2,128</u>                   |
| <br>Total Assets           | <br><u><u>\$ 1,563,278</u></u> |

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,  
AND FUND BALANCES**

|   |                                |
|---|--------------------------------|
| Liabilities:  |                                |
| Accounts Payable  | \$ 186,873                     |
| Due to Other Governments  | <u>21,010</u>                  |
| Total Liabilities   | 207,883                        |
| <br>Deferred Inflows of Resources:  |                                |
| Unavailable Revenue   | <u>223,820</u>                 |
| <br>Fund Balance:   |                                |
| Unassigned  | <u>1,131,575</u>               |
| <br>Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balance | <br><u><u>\$ 1,563,278</u></u> |

FOR DISCUSSION PURPOSES ONLY

See accompanying Notes to Basic Financial Statements.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES  
JUNE 30, 2022**

Fund Balance - Total Governmental Fund \$ 1,131,575

Amounts reported for governmental activities in the statement  
of net position are different because:

Receivables not collected during the availability period are deferred in the fund  
statements. 223,820

Net Position of Governmental Activities \$ 1,355,395

FOR DISCUSSION PURPOSES ONLY  
DRAFT REPORT

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUND  
YEAR ENDED JUNE 30, 2022**

**REVENUES**

|                           |            |
|---------------------------|------------|
| Intergovernmental Revenue | \$ 939,248 |
| Special Assessment        | 425,535    |
| Taxes                     | 255        |
| Investment Return         | 9,465      |
| Total Revenues            | 1,374,503  |

**EXPENDITURES**

|                       |         |
|-----------------------|---------|
| Professional Services | 969,181 |
| Office Expenditures   | 4,144   |
| Insurance             | 1,754   |
| Total Expenditures    | 975,079 |

**CHANGE IN FUND BALANCE**

399,424

Fund Balance - Beginning of the Year

732,151

**FUND BALANCE - END OF YEAR**

\$ 1,131,575

FOR DISCUSSION PURPOSES ONLY

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUND TO THE GOVERNMENT-WIDE  
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

|  |            |
|--|------------|
| Net Change in Fund Balance - Governmental Fund | \$ 399,424 |
|--|------------|

Amounts reported for governmental activities in the statement of activities are different because:

Revenues in the statement of activities from the prior year that did not provide current financial resources are not reported as revenue in the governmental fund.

223,820

|   |                   |
|---|-------------------|
| Change in Net Position of Governmental Activities | \$ <u>623,244</u> |
|---|-------------------|

\$ 623,244

DRAFT REPORT  
FOR DISCUSSION PURPOSES ONLY

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Glenn Groundwater Authority Groundwater Sustainability Agency (the Authority) was created by forming a Joint Exercise of Powers Agreement, signed by nine local agencies, with the purpose of being a Groundwater Sustainability Agency for the Glenn County portion of the Colusa Subbasin, which is part of the Sacramento Valley Groundwater Basin. In 2019, the Monroeville Water District joined the Authority, bringing the total membership to ten local agencies.

The State of California under the Sustainable Groundwater Management Act (SGMA) law requires all lands within a high or medium priority designated groundwater basin to be covered by a Groundwater Sustainability Plan developed by Groundwater Sustainability Agencies that must be completed by January 31, 2022, in noncritically over drafted basins. These plans will require steps to achieve and maintain sustainability of groundwater conditions for all parts of the basins throughout California and will potentially require data collection and management actions such as requiring meters, reporting of groundwater use, and a plan to recharge depleted aquifers.

Glenn Groundwater Authority Member Agencies include:

- City of Orland
- City of Willows
- County of Glenn
- Glenn-Colusa Irrigation District
- Glide Water District
- Kanawha Water District
- Monroeville Water District
- Orland-Artois Water District
- Princeton-Codora-Glenn Irrigation District
- Provident Irrigation District

The basic financial statements present information on the financial activities of the Authority. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation and Accounting**

Government-Wide Statements

The statement of net position and statement of activities display information about the primary government (the Authority). These statements include the financial activities of the overall Authority.

The statement of activities demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include intergovernmental revenue that are restricted to reimbursements meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include intergovernmental revenues. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements

The Authority is engaged in a single-governmental activity and has only a general fund. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available (susceptible to accrual). Revenues are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

**C. Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Fund Balances – Governmental Fund Financial Statements**

Beginning with the fiscal year 2018, the Authority implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.
- Restricted fund balance – amounts with constraints placed on their use by those external to the Authority, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the Authority's highest level of decision-making authority (the Authority) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the Authority's intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official designed for that purpose.
- Unassigned fund balance – the residual classification that includes amounts not contained in the other classifications.

The Authority's governing board establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution. When restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, followed by unrestricted committed, assigned, and unassigned resources as they are needed.

**E. Net Position**

The government-wide financial statement utilizes a net position presentation. All the net position for the agency is considered unrestricted.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments at June 30, 2022 consisted of the following:

|                         |                    |
|-------------------------|--------------------|
| Cash in County Treasury | <u>\$1,329,842</u> |
|-------------------------|--------------------|

The Authority maintains all of its cash and investments with the County of Glenn in an investment pool. On a quarterly basis, the Department of Finance allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Glenn's financial statements may be obtained by contacting the County Glenn Department of Finance office at 516 W. Sycamore Street Willows, California 95988.

GASB Statement No. 40 requires additional disclosures about a government's deposits and investment risks that include credit risk, custodial risk, concentration risk, and interest rate risk. The Authority has no deposit or investment policy that addresses a specific type of risk.

