



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

CARPINTERIA CITY HALL
5775 CARPINTERIA AVENUE
CARPINTERIA, CA 93013

Wednesday, August 10, 2022 at 5:40 p.m. Pacific Time

Join Zoom Meeting

<https://us06web.zoom.us/j/86306241104?pwd=TUpWZ0V6aHp3RkFHcFFHM2NDWk9tdz09>

Meeting ID: 863 0624 1104

Passcode: 740351

Or

Dial by Phone: 1-669-444-9171

- 1. CALL TO ORDER**
- 2. **Consider adopting of Resolution 013 proclaiming a local emergency, ratifying the proclamation of a State of Emergency by Governor Newsom's order dated March 4, 2020, and authorizing remote teleconference meetings of the legislative bodies of the Carpinteria Valley Water District for the period of August 10, 2022, to September 10, 2022 (for action, Executive Director McDonald).**
- 3. PUBLIC FORUM (Any person may address the Board of Directors on any matter within its jurisdiction which is not on the agenda).**
- 4. APPROVAL ITEMS**
 - A. **Minutes for the Special Meeting of the Board held on June 29, 2022 (for action, Executive Director McDonald).**
 - B. **Minutes for the Meeting of the Board held on June 29, 2022 (for action, Executive Director McDonald).**
 - C. **Disbursement Report**
 - D. **Annual Vendor Report FY 21/22**
- 5. UNFINISHED BUSINESS – none**

**Indicates attachment of document to agenda packet.

6. NEW BUSINESS

- A. ****Consider Verification Letters (For information, Executive Director Bob McDonald).**
- B. ****Consider Engagement of Special Counsel for GSA (For action, Executive Director Bob McDonald).**
- C. ****Consider BPW Audit Arrangement Letter (For action, Executive Director Bob McDonald).**
- D. **Consider Fee Appeal Process Status (For information, Executive Director Bob McDonald)**

7. ADJOURNMENT.

Robert McDonald, Secretary

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

Note: The above Agenda was posted at Carpinteria Valley Water District Administrative Office in view of the public no later than 5:00 p.m., August 7, 2022. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied benefits of, the District's programs, services, or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at (805) 684-2816. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements. Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Carpinteria Valley Water district offices located at 1301 Santa Ynez Avenue, Carpinteria during normal business hours, from 8 am to 5 pm.

******Indicates attachment of document to agenda packet.

RESOLUTION NO. 013

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY PROCLAIMING A LOCAL EMERGENCY PERSISTS, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM'S ORDER DATED MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY FOR THE PERIOD AUGUST 10, 2022 TO SEPTEMBER 10, 2022 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Carpinteria GROUNDWATER SUSTAINABILITY AGENCY is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Carpinteria GROUNDWATER SUSTAINABILITY AGENCY's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency to exist in California due to the threat of COVID-19; despite sustained efforts, the virus, and its variants, continues to spread and has impacted nearly all sectors of California; and

WHEREAS, on September 5, 2021, the Santa Barbara County Health Officer issued Order 2021-10.4, requiring face coverings in all public indoor settings in response to the rise in SARS-CoV-2 Delta Variant; and

WHEREAS, the Carpinteria GROUNDWATER SUSTAINABILITY AGENCY Governing Board does hereby find that the rise in SARS-CoV-2 Delta Variant has caused, and will continue to cause, conditions of peril to the safety of persons within Carpinteria GROUNDWATER SUSTAINABILITY AGENCY's jurisdictional boundaries that are likely to be beyond the control of services, personnel, equipment, and facilities of Carpinteria GROUNDWATER SUSTAINABILITY AGENCY, and acknowledges and ratifies the proclamation of a state of emergency by the Governor of the State of California and the Santa Barbara County Health Officer's Order 2021-10.4; and

WHEREAS, as a consequence of the local emergency, the Carpinteria GROUNDWATER SUSTAINABILITY AGENCY Governing Board does hereby find that meeting in person would pose imminent risks to the health or safety of attendees; and

WHEREAS, the Carpinteria GROUNDWATER SUSTAINABILITY AGENCY Governing Board does hereby find that Carpinteria GROUNDWATER SUSTAINABILITY AGENCY shall continue to conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, all meeting agendas, meeting dates, times and manner in which the public may participate in the public meetings of Carpinteria GROUNDWATER SUSTAINABILITY AGENCY and offer public comment by telephone or internet-based services options, including video conference, are posted on the Carpinteria GROUNDWATER SUSTAINABILITY AGENCY website and physically within Carpinteria GROUNDWATER SUSTAINABILITY AGENCY's jurisdictional boundaries.

WHEREAS, on March 25, 2020 the Board was presented with the COVID19 Operational Continuity and Social Distancing Plan.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF Carpinteria GROUNDWATER SUSTAINABILITY AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference
2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the District, and COVID-19 has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District.
3. Risks to Health and Safety of Attendees. The Governing Board hereby determines that meeting in person would present imminent risks to the health and safety of attendees.
4. Ratification of Governor's Proclamation of a State of Emergency. The Governing Board hereby acknowledges and ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.
5. Remote Teleconference Meetings. Carpinteria GROUNDWATER SUSTAINABILITY AGENCY staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
6. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) September 10, 2022, or such time the Governing Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Carpinteria GROUNDWATER SUSTAINABILITY AGENCY may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of Carpinteria
GROUNDWATER SUSTAINABILITY AGENCY, this 10th day of August, 2022, by the
following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Case Van Wingerden, President

Robert McDonald, Board Secretary

	MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY
	June 29, 2022
	Vice Chair Stendell called the Special meeting of the Carpinteria Groundwater Sustainability Agency Board of Directors held in the Carpinteria Valley Water District Board Room to order at 10:40 a.m., Wednesday, June 29, 2022.
ROLL CALL	Directors Present; Holcombe, Roberts, Stendell, and Johnson
	Director Absent: Van Wingerden
	Others Present: Bob McDonald
	Cari Ann Potts
PUBLIC FORUM	No one from the public addressed the Board.
RESOLUTION NO. 012	Executive Director McDonald presented to consider adoption of Resolution No. 012 proclaiming a local emergency, ratifying the proclamation of a State of Emergency by Governor Newsom's order dated March 4, 2020, and authorizing remote teleconference meetings of the legislative bodies of the Carpinteria Valley Water District for the period of June 29, 2022, to July 29, 2022. Following discussion, Director Holcombe moved, and Director Johnson seconded the motion to approve Resolution No. 012. The motion carried by a 4-0-1 vote with Director Van Wingerden absent. The motion was approved by roll call as follows; Ayes: Johnson, Roberts, Stendell and Holcombe Nays: None Absent: Van Wingerden
ADJOURNMENT	Vice Chair Stendell adjourned the meeting at 10:42 a.m.
	Robert McDonald, Interim Secretary

	MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF CARPINTERIA GROUNDWATER SUSTAINABILITY AGENCY	
	June 29, 2022	
	Chairman Van Wingerden called the regular meeting of the Carpinteria Groundwater Sustainability Agency Board of Directors held in the Carpinteria Valley Water District Board Room to order at 5:40 p.m., Wednesday, June 29, 2022.	
	Directors Present; Holcombe, Van Wingerden, Roberts, Johnson and Stendell	
	Director Absent: none	
	Others Present: Bob McDonald	
	Cari Ann Potts Norma Rosales Lisa Silva Gina DePinto David Lelande David Rosso	Anthony Brown Scott Van Der Kar Mimi Mauracher Brown Mieke Delwiche John Delwiche
PUBLIC FORUM	No one from the public addressed the Board	
MINUTES	Following discussion, Director Holcombe moved, and Director Stendell seconded the motion to approve the minutes of the Board meeting held on June 22, 2022. The motion carried by a 5-0 vote. The minutes were approved by roll call as follows; Ayes: Johnson, Holcombe, Stendell, Roberts and Van Wingerden Nays: None Abstain: None Absent: None	
RESOLUTION NO. 010	Executive Director McDonald presented to consider adoption of Resolution No. 010 approving the GSA Operating Budget for FY 2022/23. Following discussion, Director Roberts moved, and Director Holcombe seconded the motion to adopt Resolution No. 010 approving the GSA Operating Budget for FY 2022-2023. The motion carried by a 5-0 vote. The motion was approved by roll call as follows;	