Required disclosures for the Authority's deposit and investment risks at June 30, 2022 were as follows:

|                              |                |
|------------------------------|----------------|
| Credit Risk                  | Not Rated      |
| Custodial Risk               | Not Applicable |
| Concentration of Credit Risk | Not Applicable |
| Interest Rate Risk           | 1.92 Years     |

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value.

**NOTE 3 RELATED PARTY TRANSACTIONS**

The Authority's staff is under contract by Glenn County. During the fiscal year ended June 30, 2022, the Authority paid these departments \$85,420 for administrative services.

**NOTE 4 RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions and natural disasters. The Authority is covered from risk of loss by Golden State Risk Management Authority. In the past three years no settlements have exceeded the insurance coverage.



**REQUIRED SUPPLEMENTARY INFORMATION**

DRAFT REPORT  
FOR DISCUSSION PURPOSES ONLY

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amount</u> | <u>Variance with<br/>Final Budget</u> |
|--|----------------------------|-------------------------|--------------------------|---------------------------------------|
| <b>REVENUES</b>  |                            |                         |                          |                                       |
| Intergovernmental Revenue  | \$ 973,500                 | \$ 973,500              | \$ 939,248               | \$ (34,252)                           |
| Special Assessment   | 427,786                    | 427,786                 | 425,535                  | (2,251)                               |
| Taxes  | -                          | -                       | 255                      | 255                                   |
| Use of Money and Property  | 5,000                      | 5,000                   | 9,465                    | 4,465                                 |
| Total Revenues   | <u>1,406,286</u>           | <u>1,406,286</u>        | <u>1,374,503</u>         | <u>(31,783)</u>                       |
| <b>EXPENDITURES</b>  |                            |                         |                          |                                       |
| Professional Services  | 1,479,000                  | 1,479,000               | 969,181                  | 509,819                               |
| Insurance  | 1,800                      | 1,800                   | 1,754                    | 46                                    |
| Special Department Expenses  | 75,200                     | 75,200                  | -                        | 75,200                                |
| Office Expense   | -                          | -                       | 4,144                    | (4,144)                               |
| Total Expenditures   | <u>1,556,000</u>           | <u>1,556,000</u>        | <u>975,079</u>           | <u>580,921</u>                        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <u>\$ (149,714)</u>        | <u>\$ (149,714)</u>     | 399,424                  | <u>\$ 549,138</u>                     |
| Fund Balance - Beginning of the Year                                 |                            |                         | <u>732,151</u>           |                                       |
| <b>FUND BALANCE - END OF YEAR</b>                                    |                            |                         | <u>\$ 1,131,575</u>      |                                       |

See accompanying Notes to Required Supplementary Information – Budget and Budgetary Reporting.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET AND BUDGETARY REPORTING  
YEAR ENDED JUNE 30, 2022**

**NOTE 1 BUDGET AND BUDGETARY REPORTING**

The Authority prepares and legally adopts a final budget on or before June 30 of each fiscal year. The Authority operation, commencing July 1, is governed by the proposed budget, adopted by the Board of Directors in June of the prior year.

After the budget is approved, the appropriations can be added to, subtracted from, or changed only by Authority resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Authority.

An operating budget is adopted each fiscal year on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year-end are completed or purchased commitments satisfied. Such year-end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year-end.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level. Object category levels of expenditures are as follows: salaries and benefits, services and supplies, and other charges.

**OTHER REPORT**

DRAFT REPORT  
FOR DISCUSSION PURPOSES ONLY

**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**

Board of Directors  
Glenn Groundwater Authority  
Groundwater Sustainability Agency  
Willows, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Glenn Groundwater Authority Groundwater Sustainability Agency (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated [REPORT DATE].

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Roseville, California  
[REPORT DATE]

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FOR DISCUSSION PURPOSES ONLY

## 6. STAFF UPDATES

The program manager will provide brief status updates. Reminders and/or clarifications may also be made at this time.

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## 7. FINANCIAL REPORT

- a. \*Review and accept Monthly Activities Report.
- b. \*Review and consider approval of claims.

The Monthly Activities Report and Claims Summary are attached.

### Attachments

- Monthly Activities Report
- Claims Summary
- Budget to Actuals (Draft)



# Monthly Activities Report

Glenn Groundwater Authority  
 Monthly Activities Report  
 January 2023

|                   | Description  | Amount          |
|-------------------|--|-----------------|
| Beginning Balance |  | \$ 1,318,080.14 |
| Revenue           |  |                 |
|                   | DEL SEC DIR ASSMT 1/6/23 (PENALTIES/COST DELQ TAXES) | \$ 172.02       |
|                   | DEL SEC DIR ASSMT 1/6/23 (PENALTIES/COST DELQ TAXES) | \$ 287.81       |
|                   | DEL SEC DIR ASSMT 1/6/23 (SPECIAL ASSESSMENT)        | \$ 1,764.29     |
|                   | CY SEC APPN 1/10/23 (SPECIAL ASSESSMENT)             | \$ 296,035.65   |
|                   |  |                 |
|                   |  |                 |
|                   |  |                 |
|                   |  |                 |
|                   |  |                 |
| Total Revenue     |  | \$ 298,259.77   |
| Expenses          |  |                 |
|                   | Davids Engineering, Inc. Inv 1178.05-5443            | \$ 426.50       |
|                   | Paris Kincaid Wasiewski, LLP (Matter #1851) Inv 2034 | \$ 2,030.00     |
|                   | Paris Kincaid Wasiewski, LLP (Matter #1850) Inv 2035 | \$ 2,240.00     |
|                   | Geosyntec Consultants #FSO145 Inv 491103             | \$ 7,118.13     |
|                   | Glenn County Inv 23-WR-01                            | \$ 51,224.57    |
|                   | CliftonLarsonAllen LLP Inv 3530865                   | \$ 750.00       |
|                   | Geosyntec Consultants #FSO145 Inv 495257             | \$ 6,313.63     |
|                   | CY SECURED APPN 01/10/23 (ADMINISTRATIVE EXPENSE)    | \$ 2,131.52     |
|                   |  |                 |
| Total Expenses    |  | \$ 72,234.35    |
| Ending Balance    |  | \$ 1,544,105.56 |

# Monthly Activities Report

Glenn Groundwater Authority  
 Monthly Activities Report  
 February 2023 DRAFT

|  | Description  | Amount          |
|--|--|-----------------|
| Beginning Balance                          |  | \$ 1,544,105.56 |
| Revenue                                    |  |                 |
|  |  |                 |
|  |  |                 |
|  |  |                 |
|  |  |                 |
|  |  |                 |
|  |  |                 |
|  |  |                 |
|  |  |                 |
| Total Revenue                              |  | \$ -            |
| Expenses                                   |  |                 |
|  | A-87 COST (12/2022)  | \$ 793.25       |
|  | A-87 COST (1/2023)   | \$ 793.25       |
|  | A-87 COST (2/2023)   | \$ 793.25       |
|  |  |                 |
|  |  |                 |
|  |  |                 |
|  |  |                 |
|  |  |                 |
| Total Expenses                             |  | \$ 2,379.75     |
| Ending Balance                             |  | \$ 1,541,725.81 |
| *DUE FROM OTHER GOVT/ DEFERRED INFLOWS:    |  |                 |
|  | Colusa Groundwater Authority Inv 22-GGA-15<br>(received August 2022) | \$ 223,820.52   |
| Total DUE FROM OTHER GOVT/DEFERRED INFLOWS |  | \$ 223,820.52   |

# Claims Summary

Glenn Groundwater Authority  
 Invoices to be paid  
 Meeting Date: March 22, 2023

| Invoice Date | Invoice Number | Description  | Amount              |
|--------------|----------------|--|---------------------|
| 2/24/2023    | 502329         | Geosyntec Consultants (GW Recharge Services)             | \$ 11,818.00        |
| 3/1/2023     | 2132           | Paris Kincaid Wasiewski, LLP; Matter #1850               | \$ 3,212.00         |
| 3/1/2023     | 2131           | Paris Kincaid Wasiewski, LLP; Matter #1851               | \$ 4,473.00         |
| 3/17/2023    | 39587          | Luhdorff & Scalmanini Consulting Engineers (Fee Project) | \$ 8,412.73         |
|              |                |  |                     |
|              |                |  |                     |
|              |                |  |                     |
|              |                |  |                     |
|              |                |  |                     |
| <b>Total</b> |                |  | <b>\$ 27,915.73</b> |

# Glenn Groundwater Authority Budget

## FY 2022/2023

Approved 5/9/22

|   | Current<br>Approved FY<br>22/23 | Actual through<br>Feb 2023<br>DRAFT | Remaining<br>Budget  |
|---|---------------------------------|-------------------------------------|----------------------|
| <b>REVENUES</b>                                   |                                 |                                     |                      |
| <b>Grant Revenue</b>                              |                                 |                                     |                      |
| Other   |                                 | \$ -                                |                      |
| <b>Total Grants</b>                               | -                               | \$ -                                | \$ -                 |
| <b>Other Government Agencies</b>                  |                                 |                                     |                      |
| Colusa Groundwater Authority*                     | 100,000                         | \$ 223,820.52                       | \$ (123,820.52)      |
| Other   |                                 | \$ -                                |                      |
| <b>Total Other Government Agencies</b>            | 100,000                         | 223,820.52                          | (123,821)            |
| <b>Assessments</b>                                |                                 |                                     |                      |
| Property Related Fee Per Acre (current \$1.50/ac) | 427,786                         | \$ 298,263.47                       | \$ 129,522.53        |
| Well Head Fee                                     | -                               | \$ -                                | \$ -                 |
| Extraction Fee                                    | -                               | \$ -                                | \$ -                 |
| Other   | -                               | \$ -                                | \$ -                 |
| <b>Total Assessments</b>                          | 427,786                         | \$ 298,263.47                       | \$ 129,522.53        |
| <b>Other</b>                                      |                                 |                                     |                      |
| Interest  | 4,000                           | \$ -                                | \$ 4,000.00          |
| <b>Total Other</b>                                | 4,000                           | \$ -                                | \$ 4,000.00          |
| <b>TOTAL REVENUES</b>                             | <b>531,786</b>                  | <b>\$ 522,083.99</b>                | <b>\$ 9,702.01</b>   |
| <b>EXPENSES</b>                                   |                                 |                                     |                      |
| Administration- Contracted County Services        | 170,000                         | \$ 51,224.57                        | \$ 118,775.43        |
| Program Administration Support                    |                                 | \$ -                                | \$ -                 |
| Legal Services                                    | 120,000                         | \$ 22,625.00                        | \$ 97,375.00         |
| Certified Public Accountant (Yearly Audits)       | 10,800                          | \$ 750.00                           | \$ 10,050.00         |
| JPA Insurance                                     | 2,000                           | \$ 1,735.00                         | \$ 265.00            |
| County Bookkeeper                                 | 9,519                           | \$ 6,346.00                         | \$ 3,173.00          |
| GSP Development/Implementation**                  | 583,000                         | \$ 25,596.51                        | \$ 557,403.49        |
| Long Term Funding Options                         | 90,000                          | \$ -                                | \$ 90,000.00         |
| Professional Services                             | 35,000                          | \$ 1,524.00                         | \$ 33,476.00         |
| Board Expenses                                    | 2,000                           | \$ -                                | \$ 2,000.00          |
| Special Department Expenses                       | 25,000                          | \$ -                                | \$ 25,000.00         |
| Legal Notices                                     | 1,000                           | \$ -                                | \$ 1,000.00          |
| County Tax Roll Fee                               | 5,000                           | \$ 2,131.52                         | \$ 2,868.48          |
| Contingency/Reserve                               | 50,000                          | \$ -                                | \$ 50,000.00         |
| <b>TOTAL EXPENSES</b>                             | <b>1,103,319</b>                | <b>\$ 111,932.60</b>                | <b>\$ 991,386.40</b> |
| <b>Net (Revenue-Expenses)</b>                     | <b>(571,533)</b>                | <b>410,151</b>                      |                      |