	Ayes: Johnson, Holcombe, Stendell, Roberts and Van Wingerden Nayes : None Abstain : None Absent : None
RESOLUTION NO. 011	Executive Director McDonald presented to consider adoption of Resolution No. 011 approving the Proposed Fee for CGSA Operational and Administrative expenses FY 2022-2023. Receipt of public comment by Chairman Van Wingerden David Leland, Scott Van Der Kar, David Rosso & Anthony Brown addressed the Board Executive Director McDonald and the Directors responded to questions and comments addressed to the Board regarding the Proposed Fee. Following discussion, Director Holcombe moved, and Director Stendell seconded the motion to adopt Resolution No. 011 approving the Proposed Fee for CGSA Operational and Administrative expenses for FY 2022-2023. The motion carried by a 5-0 vote. The motion was approved by roll call as follows; Ayes: Johnson, Holcombe, Stendell, Roberts and Van Wingerden Nayes : None Abstain : None Absent : None
ADJOURNMENT	Chairman Van Wingerden adjourned the meeting at 6:47 p.m.
	Robert McDonald, Secretary



Monthly Disbursement Report
Carpinteria Groundwater Sustainability Agency

Payment Date: 06/16/22 - 07/15/22

Disbursement Report

Carpinteria Groundwater Sustainability Agency Account - Check Report

Vendor	Description	Payment Number	Payment Date	Payment
COLANTUONO, HIGHSMITH & WHATLEY, PC				512.50
	GSA RATEMAKING REVIEW - MAY	1027	6/22/2022	512.50
FRUIT GROWERS LABORATORY, INC				540.00
	INORGANIC ANALYSIS - GENERAL MINERAL - SENTRY WELL	1031	7/7/2022	540.00
MYERS, WIDDERS, GIBSON JONES & FEINGOLD, LLP				2,160.00
	GSA - GENERAL COUNSEL - MAY	1028	6/22/2022	450.00
	GSA - GENERAL COUNSEL - JUNE	1033	7/12/2022	1,710.00
PACIFIC SURVEYS, LLC				1,837.50
	GSA - MAY	1032	7/7/2022	1,837.50
RAFTELIS				14,193.75
	GSA FEE STUDY - MAY	1029	6/22/2022	14,193.75
ROCKWELL PRINTING INC				419.78
	GSA FACT SHEET/FAQ PRINTS	1030	6/22/2022	419.78
			Report Total: \$	19,663.53



Vendor Payment Report
FY 21/22
by Vendor Amount

Vendor		Amount
RAFTELIS	\$	43,908.75
FRUIT GROWERS LABORATORY, INC	\$	8,655.00
PACIFIC SURVEYS, LLC	\$	5,524.80
BARTLETT, PRINGLE & WOLF, LLP	\$	3,014.50
PUEBLO WATER RESOURCES, INC	\$	2,420.00
CARPINTERIA LIONS PARK AND EVENT CENTER	\$	750.00
COLANTUONO, HIGHSMITH & WHATLEY, PC	\$	512.50
MYERS, WIDDERS, GIBSON JONES & FEINGOLD, LLP	\$	450.00
BABEL LINGUISTICS INC	\$	445.00
ROCKWELL PRINTING INC	\$	419.78
SPENCER SEALE	\$	267.93
CARLOS CERECEDO	\$	250.00
Report Total: \$		66,618.26



Vendor Payment Report
FY 21/22
by Vendor Name

Vendor		Amount
BABEL LINGUISTICS INC	\$	445.00
BARTLETT, PRINGLE & WOLF, LLP	\$	3,014.50
CARLOS CERECEDO	\$	250.00
CARPINTERIA LIONS PARK AND EVENT CENTER	\$	750.00
COLANTUONO, HIGHSMITH & WHATLEY, PC	\$	512.50
FRUIT GROWERS LABORATORY, INC	\$	8,655.00
MYERS, WIDDERS, GIBSON JONES & FEINGOLD, LLP	\$	450.00
PACIFIC SURVEYS, LLC	\$	5,524.80
PUEBLO WATER RESOURCES, INC	\$	2,420.00
RAFTELIS	\$	43,908.75
ROCKWELL PRINTING INC	\$	419.78
SPENCER SEALE	\$	267.93
Report Total:		\$ 66,618.26

PROJECT TYPE	APPLICATION, FEE, INDEMNIFICATION AGREEMENT (STEP 1)	GSA APPROVAL EO-N-7-22 9A (STEP 2)	LOCATION-SPECIFIC HYDROLOGY DATA EO-N-7-22 9B (STEP 3)	CEQA REVIEW
NEW WELL OR ALTERATION OF EXISTING WELL (INCREASING CAPACITY)	YES	IF IN A MEDIUM- OR HIGH-PRIORITY BASIN	IF PROPOSED WELL IS LESS THAN 1,000 FEET FROM AN EXISTING WELL	YES
REPLACEMENT WELL (NO INCREASE IN CAPACITY)	YES	IF IN A MEDIUM- OR HIGH-PRIORITY BASIN	N/A	YES
INDIVIDUAL DOMESTIC WELLS	YES	EXEMPT	N/A	N/A
PUBLIC WATER SUPPLY WELLS	YES	EXEMPT	N/A	N/A

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-7-22

WHEREAS on April 12, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, I proclaimed states of emergency that continue today and exist across all the counties of California, due to extreme and expanding drought conditions; and

WHEREAS climate change continues to intensify the impacts of droughts on our communities, environment, and economy, and California is in a third consecutive year of dry conditions, resulting in continuing drought in all parts of the State; and

WHEREAS the 21st century to date has been characterized by record warmth and predominantly dry conditions, and the 2021 meteorological summer in California and the rest of the western United States was the hottest on record; and

WHEREAS since my October 19, 2021 Proclamation, early rains in October and December 2021 gave way to the driest January and February in recorded history for the watersheds that provide much of California's water supply; and

WHEREAS the ongoing drought will have significant, immediate impacts on communities with vulnerable water supplies, farms that rely on irrigation to grow food and fiber, and fish and wildlife that rely on stream flows and cool water; and

WHEREAS the two largest reservoirs of the Central Valley Project, which supplies water to farms and communities in the Central Valley and the Santa Clara Valley and provides critical cold-water habitat for salmon and other anadromous fish, have water storage levels that are approximately 1.1 million acre-feet below last year's low levels on this date; and

WHEREAS the record-breaking dry period in January and February and the absence of significant rains in March have required the Department of Water Resources to reduce anticipated deliveries from the State Water Project to 5 percent of requested supplies; and

WHEREAS delivery of water by bottle or truck is necessary to protect human safety and public health in those places where water supplies are disrupted; and

WHEREAS groundwater use accounts for 41 percent of the State's total water supply on an average annual basis but as much as 58 percent in a critically dry year, and approximately 85 percent of public water systems rely on groundwater as their primary supply; and

WHEREAS coordination between local entities that approve permits for new groundwater wells and local groundwater sustainability agencies is important to achieving sustainable levels of groundwater in critically overdrafted basins; and

WHEREAS the duration of the drought, especially following a multiyear drought that abated only five years ago, underscores the need for California to redouble near-, medium-, and long-term efforts to adapt its water management and delivery systems to a changing climate, shifting precipitation patterns, and water scarcity; and

WHEREAS the most consequential, immediate action Californians can take to extend available supplies is to voluntarily reduce their water use by 15 percent from their 2020 levels by implementing the commonsense measures identified in operative paragraph 1 of Executive Order N-10-21 (July 8, 2021); and

WHEREAS to protect public health and safety, it is critical the State take certain immediate actions without undue delay to prepare for and mitigate the effects of the drought conditions, and under Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Proclamation would prevent, hinder, or delay the mitigation of the effects of the drought conditions.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021 Proclamations remain in full force and effect, except as modified by those Proclamations and herein. State agencies shall continue to implement all directions from those Proclamations and accelerate implementation where feasible.
2. To help the State achieve its conservation goals and ensure sufficient water for essential indoor and outdoor use, I call on all Californians to strive to limit summertime water use and to use water more efficiently indoors and out. The statewide Save Our Water conservation campaign at [SaveOurWater.com](https://www.SaveOurWater.com) provides simple ways for Californians to reduce water use in their everyday lives. Furthermore, I encourage Californians to understand and track the amount of water they use and measure their progress toward their conservation goals.
3. By May 25, 2022, the State Water Resources Control Board (Water Board) shall consider adopting emergency regulations that include all of the following:
 - a. A requirement that each urban water supplier, as defined in section 10617 of the Water Code, shall submit to the Department of Water Resources a preliminary annual water supply and demand assessment consistent with section 10632.1 of the Water Code no later than June 1, 2022, and submit a final annual water

supply and demand assessment to the Department of Water Resources no later than the deadline set by section 10632.1 of the Water Code;

- b. A requirement that each urban water supplier that has submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, the shortage response actions adopted under section 10632 of the Water Code for a shortage level of up to twenty percent (Level 2), by a date to be set by the Water Board; and
- c. A requirement that each urban water supplier that has not submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, shortage response actions established by the Water Board, which shall take into consideration model actions that the Department of Water Resources shall develop for urban water supplier water shortage contingency planning for Level 2, by a date to be set by the Water Board.

To further conserve water and improve drought resiliency if the drought lasts beyond this year, I encourage urban water suppliers to conserve more than required by the emergency regulations described in this paragraph and to voluntarily activate more stringent local requirements based on a shortage level of up to thirty percent (Level 3).

- 4. To promote water conservation, the Department of Water Resources shall consult with leaders in the commercial, industrial, and institutional sectors to develop strategies for improving water conservation, including direct technical assistance, financial assistance, and other approaches. By May 25, 2022, the Water Board shall consider adopting emergency regulations defining "non-functional turf" (that is, a definition of turf that is ornamental and not otherwise used for human recreation purposes such as school fields, sports fields, and parks) and banning irrigation of non-functional turf in the commercial, industrial, and institutional sectors except as it may be required to ensure the health of trees and other perennial non-turf plantings.
- 5. In order to maximize the efficient use of water and to preserve water supplies critical to human health and safety and the environment, Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended, with respect to the directives in paragraphs 3 and 4 of this Order and any other projects and activities for the purpose of water conservation to the extent necessary to address the impacts of the drought, and any permits necessary to carry out such projects or activities. Entities that desire to conduct activities under this suspension, other than the directives in paragraphs 3 and 4 of this Order, shall first request that the Secretary of the Natural Resources Agency make a determination that the proposed activities are eligible to be conducted under this suspension. The Secretary shall use sound discretion in applying this Executive Order to ensure that the suspension serves the purpose of accelerating conservation projects that are necessary to address impacts of the drought, while at the same time

protecting public health and the environment. The entities implementing these directives or conducting activities under this suspension shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

6. To support voluntary approaches to improve fish habitat that would require change petitions under Water Code section 1707 and either Water Code sections 1425 through 1432 or Water Code sections 1725 through 1732, and where the primary purpose is to improve conditions for fish, the Water Board shall expeditiously consider petitions that add a fish and wildlife beneficial use or point of diversion and place of storage to improve conditions for anadromous fish. California Code of Regulations, title 23, section 1064, subdivisions (a)(1)(A)(i)-(ii) are suspended with respect to any petition that is subject to this paragraph.
7. To facilitate the hauling of water for domestic use by local communities and domestic water users threatened with the loss of water supply or degraded water quality resulting from drought, any ordinance, regulation, prohibition, policy, or requirement of any kind adopted by a public agency that prohibits the hauling of water out of the water's basin of origin or a public agency's jurisdiction is hereby suspended. The suspension authorized pursuant to this paragraph shall be limited to the hauling of water by truck or bottle to be used for human consumption, cooking, or sanitation in communities or residences threatened with the loss of affordable safe drinking water. Nothing in this paragraph limits any public health or safety requirement to ensure the safety of hauled water.
8. The Water Board shall expand inspections to determine whether illegal diversions or wasteful or unreasonable use of water are occurring and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.
9. To protect health, safety, and the environment during this drought emergency, a county, city, or other public agency shall not:
 - a. Approve a permit for a new groundwater well or for alteration of an existing well in a basin subject to the Sustainable Groundwater Management Act and classified as medium- or high-priority without first obtaining written verification from a Groundwater Sustainability Agency managing the basin or area of the basin where the well is proposed to be located that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in any applicable Groundwater Sustainability Plan adopted by that Groundwater Sustainability

Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by such a plan; or

- b. Issue a permit for a new groundwater well or for alteration of an existing well without first determining that extraction of groundwater from the proposed well is (1) not likely to interfere with the production and functioning of existing nearby wells, and (2) not likely to cause subsidence that would adversely impact or damage nearby infrastructure.

This paragraph shall not apply to permits for wells that will provide less than two acre-feet per year of groundwater for individual domestic users, or that will exclusively provide groundwater to public water supply systems as defined in section 116275 of the Health and Safety Code.

10. To address household or small community drinking water shortages dependent upon groundwater wells that have failed due to drought conditions, the Department of Water Resources shall work with other state agencies to investigate expedited regulatory pathways to modify, repair, or reconstruct failed household or small community or public supply wells, while recognizing the need to ensure the sustainability of such wells as provided for in paragraph 9.
11. State agencies shall collaborate with tribes and federal, regional, and local agencies on actions related to promoting groundwater recharge and increasing storage.
12. To help advance groundwater recharge projects, and to demonstrate the feasibility of projects that can use available high water flows to recharge local groundwater while minimizing flood risks, the Water Board and Regional Water Quality Control Boards shall prioritize water right permits, water quality certifications, waste discharge requirements, and conditional waivers of waste discharge requirements to accelerate approvals for projects that enhance the ability of a local or state agency to capture high precipitation events for local storage or recharge, consistent with water right priorities and protections for fish and wildlife. For the purposes of carrying out this paragraph, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, and Chapter 3 (commencing with section 85225) of Part 3 of Division 35 of the Water Code and regulations adopted pursuant thereto are hereby suspended to the extent necessary to address the impacts of the drought. This suspension applies to (a) any actions taken by state agencies, (b) any actions taken by local agencies where the state agency with primary responsibility for the implementation of the directives concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b). The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.
13. With respect to recharge projects under either Flood-Managed Aquifer Recharge or the Department of Water Resources Sustainable

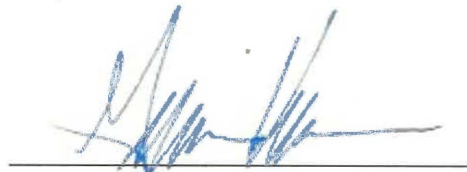
Groundwater Management Grant Program occurring on open and working lands to replenish and store water in groundwater basins that will help mitigate groundwater conditions impacted by drought, for any (a) actions taken by state agencies, (b) actions taken by a local agency where the Department of Water Resources concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b), Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended to the extent necessary to address the impacts of the drought. The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

14. To increase resilience of state water supplies during prolonged drought conditions, the Department of Water Resources shall prepare for the potential creation and implementation of a multi-year transfer program pilot project for the purpose of acquiring water from willing partners and storing and conveying water to areas of need.
15. By April 15, 2022, state agencies shall submit to the Department of Finance for my consideration proposals to mitigate the worsening effects of severe drought, including emergency assistance to communities and households and others facing water shortages as a result of the drought, facilitation of groundwater recharge and wastewater recycling, improvements in water use efficiency, protection of fish and wildlife, mitigation of drought-related economic or water-supply disruption, and other potential investments to support short- and long-term drought response.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 28th day of March 2022.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH.D.
Secretary of State

Casing Information

Proposed Depth _____ ft. Well Bore Diam. _____ in. Sealing Material (Check) ☐ Neat Cement ☐ Clay ☐ Cement Grout ☐ Concrete Conductor Casing Provide details under additional work	Type: ☐ Steel ☐ PVC ☐ Other _____ Wall / Gauge _____ in. Diameter _____ in. Annular Seal Depth _____ ft. Estimated Depth to First Perforations _____ Length of Perforations _____ Additional Work Description: _____ _____ _____ Note: A minimum 50 ft. annular seal is required for all wells.
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Proposed Well Details**Project Details:****Modification:** ☐ Deepening ☐ Sealing of well casing ☐ Reperforation ☐ Replacement of well casing**Replacement:** *(Existing well shall be destroyed within 90 days of completion under permit. Replacement well shall be of equal or less production capacity of existing well as originally permitted or constructed)*

1. Is the existing well dry: ☐ No ☐ Yes
2. Attach permit, completion report, or other documentation of existing wells construction/capacity
3. Application for the Destruction of the existing well shall be submitted concurrently with this application.

Intended Use:
☐ Irrigation ☐ Cathodic Protection ☐ Domestic – Single Parcel ☐ Domestic – Multi-Parcel
☐ State Small Water System ☐ Public Water System
Water System Name: _____

Domestic: Identify domestic connection(s) to be served on the plot plan or other documentation, a separate water system permit shall be required upon construction and prior to providing domestic water. Easements or other legal documentation shall be provided for wells to serve 2 or more parcels.

Anticipated Production:

Anticipated/approximate water production (acre feet per year): _____ acre feet

Anticipated average runtime/use of the well per day: _____ hours

Anticipated source yield/pump capacity: _____ gallons per minute (gpm)

Estimated height of water column: _____ feet

Intended Water Use:Is parcel located within the service area of a public water system? ☐ No ☐ Yes (Identify): _____1. If you answered **Yes** to question A.: Are you connected to the Public Water System ☐ No ☐ Yes2. If you answered **No** to the question A-1.: Is public water service available? ☐ No ☐ YesDo you intend to export any water off of the property? ☐ No ☐ YesWhat other water sources are available on the property? ☐ Public ☐ Private ☐ None**Site Information:**Are there other wells located within 1,000 feet? ☐ No ☐ Yes If yes, how many? _____Are there other wells on the property? ☐ No ☐ Yes If yes, how many? _____

What is the parcel size of the proposed well location? _____ acres

What is the Property Zoning Designation?