Note: A-87 Cost allocated to County Bookkeeper line item

\*The revenue is grant reimbursements from the CGA for GSP Development (pass through to reimburse technical consultant work).

\*\*GSP Development expenses were funded through a grant (see CGA revenue line) for FY 21/22. FY 22/23 expenses are expected to be funded directly by the GGA.

## 8. COLUSA SUBBASIN GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION

Staff will provide an update on Colusa Subbasin GSP implementation activities.

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## 9. GGA GROUNDWATER RECHARGE PILOT PROJECT

- a. Receive an update on the GGA Groundwater Recharge Services.
- b. \*Approve Drought Executive Order N-7-22, Action 13 Self-Certification Form and authorize the Program Manager to submit the form on behalf of the GGA.
- c. \*Approve Agreement between Glenn Groundwater Authority and Orland-Artois Water District Regarding Groundwater Recharge Pilot Project.
- d. \*Direction and/or approval of additional pilot project recharge sites for Phase 1 project implementation.

GGA has been working with Geosyntec and Water and Land Solutions on a Groundwater Recharge Services Project. The services include a two-phase approach to explore groundwater recharge project opportunities in the short-term (this winter) and a longer-term planning process. The Phase 1 project report documenting the outcomes of the short-term project evaluation is currently being reviewed by staff and will be available soon. The Phase 2 process has begun with a series of meetings with a variety of groups with ties to the land or stakeholders to identify potential long-term groundwater recharge sites.

At its January 9, 2023 board meeting, the Glenn Groundwater Authority “set a budget in an amount not to exceed \$40,000 without prior approval for Phase 1 project implementation” regarding groundwater recharge. The recommended project for Phase 1 was the Van Tol site within the Orland-Artois Water District (OAWD). Since that time, legal counsel has been coordinating and preparing the necessary agreements and the Executive Order N-7-22, Action 13 Self-Certification Form to prepare for Phase 1 implementation. The agreement with OAWD and the self-certification form are attached.

Since January 18, 2023, OAWD has been delivering water to the Van Tol site for groundwater recharge and had recharged 330 acre-feet as of March 14. If GGA took over management of this project in time to operate groundwater recharge an additional 75 days (until roughly June 1) and was able to maximize deliveries at the Van Tol site, the cost of water would be \$15,300. Additional costs for monitoring, earth moving activities, and data assessment and reporting are estimated to cost between \$14,000 and \$32,000.

OAWD has initiated water deliveries for groundwater recharge at three additional sites within the district and plans to start four more projects in the coming weeks. They have asked if GGA would be willing to share the cost of water for these recharge projects.

In addition, the City of Orland has expressed interest in using the pond at Lely Park for groundwater recharge and Orland Unit Water Users Association (OUWUA) has communicated a willingness to deliver water there, if GGA would pay the water cost.

These projects were not expressly included in Phase 1 plans and therefore do not have approval from the GGA board for staff time, legal time, or payment of water costs. Staff is requesting the GGA consider these options and provide direction and/or approval to partner with OAWD on the additional recharge sites and/or explore a partnership with the City of Orland and OUWUA for the Lely Park site.

Staff, the consultant team, and legal counsel may provide additional updates.

**Attachments**

- Drought Executive Order N-7-22, Action 13 Self-Certification Form
- Agreement between Glenn Groundwater Authority and Orland-Artois Water District Regarding Groundwater Recharge Pilot Project

**Agency: Glenn Groundwater Authority**

**Drought Executive Order N-7-22, Action 13 Self-Certification Form**

**BACKGROUND:** Consistent with the March 28, 2022, Drought Executive Order N-7-22 Action 13, the California Department of Water Resources (DWR) developed this self-certification form to allow local agencies to submit their proposed recharge projects to DWR and that the project is eligible for the CEQA suspension. After reviewing the information submitted via this self-certification form, DWR will review and may concur. A list of activities eligible for the CEQA suspension is maintained on DWR's website at: <https://water.ca.gov/Water-Basics/Drought>.

**INSTRUCTIONS:** Entities carrying out a proposed recharge project that may meet the objectives of Executive Order N-7-22 Action 13 should complete this self-certification form as soon as possible to initiate DWR's review and potential concurrence that the project is eligible for the CEQA suspension. Please submit one self-certification form for each individual project. For questions, please email [SGMPS@water.ca.gov](mailto:SGMPS@water.ca.gov).