☐ AG-I ☐ AG II ☐ Residential ☐ Commercial ☐ Industrial ☐ RecreationalIs the proposed well location within the Coastal Zone? ☐ No ☐ Yes**Ground Water Basin:**
☐ Not within a Basin ☐ Foothill ☐ Goleta ☐ Santa Barbara ☐ Santa Maria River Valley
☐ Cuyama Valley ☐ Carpinteria ☐ Montecito ☐ San Antonio Creek Valley ☐ Santa Ynez River Valley

LEGAL DECLARATION

LICENSED CONTRACTOR DECLARATION

I hereby affirm that I am licensed under the provisions of Chapter 9 (commencing with Sec. 7000), Division 3 of the Business and Professions Code (B&PC) as a well drilling contractor (C-57 license) and such license is in full force and effect.

_____ Print Name of Driller	_____ Signature of Driller	_____ Date
--------------------------------	-------------------------------	---------------

Lic. No.: _____ Primary Telephone _____ Other Phone: _____

Business Name: _____ Address _____

(Complete A or B)

A. WORKERS' COMPENSATION DECLARATION

I hereby affirm that (check the applicable box):

- ☐ I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.
- ☐ I have and will maintain workers' compensation insurance, as provided for by Section 3700 of the Labor Code, for the performance of work for which this permit is issued. My insurance carrier and policy number are:

Carrier	Policy No.
---------	------------

Applicant Signature _____ Date _____

B. CERTIFICATION OF EXEMPTION FROM WORKERS' COMPENSATION INSURANCE

I certify that in the performance of work for which this permit is issued, I shall not employ any person in a manner so as to become subject to the Workers' Compensation Laws of California.

Applicant Signature _____ Date _____

Notice to Applicant: If, after making this Certificate of Exemption, you should become subject to the Workers' Compensation provisions of the Labor Code, you must forthwith comply with such provisions or this permit shall be deemed revoked.

When signed by the Environmental Health Specialist, this application shall be deemed a permit only for the work described and is not a “permit for development” as that term is used in the California Subdivision Map Act. Please note additional permits (e.g., electrical installation, waste discharge requirements, land use clearance, grading) may also be required from other agencies. THIS PERMIT SHALL EXPIRE upon completion of the task authorized or one year from date of issuance, whichever occurs first. No changes from the approved plan are permitted without prior written approval by Environmental Health Services. Final clearance will not be issued until all fees are paid and a copy of the drillers log is submitted to Environmental Health Services.

I hereby agree to comply with all regulations of the County of Santa Barbara pertaining to well construction, repair, modification, destruction and inactivation and the executed Indemnification Agreement submitted concurrently herewith. The property owner, well driller, or agent will furnish Environmental Health Services a copy of a completed well log upon completion of well construction.

I certify that I have read this application and declare under penalty of perjury that the information contained herein and on the Plot Plan is true, correct and complete. I hereby authorize representatives of Environmental Health Services to enter the premises for the purpose of inspecting the site and work described herein for compliance with county requirements.

REQUIRED INSPECTIONS / FINAL CLEARANCE: After permit approval, and prior to covering any components, an inspection must be scheduled directly with the approving Environmental Health Specialist at least two (2) business days in advance for:

- ✓ The sealing of the annular space on a well;
- ✓ The destruction of wells;
- ✓ Any operation stipulated on the permit to address special or unusual conditions.
- ✓ Receipt of driller's well log.

Signed _____

Applicant (Print Name)	Applicant's Signature	Date
------------------------	-----------------------	------

FOR DEPARTMENT USE ONLY

Fixed Fee Rec'd: by: _____ Date: _____ Amt: \$ _____ Credit Card Trans No: _____ (last 4 digits)

Check No. _____ Receipt No. _____

GSA Findings:

The proposed well is in high or medium priority basin: ☐ No ☐ Yes
For wells located within a high or medium priority basin, the Groundwater Sustainability Agency (GSA) has ☐ has not ☐
issued written verification that the well is consistent with any sustainable groundwater management program established in
any Groundwater Sustainability Plan, or
The well subject to this permit application is exempt from this requirement. ☐ No ☐ Yes

EHS Findings:

Extraction of groundwater is not likely to interfere with the production and functioning of existing nearby wells. ☐ No ☐ Yes
Extraction of groundwater is not likely to cause subsidence that would adversely impact or damage nearby infrastructure. ☐ No ☐ Yes
The well subject to this permit application is exempt from these findings. ☐ No ☐ Yes

For Replacement Wells:
Proposed well of equal or less production capacity of existing well as originally permitted or constructed ☐ No ☐ Yes
Application to destroy existing well submitted concurrently ☐ No ☐ Yes

APPLICATION DISPOSITION: ☐ Approved ☐ Denied

Signed _____
Environmental Health Specialist Date

Permit Conditions: _____

Final Construction Approved by: _____ Date: _____
Final Clearance by: _____ Date: _____
☐ Copy Required at Assessor's Office ☐ Copy Required at Water District Office



County of Santa Barbara Water Well Permit Indemnification Agreement

This Agreement is entered into pursuant to Santa Barbara County Code section 34A-24(b):

1. **Indemnification.** As part of the application for a water well permit (hereinafter collectively "Application"), _____ the applicant for the project ("Applicant") and _____ the owner(s) of the subject property ("Owner"), if non County-owned property and the Owner is different than the Applicant, agree to indemnify, defend (with counsel reasonably approved by County), and hold harmless Santa Barbara County and its officers, officials, employees and agents (collectively "County") as follows:
 - a. From and against any and all claims, demands, actions, proceedings, lawsuits, losses, damages, judgments and/or liabilities arising out of, related to, or in connection with the Application or to attack, set aside, void, or annul, in whole or in part, an approval of the Application and/or issuance of a water well permit by the County;
 - b. From any and all causes whatsoever, including the acts, errors, or omissions of the Owner(s) and Applicant and his, her, its, and their officers, employees, agents and contractors (hereinafter "Claim"); and
 - c. For any and all costs and expenses (including but not limited to attorneys' fees) incurred by County on account of any Claim except where such indemnification is prohibited by law.
 - d. The indemnification obligation of the Owner(s) and Applicant applies to County's active as well as passive negligence, but does not apply to County's sole negligence or willful misconduct.
2. **Defense.** Owner(s) and Applicant shall permit County, with County's unlimited discretion, to direct and participate in the defense of any Claim, including, but not limited to, use of County Counsel to defend the Claim, but such participation shall not relieve the Owner(s) or Applicant of any obligation imposed by this Agreement.

In the alternative, County shall have the right not to participate in the defense.

In the event of a disagreement between County and the Owner(s) and/or Applicant over litigation issues, County shall have the authority to control the litigation and make litigation decisions, including, but not limited to, the manner in which the defense is conducted.

If County reasonably determines that having common counsel would present such counsel with a conflict of interest, or if the Owner(s) or Applicant fails to promptly assume the defense of the Claim or to promptly employ counsel reasonably satisfactory to County, then County may employ separate counsel to represent or defend County and the Owner(s) and Applicant shall pay the reasonable attorneys' fees and costs of such counsel.
3. **Reimbursement.** To the extent County uses any of its resources to respond to a Claim, the Owner(s) and Applicant shall reimburse the County upon demand. Such resources include, but are not limited to, staff time, court costs, County Counsel time, or any other direct or indirect costs associated with responding to the Claim.

4. **Obligations.** The obligations of the Owner(s) and Applicant under this Agreement shall survive and apply regardless of whether any County approval is invalidated, set aside, expires, or is abandoned for any reason.

This Agreement and the obligations of the Owner(s) and Applicant set forth herein shall remain in full force and effect throughout all stages of litigation including any and all appeals of any lower court decrees, orders, or judgments, and regardless of whether the Owner(s) or Applicant has brought any claim, action, or demand against County.

The Owner(s) and Applicant are solely responsible for compliance with all local, state, and federal laws and for obtaining necessary authorizations, approvals, and/or permits from other local, state, and federal agencies. Any failure of the Owner(s) or Applicant to comply with applicable laws or to obtain necessary authorizations, approvals, and/or permits shall not invalidate this Agreement or excuse the obligations of the Owner(s) or Applicant under this Agreement except where such indemnification is prohibited by law.