- 1. Please provide a short description of the proposed recharge project in which you are seeking a CEQA suspension, demonstrating how it is consistent with Executive Order N-7-22, Action 13 (include historical land use and current land use on the proposed project location):**

This project is called the Glenn Groundwater Authority Recharge Pilot Project (Project). The objective of this Project is to plan, design, implement, and monitor multi-benefit groundwater recharge projects to assist in meeting the sustainability goals under the Sustainable Groundwater Management Act, as addressed in detail in the Colusa Subbasin Groundwater Sustainability Plan (GSP). The Project will implement multi-benefit, direct and in-lieu groundwater recharge projects in a unified approach and demonstrate that groundwater recharge is a viable tool to immediately alleviate critical drought conditions. This Project will provide habitat for migratory shorebirds and enhance groundwater dependent ecosystems supporting the region's objective to implement multi-benefit projects. The Project will utilize (when available) Section 215 water, excess Central Valley Project contract water, purchased water from senior water right holders, and high stormflows from Stony Creek and other streams, as feasible. Water costs will be reimbursed through this grant. The proposed recharge sites include Van Tol Dairy, California Olive Ranch, Jasper Ranch, Olivarez, fallow farmland, or gravel pits for direct recharge, and planted farmland for in-lieu recharge.

In 2022, more than 600 square miles of agricultural lands were left fallow (370,000 acres) due to the lack of surface water in the Sacramento Valley. CVP Contractors had a 0% allocation and senior water right holders were unprecedentedly curtailed to 18%. A report by Daniel Sumner and William Matthews from the University of California, Davis, reported 14,300 jobs were lost, \$1.3 billion in lost economic value, \$732 million in lost labor income, and supply chain devastation.

In GGA, historically low groundwater levels are threatening water supply for agricultural, domestic, and environmental users and causing land subsidence. Rural disadvantaged communities suffered economic dislocation and drinking water wells dried. There were significant impacts on the environmental landscape that supports more than 225 species including birds on the world-renowned Pacific Flyway, many of the state and federally listed

species including the Giant Garter Snake (GGS), and habitat such as oak woodlands. Groundwater levels between the Fall of 2011 and the Fall of 2021 declined by over 50 feet in areas. This area is a hotspot for dry well reports with an astounding 280 dry well reports since spring 2021. The subsidence is damaging nearby infrastructure, including to the Tehama-Colusa Canal and Interstate 5, which provide critical support for the agricultural industry and residents. Total subsidence between June of 2015 and July of 2022 measured about -1.6 feet south of Orland according to DWR.

This Project is intended to implement phased recharge to learn more about recharge, recover from drought, and take advantage of water when it is available. In addition to the immediate recharge benefits, a monitoring plan will be implemented in accordance with DWR's guidelines and the Colusa Subbasin GSP. Monitoring will include water budget and isotope studies, continuous monitoring of groundwater levels and flows, and hydrologic modeling.

**2. Please describe the anticipated benefits and the basis of those benefits from implementing the proposed recharge project (in acre-feet/year or estimated volume of water, if possible):**

The Project will be developed in phases and will depend on surface water availability. The Project anticipates recharging approximately 7,500 AF per year, ranging between 500 AF to over 7,500 AF per year based on diverting water 180 days per year. These estimated Project benefits will vary depending on surface water availability. Groundwater extractions are causing localized groundwater level declines within GGA which is leading to high occurrence of dry wells and measurable subsidence surrounding the cities of Orland, Artois, Willows, and the surrounding unincorporated areas. According to the Colusa Subbasin GSP, historical net recharge per year for groundwater only lands, Orland-Artois Water District, and Orland Unit Water Users' Association is -50.8 TAF, -6.9 TAF, and 35.6 TAF respectively (total -22.1 TAF per year). This project is expected to reduce the localized overdraft by up to 34%.

**3. Please identify the category this proposed recharge project would fall under (multiple answer can be selected):**

- Flood Managed Aquifer Recharge
- DWR Sustainable Groundwater Management Grant Program
- Other

**4. Please identify which of the objectives the proposed recharge project meets as described in the Executive Order (multiple answers can be selected):**

- Projects is on Open Lands (which are those lands that are native or largely undeveloped from agricultural or industrial practices. These lands could include flood bypasses, natural areas, wildlife preserves, or existing managed wetlands.)
- Project is on Working Lands (which are those lands that have been previously developed for agricultural or other industrial practices. These lands could include active or fallowed



agricultural lands, gravel and sand operations, open storage fields, or other similar working lands.)

**5. Please describe how the proposed recharge project meets the following objectives as described in the Executive Order:**

Project will help mitigate groundwater conditions impacted by the drought (To mitigate groundwater conditions impacted by drought, projects should include the replenishment of groundwater resources to the subsurface, especially shallow aquifers, for the purpose of storage, temporary or otherwise. Drought impacts to groundwater conditions would include lowering of groundwater levels that may have occurred due to lack of natural recharge or groundwater pumping that may especially impact shallow aquifers.)

**6. What funding sources are supporting the proposed recharge project? (Please list all local, state, federal, private or public funding sources).**

This project is supported with funding from the following entities/sources: Glenn Groundwater Authority (\$40,000 initial funding), potential funding from the 2022 Urban Community Drought Relief Grant Program (\$3,500,000), potential funding from Sustainable Groundwater Management Act Round 2 (up to \$2,000,000), and possibly other partnership funding through the Colusa Groundwater Authority grant application to the Department of Water Resources and the Nature Conservancy. All currently identified funding sources are public, if any funding from Nature Conservancy is developed, that would be private.

**7. Please provide the estimated project start date:**

The first phase of the project is immediately implementable.