5. **Successors and Assigns.** These obligations shall be binding upon each and every successor, assign, and transferee of any interest in the water well permit that is the subject of the Application. The Owner(s) and Applicant shall cause all successors, assigns, and transferees to be so obligated; provided that the Owner(s) and Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate, or otherwise transfer any of the obligations of this Agreement, and notwithstanding a change in ownership or any transfer or conveyance of any interest in the water well permit that is the subject of the Application.

6. **Stipulation, Release, or Settlement.** The Owner(s) and Applicant shall not execute, pay, or perform pursuant to, any stipulation, release, settlement agreement, or other disposition of the matter on such Claim unless the County and the Owner(s) and Applicant have approved the stipulation, release, or settlement agreement in writing, such approval not to be unreasonably withheld.

In no case shall the Owner(s) or Applicant assume, admit, or assert any fault, wrongdoing, or liability on the part of the County as a condition of or as part of any stipulation, release, settlement, or otherwise. The Owner(s) and Applicant shall not assert any defense, claim, or complaint against County on any Claim as a condition of or as part of any stipulation, release, settlement or otherwise.

7. **No Waiver.** Any failure, actual or alleged, on the part of County to monitor or enforce compliance with any of the indemnification requirements will not be deemed as a waiver of any rights on the part of County.
8. **Authority.** Each person signing this Agreement represents and warrants that such person has the power, is duly authorized, and has the capacity to enter into this Agreement and that this Agreement is a valid and legal agreement binding on the Owner(s) and Applicant and enforceable in accordance with its terms.
9. **California Law.** This Agreement is governed by the laws of the State of California. Any litigation regarding this Agreement or its contents must be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.
10. **Severability.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be

deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

11. **Complete Agreement.** This Agreement shall constitute the complete understanding of the parties with respect to the matters set forth herein. Neither party is relying on any other representation, oral or written.

12. **Counterparts.** This Agreement may be signed in counterparts and must be signed by all Owner(s) and Applicant.

Project:

Project Number: _____

APN(s): _____

NOW THEREFORE, the Owner(s) and Applicant agree to be bound by the terms of this Indemnification Agreement as demonstrated by their signature(s) below:

APPLICANT:

Signed _____ Date _____

Name of Person Signing _____

Title: _____

OWNER (if different from Applicant):

Signed _____ Date _____

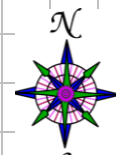
Name of Person Signing _____

Title: _____

(Scale 1/4" Block = 20 ft.)

APN: _____

Please note all existing wells within 1,000 feet



Date: _____

- ☐
- Other: _____



Water Well Discharge Prohibitions

----- Fact Sheet -----

In the autumn of 2016, unauthorized discharges from two water production wells to creeks in the Santa Barbara Coastal sub-basins resulted in consultation between the Santa Barbara County Public Health Department, Environmental Health Services Division, and the Central Coast Regional Water Quality Control Board. This consultation clarified that all discharges to creeks or drainages in the Santa Barbara coastal sub-basins are a violation of the Basin Plan.

So what does this mean to water well drillers?

- Discharges to creeks and drainages, including discharges of drilling muds, drilling waters and/or water pumped from the well while it is being developed, are prohibited;
- Such discharges are violations of county and state regulations:
 - o County Code Chapter 34 Section 34A.11.(7) *Drilling waste shall be controlled and may not be discharged so as to create conditions that violate water quality control board regulations, other state laws, federal regulations or local ordinances;*
 - o Water Quality Control Plan, Central Coast Basin, Chapter 5, Section IV.B. Inland Waters, reads in part: *“Waste discharges to the following inland waters are prohibited: (4). All coastal surface streams and natural drainages that flow directly to the ocean within...the Santa Barbara Coastal Subbasins...”*

Violations of these regulations may result in enforcement including issuance of a stop work order and suspension or revocation of the well permit by Environmental Health Services. Additionally, both the Water Quality Control Board and Environmental Health Services may issue notices of violation and levy fines. Violation of Santa Barbara County Code Chapter 34A may result in enforcement with an administrative fine of up to \$1,000.00 per each “one-time” action as provided in County Code Chapter 24A. The Water Quality Control Board may levy administrative fines up to \$10.00 per gallon for violation of the Basin Plan’s discharge prohibition per California Water Code Section 13385.

Water Well Drilling – Requirements Related to Hydrogen Sulfide

----- *Fact Sheet* -----

Santa Barbara County Code Chapter 34A §11. - Hydrogen sulfide detection, reporting and mitigation.

(a) The licensed well drilling contractor performing the work on a well that will exceed one thousand two hundred feet in depth shall keep a properly maintained and calibrated hydrogen sulfide H_2S gas monitor at the drill site at all times during well drilling activities. The meter shall be in operation at all times during the well drilling activities. The meter shall be calibrated per manufacturer recommendations and at least prior to each new drilling operation or after each use. A calibration log shall be maintained and kept with the meter for inspection by administrative authority on request.

(b) If hydrogen sulfide gas is detected at levels exceeding 1.0 ppm for more than ten minutes or twenty ppm instantaneously, the licensed professional shall immediately contact Environmental Health Services, the Santa Barbara County Air Pollution Control District and the California Office of Emergency Services as required by Section 2631 of Title 19 of the California Code of Regulations. If the release poses a potential threat to public health off-site or the release may violate Santa Barbara County Air Pollution Control District (APCD) Rule 310 (Odorous Organic Sulfides) or Rule 303 (Nuisance) the licensed well drilling contractor or their designee shall immediately call 911 and report the release. If the release occurs outside normal business hours, the licensed professional driller or designee shall immediately report the release to 911.

(c) Mitigation measures shall be implemented immediately if the H_2S release exceeds limits established in subsection (b) or may violate APCD Rule 310 (levels at or beyond property line of 0.06 ppm or 0.03 ppm averaged over three minutes and ten minutes, respectively) or cause detectable odors at or beyond the fenceline (APCD Rule 303). Mitigation measures must result in prompt, effective and sustained reduction of H_2S to below levels on and off the property in accordance with subsections (a) and (b).

(d) Current phone numbers for the agencies specified in subsection (b) shall be maintained on the job site and all personnel are to be trained on appropriate emergency notification procedures.

(Ord. No. 5046, 6-19-2018)

August 2, 2022

VIA E-MAIL AND
FIRST CLASS MAIL

Mr. Bob McDonald, P.E., MPA
Executive Director
Carpinteria Groundwater Sustainability Agency
bob@cvwd.net

Re: Representation Letter

Dear Mr. McDonald:

Thank you for asking Rutan & Tucker, LLP to provide legal services with respect to groundwater regulation, groundwater fees/assessments, and related advice in and pertaining to the Carpinteria Groundwater Basin. This letter sets forth our proposal for the basic terms of the engagement and the arrangement for fees and costs that will apply to the engagement.

If you have any questions about these provisions, or if you would like to discuss possible modifications, do not hesitate to call. Otherwise, if you agree, please sign the enclosed copy of this letter in the space provided below. We are pleased to have the opportunity to serve you.

1. *Client; Scope of Representation.* Our client in this matter will be Carpinteria Groundwater Sustainability Agency (“CGSA”), a joint powers authority. We will be engaged to advise and provide special counsel services pertaining to groundwater regulation, groundwater fees/assessments, and related advice in and pertaining to the Carpinteria Groundwater Basin. You may limit or expand the scope of our representation from time to time, provided that we must agree to any substantial expansion or limitation of the representation. The firm will perform these services, will take reasonable steps to keep you informed of progress, respond to your inquiries, and will consult with you as necessary. This letter covers all preliminary work we have already performed, as well as future services we will perform.

2. *Duties of Client.* You agree to timely provide us such information, assistance and cooperation as is necessary for us to effectively perform our services and to timely pay our bills for fees, costs and expenses as further described herein.

3. *General Terms; Fees and Expenses.* To assist you in understanding our billing practices and other general terms, I enclose a copy of our current Policy on Professional Fees and General Terms of Engagement (the “General Terms”). The General Terms are incorporated in this letter. The General Terms describe the ranges of hourly rates for our attorneys and

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paraprofessionals and our policies regarding reimbursement of costs and expenses. Please specifically note that the reduced hourly rate for Jeremy N. Jungreis, the lead attorney for this matter, is \$395/Hour, which shall be the rate for other partners of the Firm that bill to this matter. The rate for associates and of counsel attorneys will be \$360/Hour.

4. *Term of Engagement.* In accordance with the General Terms, either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable Rules of Professional Conduct.

5. *Retainer.* It is customary under certain circumstances that we receive a retainer as an advance against fees, costs and expenses prior to commencing work on the matter. In light of the scope of work projected at this early stage, we request a retainer in the amount of \$5,000. It occasionally may be appropriate to require a retainer or an additional retainer (as the case may be) after the commencement of the engagement, or to require an increase in a retainer, depending on, among other things, your payment history or on the scope of the work. For example, before a trial, we may require a retainer sufficient to cover expected fees, costs and expenses. We also customarily request an advance retainer for the purpose of paying substantial out-of-pocket costs we incur on your behalf. Any retainer received by this firm will be held in our trust account as security for your payment of all amounts owing to us and applied to the final billing in the matter. It may also be applied before the final billing to out-of-pocket costs and expenses which must be advanced on your behalf or to unpaid fees in our discretion.

6. *Binding Arbitration.* We appreciate the opportunity to serve as your attorneys and anticipate a productive, harmonious relationship. If you become dissatisfied for any reason with the services we have performed, the fees charged, or any other aspect of the attorney-client relationship, we encourage you to bring that to our attention immediately. Similarly, if we perceive a problem with the representation, we will discuss it with you. Most such problems can be rectified by communication and discussion. Although in our experience disputes of any type are rare, a dispute conceivably could arise between us which cannot be resolved by discussion or negotiation. We believe such attorney-client disputes are most satisfactorily resolved through binding arbitration rather than by litigation in court.

Arbitration is, as you likely know, a process by which both parties to a dispute agree to submit the matter to a retired judge or other arbitrator who has expertise in the area and to abide by the arbitrator's decision, instead of litigating in court. In arbitration, there is no right to a trial by jury and the arbitrator's legal and factual determinations are generally not subject to appellate review. Arbitration rules of evidence and procedure are often less formal and rigid than in a court trial. Arbitration often results in a decision much more quickly than proceedings in court, and the attorneys' fees and other costs incurred by both sides are often substantially less.

Both the United States and California Supreme Courts have endorsed arbitration as an accepted and favored method of resolving disputes, because it is economical and expeditious.

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Arbitration is also less acrimonious and more confidential than traditional litigation and is, therefore, particularly suited to resolution of disputes between attorneys and their clients.

Your agreement to arbitrate disputes is not a condition of our agreeing to represent you, and if you do not wish to agree to arbitrate, then you should advise me before signing the copy of this letter, so we can delete this section of the agreement. You are free to discuss the advisability of arbitration with us or your independent counsel or any of your other advisors.

By signing this agreement, you agree that if any dispute arises out of or relating to this agreement, our relationship, or the services performed by us (including but not limited to any disputes regarding our fees and expenses and any failure by you to pay such fees and expenses in accordance with this agreement, claims of professional negligence, breach of contract or fiduciary duty, fraud or any claim based upon a statute), such dispute shall be resolved by submission to final and binding arbitration in Santa Barbara County, California, before a retired judge or justice of the California Superior Court or a higher court. Please be advised that by agreeing to binding arbitration, you are waiving any right to a jury trial on any such dispute. If you and we are unable to agree on a retired judge or justice, each party will name one retired judge or justice and the two named persons will select a neutral judge or justice who will act as the sole arbitrator. Should you elect to have any fee dispute arbitrated pursuant to non-binding arbitration under statutory or case law (including your rights to request mandatory fee arbitration under the rules of the Orange County Bar Association), then such non-binding arbitration shall determine only the issue of the amount of fees properly chargeable to you. Any other claims or disputes between us, including claims for professional negligence, shall remain subject to binding arbitration pursuant to this agreement. In the event of such an arbitration, the parties shall be entitled to take discovery in accordance with the provisions of the California Code of Civil Procedure, but either party may request that the arbitrator limit the amount or scope of such discovery, and in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively.

7. *Conflicts in this Matter.* We cannot, without appropriate consents, represent any party if there is a conflict of interest with any of our other clients. In order to avoid conflicts of interest among our clients, we maintain an index of relevant names. In connection with this matter, we have searched our index for the following names: (i) Carpinteria Groundwater Sustainability Agency as potential client. We are unaware of any potential adverse parties at this time, but we should clarify that at this time we are only taking on the representation of CGSA, and not its member agencies in their individual capacities. Before taking on representation of individual members of the joint powers authority that is CGSA, we would need to conduct a separate conflicts analysis to ensure no disqualifying conflicts. At this time, we have not discovered any conflict which requires further action before undertaking the representation. Please advise us, at or before the time you return the signed copy of this letter, if you know of any other individuals or entities which may be involved in this matter. In addition, please inform us at once if you learn in the

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future of other persons or entities who may be involved so we can make a conflict of interest search with respect to them.

8. *Conflicts Waiver.* In undertaking this representation, our objective is to represent you to the best of our ability without forfeiting the continuing representation of our general clients. One purpose of this letter, therefore, is to avoid our disqualification from representing clients which we represent on a more general basis or which we regularly represent in particular matters or controversies. Given the limited nature of our representation, there are certain conditions to our engagement which we would like to explain to you and to which we would like to secure your approval and consent. Rutan & Tucker, LLP is a large law firm which has represented, and continues to represent, many different corporate and individual clients with various interests in numerous industries. It is possible that, during the time we are representing your interests in this matter, you may become involved in transactions and/or disputes in which your interests are adverse to those of one of the firm's present or future clients. Therefore, as a specific condition to our undertaking your representation, you understand and agree that this firm may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to your interests.¹ We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential

¹ In particular, Rutan enjoys an existing representation of Casitas Municipal Water District (Casitas), where Rutan serves as special counsel, related primarily to the Ventura River Adjudication and matters related to the listing and protection of Steelhead Trout, but the representation also includes, or has the potential to include in the future, other Casitas water infrastructure projects and initiatives in and around Ventura County. We are not aware of any current conflict between Casitas and CGSA (CGSA overlaps in a small portion with Casitas' service area), nor any specific future one, although it is possible that Casitas and Carpinteria Water District may be part of a future project to bring imported water into the Casitas service area or other portions of Ventura County. In such a future project, or in other Casitas projects, CGSA specifically agrees that Rutan will be able to continue representing Casitas, even if the interests of one or more CGSA members are technically adverse to those of Casitas.

Rutan also represents, or has represented, the County of Santa Barbara on wholly unrelated land use, eminent domain, and litigation matters, and nothing herein, or in the representation of CGSA by Rutan shall be deemed to preclude Rutan from continuing to represent the County of Santa Barbara on current or future matters that are unrelated to groundwater, water supply and water management issues, unless otherwise prohibited by the CA Rules of Professional Responsibility, and CGSA waives any conflict to the extent a conflict arises now or in the future on matters that are unrelated to groundwater, water supply, and water management.

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information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage.

9. *Lien.* You hereby grant us a lien on any and all claims or causes of action that are the subject of the representation under this agreement. The lien will be for any sums owing to us at the conclusion of services performed. The lien will attach to any recovery you may obtain, whether by arbitration award, judgment, settlement or otherwise. The effect of such a lien is that we may be able to compel payment of fees and costs from any such funds recovered on behalf of you even if we have been discharged before the end of any applicable matter. Because a lien may affect your property rights, you may seek the advice of an independent lawyer of your choice before agreeing to such a lien. By initialing this paragraph, you represent and agree that you have had a reasonable opportunity to consult such an independent lawyer and—whether or not you have chosen to consult such an independent lawyer—you agree that we will have a lien as specified above.

_____ (Client Initial Here) _____ (Rutan & Tucker, LLP Initial Here)

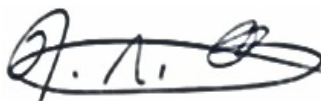
Please be aware that you have the right to obtain the advice of independent counsel regarding the terms of this agreement, and you should feel free to do so.

This letter and the attached General Terms constitute the entire agreement between you and Rutan & Tucker, LLP with respect to our engagement. No prior oral or written understanding shall be of any force or effect with respect to these matters. This agreement may not be modified, except by a document in writing executed by both parties. A waiver of any party of any breach of any of the conditions, terms or time requirements under this letter shall not be construed as a waiver of any succeeding breach. This letter may be executed in multiple counterparts, each of which shall be deemed an original. Please review this letter and the General Terms attached hereto carefully. If the terms and conditions of our representation and the billing arrangements under this agreement meet with your approval, please sign the enclosed copy of this letter and return it to me. Please call if you have any questions.

Once again, we are pleased to have this opportunity to work with you.

Very truly yours,

RUTAN & TUCKER, LLP



Jeremy N. Jungreis

Enclosure

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ACCEPTED AND AGREED:

By: _____

Name: _____

Title: _____

**POLICY ON PROFESSIONAL FEES
AND
GENERAL TERMS OF ENGAGEMENT**

Professional Fees and Billing Procedures.