**8. Please provide the estimated project end date or date project can be considered operational:**

Phase I of the Project is expected to start between January through April 2023. GGA is seeking state funds to continue Phase I implementation and advance to Phase II. Future phases include installing field monitoring equipment prior to conducting the recharge projects and training stakeholders on proper field monitoring techniques may be carried out depending on future funding.

**9. Please identify if the proposed recharge project requires a new water right permit to be issued by the State Water Board under their Groundwater Storage Water Rights Permitting process. If an existing water right is being used, please provide the permit number under the 'Other' category (For more information, visit:**

([https://www.waterboards.ca.gov/waterrights/water\\_issues/programs/applications/groundwater\\_recharge/](https://www.waterboards.ca.gov/waterrights/water_issues/programs/applications/groundwater_recharge/)):

- No new water right is needed; already have existing water rights or agreements for this proposed recharge project
- Need a temporary water right for this recharge project (180 days)
- Need a temporary water right for this recharge project (1 to 5 years)
- Need a streamlined permit for a standard water right
- Need a standard water right for this recharge project
- DWD is pursuing winter water rights to supplement our contract, but they are not needed to proceed with the project.

**10. When do you anticipate your proposed recharge project will be ready for construction phase (i.e. shovel ready)?**

The Project is anticipated to run in phases, implementation of the first phase will begin as soon as funding is available, agreements are in place, and surface water is available. Several local partners have agreed to collaborate with GGA to plan and implement recharge projects and will be critical to supplying water to the recharge sites. No construction is required to begin the first phase of implementation.

**11. Are there other permitting requirements necessary to carry out the proposed recharge project. If so, please describe.**

No additional permits are anticipated at this time. No streambed alteration is required for the contemplated pilot projects; permitting requirements will continue to be evaluated for pilot projects.

**12. Please describe if there are any anticipated water quality or other environmental impacts associated with the proposed recharge project (if so, please describe the mitigation measures that will be taken to remedy or offset those impacts):**

The Project seeks to immediately address the unprecedented drought conditions impacting the Sacramento Valley and, specifically, the disadvantaged communities (DAC), severely disadvantaged communities (SDAC) and EDAs surrounding Orland, Artois, and Willows in a unified regional approach. This Project will benefit the City of Orland, Artois CDP, and the City of Willows with median household incomes (MHI) of \$47,260, \$44,000, and \$48,140; respectively. Additionally, Glenn County is an EDA with a low population density (less than or equal to 100 persons per square mile), an annual MHI that is less than 85% of the Statewide MHI, and unemployment rate at least 2% higher than the Statewide average.

If recharge reaches approximately 7,500 AF per year, ranging between 500 AF to over 7,500 AF per year, this area will provide freshwater habitat for migratory waterfowl (~445 acres per year) and enhance GDEs (~20 acres).

**13. Please provide the name of the Local Agency implementing the proposed recharge project:**

Glenn Groundwater Authority is the lead agency. Partners include the Colusa Groundwater Authority, Orland Unit Water Users' Association (OUWUA), Tehama-Colusa Canal Authority (TCCA), City of Orland, City of Willows, County of Glenn, Glenn-Colusa Irrigation District, Glide Water District, Kanawha Water District, Monroeville Water District, Orland-Artois Water District (OAWD), Princeton-Codora-Glenn Irrigation District, and Provident Irrigation District, and possibly The Nature Conservancy.

**14. Please provide a Project Manager Point of Contact First and Last Name:**

Lisa Hunter

**15. Please provide a Project Manager Point of Contact Email and Phone Number:**

Lisa Hunter, Program Manager  
Glenn Groundwater Authority  
225 N Tehama St.,  
Willows, CA 95988  
Email: LHunter@countyofglenn.net  
Phone: (530) 934-6540

**16. Please identify the groundwater basin in which the proposed recharge project will be located. If possible, please provide the proposed project location coordinates (latitude, longitude). (For more information, visit:**

<https://sgma.water.ca.gov/webgis/index.jsp?appid=gasmaster&rz=true>):

The Project is located within Colusa Subbasin. The approximate latitude and longitude of the project is 39°31'20.06"N and 122°11'40.02"W, respectively. The Project will extend throughout GGA's service area and through the areas of its member agencies. The coordinates are intended to provide an approximate location for the Project.

**17. Please provide the Groundwater Sustainability Agency (GSA) and Groundwater Sustainability Plan (GSP) or Alternative to a GSP that the proposed recharge project is associated:**

Glenn Groundwater Authority is the GSA and the GSP can be found at:  
<https://sgma.water.ca.gov/portal/gsa/print/323>

**18. Please provide any additional information you would like to include in your Self-Certification Form:**

Project results will be documented in a Basis of Design Report and Recharge Operations Manual. A detailed Project description with tasks outlined is available upon request.

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In signing this self-certification form, I understand that the Department of Water Resources will rely on this signed certification form to determine if a concurrence with the Drought Executive Order N-7-22, Action 13 is granted for the project described and that false and/or inaccurate representations in this self-certification form may result in the invalidation of the CEQA suspension. Furthermore, I understand that by receiving concurrence from the Department of Water Resources concerning eligibility for the CEQA suspension outlined in EO N-7-22, DWR makes no claims, promises, or guarantees about the project feasibility, benefits claimed from

the completed project, adequacy of the project, potential environmental impacts of the construction activities or completed project, and expressly disclaims liability for project performance, environmental impacts during and after construction, project construction disturbances, unmitigated environmental impacts post-construction, or project failures.