Experience has shown that the attorney-client relationship works best when there is a mutual understanding about fees and payment terms. The following is intended to explain briefly our present billing policies and procedures. These policies and procedures are subject to change. We encourage you to discuss with us at any time any questions you might have concerning these policies and procedures.

Unless otherwise agreed in writing by you and us, our professional fees will be based on the hourly rates of the attorneys and paraprofessionals working on your matter(s). Our hourly rates for attorneys and paraprofessionals are adjusted from time to time and generally as of January 1st of each year. Adjustments in billing rates will be reflected in the invoice for legal services which constitutes our written notice to you. The current hourly billing rates for attorneys and paraprofessionals at the firm for 2022 are as follows: (i) partners range from \$330.00 to \$1,075.00 per hour, (ii) associates range from \$305.00 to \$540.00 per hour and (iii) paralegals, law clerks, legal interns, legal assistants, document clerks and other paraprofessionals range from \$80.00 to \$345.00.

Rutan & Tucker, LLP bills its clients for costs advanced on a client's behalf, such as filing fees, transcript and deposition fees, reasonable travel expenses, and expert witness fees. The firm also charges for certain costs and expenses incurred on behalf of clients such as long-distance telephone calls, facsimile and telecopier transmissions, copying, scanning, printing, postage, mileage, messengers, and computerized research. Notwithstanding the foregoing, we may forward to you large disbursement invoices for your direct payment to the supplier.

We make every effort to include disbursements in the statement for the month in which the disbursements are incurred. Some disbursements, however, may not be available to us until the following months, in which case a subsequent statement may be rendered to you for these additional charges, or an estimated amount may be included in the initial billing and an adjustment made when the actual disbursement information is available.

In the absence of other arrangements, our billing statements ordinarily will be rendered to you on a monthly basis.

Our billing statements are due and payable upon receipt. We ask and expect payment of our statements on a current basis, as delayed payment adds to our overall costs of providing services. Unless you notify us of any objection to any such billing statement (specifically describing the basis for such objection), within thirty (30) days after the date we send the billing statement to you, we will presume that you have no objection to the amounts set forth in the billing statement. If any statement remains unpaid for more than thirty (30) days after the date the statement is sent by this firm, interest may be added at the rate of 10% per annum on the unpaid balance.

Unless specifically agreed in writing, we cannot make any guarantee as to the amount which you will incur for attorneys' fees and costs in any matter, as those figures will wholly depend on the time and effort required to be devoted to such matter. Any estimates of anticipated fees and costs, whether for budgeting purposes or otherwise, are, due to the uncertainties involved, necessarily only an approximation of potential fees and costs. Unless specifically agreed in writing, such estimates are not a maximum or minimum quotation and are not binding. The actual fees and costs will be determined in accordance with the policies described above.

General Terms.

We have been engaged to represent the person(s), company(ies) or organization(s) agreed to in writing by this firm. Unless agreed to in writing, we are not representing any of their respective members, shareholders, affiliates, subsidiaries, parent companies, joint ventures, officers, directors, partners, principals, investors, or employees. Accordingly, we can take on matters that may be adverse to these related parties or their legal interests, unless precluded by reason of the Rules of Professional Conduct.

Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable Rules of Professional Conduct. If we terminate the engagement, we will take such steps as are reasonably practicable to protect your interests in the matter(s) for which we have been engaged. If you so request, we will use reasonable efforts to suggest to you possible successor counsel and provide it with whatever documents you have provided to us, but will retain materials that we have generated, as noted below.

Unless previously terminated, our representation of you in any matter will terminate upon our sending to you our final invoice for services rendered for such matter. Upon the termination of such representation, our own lawyer work product documents, notes and files (the "Work Product Files") pertaining to your matter will be retained by the firm. Your documents, property and files that are not Work Product Files (the "Client Files") will be, at your request, returned to you upon the termination of such representation. Both the Client Files (unless otherwise returned to you at your request) and the Work Product Files will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents, property, files or other materials retained by us within a reasonable time after the termination of the engagement. Specifically, it is our current policy to store your Client Files for a period of five (5) years and at the conclusion of such five (5) year period we will make an attempt to contact you as to the disposition of your Client Files, but if we are unable to locate you, we reserve the right to destroy such Client Files.

In the performance of our services, you may disclose personal information about individuals to us, including personal information we collect on your behalf. In doing so, you acknowledge that such disclosure is pursuant to a business purpose and not for commercial purposes. In performing our services, we shall not: (a) sell personal information; (b) retain, use or disclose the personal information for any purpose other than for the performance of its services; (c) retain, use, or disclose personal information for commercial purposes; or (d) retain, use, or disclose personal information outside of our direct business relationship. We certify that we understand these restrictions and will comply with them. Notwithstanding the foregoing, we may

have legal and/or ethical obligations which may mandate the processing (including the collection, use, disclosure, deletion, or retention) of personal information disclosed to us by you. Rutan & Tucker, LLP shall not be liable for the processing of personal information that is, or is reasonably believed to be, necessary for: (v) compliance with a federal, state, or local law; (w) compliance with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, or local authority; (x) cooperation with law enforcement agencies concerning conduct or activity that it believes may violate a federal, state, or local law; (y) the exercising or defending of legal claims; (z) compliance with our ethical duties. Moreover, the processing restrictions placed upon us in this paragraph shall not apply where compliance with such restriction(s) would violate an evidentiary privilege under California (or other states') law, and shall not prevent us from providing personal information of an individual to a person covered by an evidentiary privilege under California (or other states') law as part of a privileged communication. For purposes of this section, "personal information" means information that identified, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. Personal information does not include publicly available information, deidentified information, or aggregate consumer information.

You are engaging the firm to provide legal services in connection with specific matter(s). After completion, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you actually engage us after these matters have been completed to provide additional advice on issues arising from these matters, this firm has no continuing obligation to advise you with respect to future legal developments. In particular, please be advised that this firm does not undertake to perform further actions on your behalf in connection with renewal of perfection of liens, filing of UCC continuation statements, and the like in connection with any loan related matter. Further, we do not offer the service of annuity/maintenance fee payments with respect to patent prosecution.

We have made no representations, promises or guarantees to you regarding the outcome of your matter. Any comments about the outcome of your matter at any time during the performance of services do not constitute promises, guarantees, or assurances, as to the outcome of your matter.

Unless otherwise agreed in a signed writing, the firm shall have no responsibility to investigate or evaluate whether insurance is available for any matter covered by this engagement or to tender any matter covered by this engagement to any insurance carrier.

If we are required to respond to a subpoena of our records relating to services we have performed for you, or testify by deposition or otherwise concerning such services, then we will take reasonable steps to consult with you as to whether you wish to supply the information demanded or assert objections to the extent you may properly do so. You agree to pay us for our time and costs incurred in responding to any such demand, in accordance with the provisions of this letter, including, but not limited to, time and expense incurred in search and photocopying costs, reviewing documents, appearing at depositions or hearings, and otherwise litigating issues raised by the request.

In order to maximize efficiency, please be advised that attorneys and paraprofessionals at this firm routinely use the following communications methods to the fullest extent possible: e-mail, document transfer by computer, mobile telephones, and facsimile transfers.

Although not required in California, some states require that a law firm disclose the existence of errors and omissions insurance coverage applicable to the services to be rendered. Rutan & Tucker, LLP hereby confirms the existence of such insurance coverage for the purposes of complying with such a requirement.

Duty to Preserve Relevant Evidence in the Event of Litigation or Disputes.

If you are currently involved in a dispute which has resulted or is likely to result in litigation, or if you become involved in such a dispute at a later date, please be aware that you have a legal obligation to preserve “documents and data” potentially relevant to any such dispute. In addition to the obvious fact that we may need the evidence to help prove or defend your case, the primary reason we need to tell you about this obligation is because, if you do not take such steps, you could suffer severe sanctions in any litigation (or arbitration) that might arise. Those sanctions could include, among others, direct and substantial monetary sanctions, “issue sanctions”, resulting in a directed finding against you on certain issues in the case, or even possibly a directed judgment against you, resulting in loss of the entire case.

Compliance with the obligation to preserve all potentially relevant evidence may not be as easy as it sounds. Preservation obligations include, for example, the obligation to suspend normal document destruction routines and otherwise protect against inadvertent deletion of evidence, especially electronic evidence. You need to notify and work with all of your employees and managerial personnel who might possess any such evidence, and consider all of the places where such evidence might be located, such as, e.g., home computers, laptop computers, cell phones, backup devices, and a wide range of other electronic devices and physical locations outside your normal offices and outside your network. You also need to evaluate the extent to which any of your agents, outside professionals, or consultants may have evidence which should be preserved. Furthermore, all of this needs to be documented.