**Agreement between Glenn Groundwater Authority and Orland-Artois Water District  
Regarding Groundwater Recharge Pilot Project**

This Agreement (Agreement) is entered into and effective as of the last date next to the signatures below, by and between Glenn Groundwater Authority (GGA or Authority) and Orland-Artois Water District (District), individually referred to as “Party” and collectively referred to hereafter as “Parties.”

**RECITALS**

- A. The Authority is the agency charged with management of groundwater in the Authority’s jurisdiction in the Colusa Subbasin pursuant to the Sustainable Groundwater Management Act (SGMA).
- B. Together with the Colusa Groundwater Authority Groundwater Sustainability Agency, the Authority adopted a groundwater sustainability plan (GSP) whose purpose is to achieve sustainability pursuant to SGMA in the Colusa Subbasin.
- C. Groundwater recharge is one of the projects included in the Colusa Subbasin GSP and SGMA provides the Authority with the ability to support recharge projects.
- D. The Governor issued executive order N-7-22, which suspends compliance with the California Environmental Quality Act (CEQA) for certain groundwater recharge projects.
- E. On [date], pursuant to N-7-22 requirements, the Authority submitted a self-certification regarding recharge to the Department of Water Resources.
- F. The District is a member of the Authority.
- G. The District has experience in developing recharge projects and providing surface water to pilot recharge projects within its service area.
- H. The District’s current Water District Rules and Regulations for Agricultural Water Service (Rules) were amended and approved on February 15, 2022.
- I. The District and the Authority are both interested in collaborating on groundwater recharge projects in their common jurisdiction to obtain information regarding how water can be recharged in the Colusa Subbasin, the rate, migration, and other technical components of recharge.
- J. The Parties desire to participate in the Groundwater Recharge Pilot Project (Project) on the terms and conditions as set forth herein.

THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, including the mutual promises and obligations in this Agreement, the Parties agree as follows:

**AGREEMENT**

- 1. Term:

This Agreement shall remain in effect from the effective date of this agreement to the end of the 2023 water year. At the end of the term, the Agreement shall automatically renew for a period of one year, unless any Party provides notice of non-renewal.

## 2. Authority Obligations:

- a. **Funding:** The Authority agrees to purchase water to make available for the pilot recharge project from the District and to provide technical support under paragraph (d) as requested, funding up to \$40,000 for those activities in the 2023 water year, unless there is Authority approval for further funds.
- b. **Water Ordering:** Pursuant to the District Rules, the Authority shall submit an Application for Agricultural Water for any water the Authority plans to order for a specific recharge location. The Authority shall follow the Water Ordering Rules as adopted by the District to determine the specific quantity and pricing of water ordered.
- c. **Data Collection:** The District shall collect well monitoring data pursuant to the existing requirements in the GSP and its existing monitoring network. The District shall share this data with the Authority, which will use this data in its annual reporting to DWR.
- d. **Technical Support:** To the extent the District needs support from technical consultants to assist in the on-site management, monitoring, or other data collection, the Authority may provide technical support as needed.

## 3. District Obligations:

- a. **Water deliveries:** The District will deliver water purchased by the Authority pursuant to this Agreement to recharge sites identified in the self-certification submitted pursuant to N-7-22 that are within the District service area and for which the Authority has provided an Application for Agricultural Water to the District. The specific quantity and price of water purchased by the Authority will be coordinated between the Authority and the District pursuant to the Water Ordering Rules.
- b. **Water rights and water availability:** The Parties agree this Agreement is to purchase or transfer water held by the District; no permanent right to the water supplied by District will accrue to Authority except pursuant to the terms of this Agreement. The Authority shall have no claim for damages or breach arising from the unavailability of water from the District for any cause or condition.
- c. **On-site management:** The District will arrange with landowners for use of recharge sites, coordinate with the cooperating landowners, and manage the water delivered to the recharge site to ensure the water ordered by the Authority is delivered and the site is able to receive water delivery. The District shall coordinate deliveries in an effort to avoid any adverse impacts to the recharge site.

## 4. Water Quality:

The water furnished by the District is not potable and the District makes no representation or warranty, without limitation, with regards to the character, quality or suitability of the water furnished pursuant to this Agreement.

## 5. Indemnification and Hold Harmless:

The Parties shall indemnify, hold harmless, and defend each of the Party’s directors, officers, employees, representatives, and authorized volunteers (collectively, the “indemnitees”), and each of them from and against any and all claims, arising out of or in any manner directly or indirectly connected with water supplied pursuant to this Agreement, except to the extent caused by the sole negligence or willful misconduct or active negligence.

7. Authorizations:

Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such Party’s obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms. The undersigned are authorized to execute this Agreement on behalf of their respective Parties and have read, understood and agreed to all of the terms and conditions of this Agreement.

8. Governing Law; Venue:

This Agreement shall be construed and interpreted in accordance with the laws of the State of California. Venue for any action brought to interpret or enforce this Agreement shall be the Superior Court for the County of Glenn.

Glenn Groundwater Authority

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name/Title: John Amaro, Chairman

Orland-Artois Water District

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name/Title: Emil Cavagnolo, General Manager

## 10. PRESENTATION ON COLUSA SUBBASIN WATER YEAR 2022 ANNUAL REPORT

Davids Engineering and Luhdorff & Scalmanini are currently preparing the Colusa Subbasin Water Year 2022 Annual Report which will be submitted by April 1, 2023. The consultant team is currently updating the draft Annual Report based on comments received by the CGA and GGA TAC and Board members.

The consultant team will provide a presentation on the outcomes of the Annual Report.

The draft Annual Report was presented to the CGA/GGA Joint TAC on March 10, 2023 and will also be presented at the March 28, 2023 Colusa Groundwater Authority Board meeting. Public outreach meetings are being planned for mid-April.

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## 11. GSP IMPLEMENTATION FEE PROJECT

- a. Receive update on the GSP Implementation Fee Project.
- b. Receive an update on outcomes from the Public Workshops.
- c. Discussion of Fee Options to consider.
- d. Review next steps and provide direction to consultant team and staff.

At the December 19, 2022 meeting, the GGA board approved an agreement with Luhdorff & Scalmanini Consulting Engineers (LSCE) to provide Groundwater Sustainability Agency data review, fee analysis and rate setting services (fee project). Since that time, LSCE has been working with staff, legal counsel, and the Fee Study Ad Hoc Committee to prepare items for the Board and conduct public outreach.

Public workshops were held March 9 (Orland), March 13 (Willows), and March 15 (Glenn/Bayliss). The consultant team will provide a summary of the outcomes from these outreach events.

A long-term funding webpage has been developed for the GGA's website and can be accessed at:

<https://www.countyofglenn.net/dept/planning-community-development-services/water-resources/glenn-groundwater-authority/gga-long>

The webpage will continue to be updated as materials are developed. Materials currently available include the Public Workshop flyer and presentations, Fact Sheet #1, Draft Revenue Needs Projections (Budget), and a link to the previous long-term funding efforts in 2019.

The LSCE team will provide a presentation on project status, a recap of the outreach events, review the project schedule, and revenue projections. Focused discussion will take place on fee options such as \$/acre, irrigated versus non-irrigated, and a land use hybrid option to determine which options to include in the options technical memorandum.

Additional updates may be given and the GGA may provide direction to the consulting team, staff, and legal counsel.

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## 12. COMMITTEE UPDATES

- a. Executive Committee
  - i. CGA/GGA Joint Executive Committee
- b. Fee Study Ad Hoc Committee
- c. Groundwater Recharge Pilot Project Ad Hoc Committee
- d. Technical Advisory Committee

The **GGA Executive Committee** last met July 27, 2022. The CGA/GGA Joint Executive Committee met January 28, 2022. The next GGA Executive Committee meeting has not been scheduled.

Committee Members: John Amaro, Matt Deadmond, Gary Hansen

The **Fee Study Ad Hoc Committee** has been coordinating with staff and the consultant team (Luhdorff & Scalmanini) to prepare for the public outreach workshops.

Committee Members: John Amaro, Grant Carmon, Mark Lohse

The **Groundwater Recharge Pilot Project Ad Hoc Committee** last met February 22, 2023 to continue to work with the consultant team (Geosyntec/Water and Land Solutions) on groundwater recharge. There was discussion on Phase 1 (short-term) and Phase 2 (long-term) planning and logistics.

Committee Members: Emil Cavagnolo, Matt Deadmond, Chuck Schonauer, Bruce Roundy, Gary Enos

The **Technical Advisory Committee (TAC)** last met jointly with the Colusa Groundwater Authority (CGA) Technical Advisory Committee on March 10, 2023. The Joint TAC received a presentation on the Draft Colusa Subbasin Water Year 2022 Annual Report. The Joint TAC expects to begin focusing their efforts on prioritizing technical tasks through the GSP five-year update to recommend to the GSA Boards. The next CGA/GGA Joint TAC meeting is scheduled for April 14, 2023.

Full page slides of TAC presentations and other meeting materials are available on the GGA website at:

<https://www.countyofglenn.net/dept/planning-community-development-services/water-resources/glenn-groundwater-authority/gga>

Committee Members: Tavis Beynon, Matt Deadmond, Emil Cavagnolo, Mark Lohse, Zac Dickens, Don Bills

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## 13. FAIR POLITICAL PRACTICES COMMISSION: FORM 700 REMINDER

California Fair Political Practices Commission (FPPC) Statement of Economic Interests (Form 700s)- 2022/2023 Forms are due April 3, 2023. Directors and Alternates are required to complete the Form 700 and send the signed original to Lisa Hunter.

Mailing address:

Glenn Groundwater Authority  
ATTN: Lisa Hunter  
225 N. Tehama St.  
Willows, CA 95988

Hand delivery:

Planning and Community Development Services Agency  
Lisa Hunter  
225 N. Tehama St.  
Willows, CA 95988

Forms and guidance documents can be found at the FPPC website at: <http://www.fppc.ca.gov/Form700.html> or contact Ms. Hunter to request a paper copy.

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**14. CLOSED SESSION**

Gov't Code §54956.9 – Conference with Legal Counsel – Anticipated or significant exposure to litigation regarding tax refund claims and challenges to previously adopted property related fees.

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**15. CLOSED SESSION**

Gov't Code §54956.9 – Conference with Legal Counsel – Existing Litigation  
Aqualliance, California Water Impact Network, and California Sportfishing Alliance vs. Colusa Groundwater Authority, Glenn Groundwater Authority  
Colusa County Superior Court - Case Number CV24584

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**16. CLOSED SESSION**

Gov't Code §54956.9 (d)(2) Conference with Legal Counsel – Significant exposure to litigation – one matter.

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**17. REPORT OUT FROM CLOSED SESSION**

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**18. MEMBER REPORTS AND COMMENTS**

Members of the GGA Board are encouraged to share information, reports, comments, and suggest future agenda items. Action cannot be taken on items brought up under this item.

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**19. NEXT MEETING**

The next regular meeting is scheduled for April 10, 2023 at 1:30 p.m.

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**20. ADJOURN**

The meeting will be adjourned.

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\*Indicates Action Item