We ask that you coordinate with our professional staff to ensure that proper steps have been taken to preserve all potentially relevant evidence, including electronic evidence whenever litigation, or a dispute which may lead to litigation, arises. To the extent that you have qualified and sophisticated in-house personnel experienced with document preservation activities, such coordination may simply consist of providing us with the documentation reflecting the steps taken and review of that documentation and the processes reflected. To the extent you do not have such in-house capabilities, our staff can help lead you through the process. In either event, it is very important for us to confirm the steps that have been taken so that we can later both establish your compliance with the obligation to preserve potentially relevant evidence and also utilize the documentation to coordinate the efficient identification, retrieval, and production of evidence for the presentation of your case.

Please let me know if you have any questions and, in any event, please let me know who within your organization would be best to coordinate these efforts so that I can put them in touch with our staff.



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

July 15, 2022

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

Dear Norma:

The Objective and Scope of the Audit of the Financial Statements

You have requested that Bartlett, Pringle & Wolf, LLP (“BPW”), audit Carpinteria Groundwater Sustainability Agency’s (the Agency) statements of net position as of June 30, 2022, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements as of and for the year ending June 30, 2022, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter (“Arrangement Letter”).

The objectives of our audit 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 auditor’s report that includes our opinion. 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 auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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. 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.

The Responsibilities of the Auditor

We will conduct our audit in accordance with (GAAS). Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout each audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- 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 the Agency's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

We will communicate to the Board of Directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

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

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

1. Identifying and ensuring that the Agency complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Agency involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Management is responsible for the preparation of the required supplementary information (RSI) which accounting principles generally accepted in the United States of America (U.S. GAAP) require to be presented to supplement the basic financial statements. Management is also responsible for the preparation of the supplementary information presented in relation to the financial statements as a whole in accordance with U.S. GAAP. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Board of Directors is responsible for informing us of its views about the risks of fraud within the Agency, and its knowledge of any fraud or suspected fraud affecting the Agency.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP);
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;

3. 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; and
4. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;
 - b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of each audit in accordance with the proposed timeline;
 - c. Additional information that we may request from management for the purpose of the audit; and
 - d. Unrestricted access to persons within the Agency from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance] written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Our Report

We will issue a written report upon completion of the audit of the Agency's financial statements. Our report will be addressed to the Board of Directors of the Agency. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the Agency's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or

forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the Agency's books and records. The Agency will determine that all such data, if necessary, will be so reflected. Accordingly, the Agency will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Agency personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Norma Rosales, Assistant General Manager. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Accounting Services

In connection with our audit, you have requested us to perform the drafting of the financial statements.

Norma Rosales, Assistant General Manager, will oversee the services, make all significant judgments that are the proper responsibility of management, evaluate the adequacy of the services, make an informed judgment about the results of the services, and accept responsibility for them. You also agree to establish and maintain internal control over these services, including ongoing monitoring activities. At the conclusion of our audit, we will ask you to provide written representations to that effect.

Parties' Understandings Concerning Situation Around COVID-19

BPW and the Agency acknowledge that, at the time of the execution of this Arrangement Letter, federal, state and local governments, both domestic and foreign, have imposed certain restrictions on travel and/or the movement of their citizens due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in the United States and around the globe, BPW has restricted its employees from certain travel and onsite work, whether at a client facility or BPW facility, to protect the health of both BPW's and its clients' employees. Accordingly, to the extent that any of the services described in this Arrangement Letter requires or relies on BPW or Agency personnel to travel and/or perform work onsite, either at the Agency's or BPW's facilities, including, but not limited to, maintaining business operations and/or IT infrastructure, BPW and the Agency acknowledge and agree that the performance of such work may be delayed, significantly or indefinitely, and thus certain services described herein may need to be rescheduled and/or suspended at either BPW's or the Agency's sole discretion. BPW and the Agency agree to provide the other with prompt written notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or

suspended. BPW and the Agency also acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein. Costs also may increase if services provided include matters such as consideration of going concern, impairment analysis, debt forgiveness or lease concessions, not already considered within the stated fees. BPW will obtain the Agency's prior written approval (email will be sufficient) for any increase in the cost of BPW services that may result from the situation surrounding COVID-19.

Fees and Costs

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs, such as report production, typing, and postage. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Billings become delinquent if not paid within 30 days of the invoice date. If billings are past due in excess of 90 days, at our election, we may stop all work until your account is brought current, or withdraw from this engagement. The Agency acknowledges and agrees that we are not required to continue work in the event of the Agency's failure to pay on a timely basis for services rendered as required by this engagement letter. The Agency further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of the Agency's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services. Our fees for the audit will be approximately \$7,000 for the year ending June 30, 2022. That estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. Accounting consulting will be billed at our hourly rates. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Use of Subcontractors and Third-Party Products

From time to time and depending upon the circumstances, we may, in our sole discretion, use affiliates of ours or qualified third-party service providers, located within or outside the United States, to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose Personal Information or Confidential Information (as both terms are defined below) to them. You hereby consent to us sharing your information, including Confidential Information and Personal Information, with these third-party service providers on the same basis as we would be permitted to share information with one of our employees; provided that such recipients are bound by written obligations of confidentiality that are as protective of your Confidential Information as the confidentiality terms set forth herein. You acknowledge and agree that our use of a third-party service providers may involve the processing, input, disclosure, movement, transfer, and storage of your information and data outside of our technology infrastructure.

We also may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up, email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, “Third-Party Products”). You acknowledge that your or our use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by you to us, including Personal Information and Confidential Information, within the Third-Party Product’s infrastructure and not ours, and that the terms of use and service set forth in the end-user license, subscription, or other agreement with the licensor of such Third-Party Product, including, but not limited to, applicable laws, will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product’s infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from your or our use of a Third-Party Product.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of BPW. For the purposes of this Arrangement Letter, the term “Audit Documentation” shall mean the confidential and proprietary records of BPW’s audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by BPW for the Agency under this Arrangement Letter, or any documents belonging to the Agency or furnished to BPW by the Agency.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable BPW policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in BPW’s form. BPW reserves the right to decline a successor auditor’s request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Agency, the Agency will, so long as we are not a party to the proceeding in which the

information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

You acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the Audit Documentation upon their request and that we shall maintain the Audit Documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to the requested Audit Documentation will be provided under the supervision of BPW audit personnel and at a location designated by our firm.

Indemnification, Limitation of Liability, and Claim Resolution

Because BPW will rely on the Agency and its management and Board of Directors to discharge the foregoing responsibilities, the Agency agrees to indemnify, hold harmless and release BPW and its partners, principals, officers, directors, employees, affiliates, subsidiaries, contractors, Subcontractors, agents, representatives, successors, or assigns from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Agency's management.

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

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.** The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

Confidentiality

BPW and the Agency may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, BPW and the Agency agree as the recipient of such Confidential Information (the “Receiving Party”) to keep strictly confidential all Confidential Information provided to it by the disclosing party (the “Disclosing Party”) and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Arrangement Letter and for no other purpose or use. Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, BPW is permitted to disclose the Agency’s Confidential Information to BPW’s personnel, agents, and representatives for the purpose of maintaining compliance with applicable laws and professional, regulatory, and/or ethical standards.

As used herein, “Confidential Information” means, information in any form, oral, graphic, written, electronic, machine-readable or hard copy consisting of: (i) any nonpublic information provided by the Disclosing Party, including, but not limited to, all of its inventions, designs, data, source and object code, programs, program interfaces, know-how, trade secrets, techniques, ideas, discoveries, marketing and business plans, pricing, profit margins and/or similar information; (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Arrangement Letter.

As used herein, the term “Confidential Information” will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party’s possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; or (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Confidential Information.

The Receiving Party will treat the Disclosing Party’s Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care. The Receiving Party will promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information of the Disclosing Party has been used or disclosed in violation of this Arrangement Letter.

Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information of the Disclosing Party, or as may be required by applicable regulations or professional standards, the Receiving Party will use commercially reasonable efforts to provide the Disclosing Party with notice prior to disclosure, to the extent permitted by law.

Preexisting Nondisclosure Agreements

In the event that the parties have executed a separate nondisclosure agreement and such agreement does not automatically terminate or expire upon execution of this Arrangement Letter, such agreement shall be terminated as of the effective date of this Arrangement Letter.

Information Security

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

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

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

Personal Information

As used herein, the term “Personal Information” means any personal information that directly or indirectly identifies a natural person as may be defined by applicable privacy, data protection or cybersecurity laws, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver’s license numbers or state- or province-issued identification card numbers, credit or debit card numbers with or without any required security code, number or passwords, health information, and other personal information as defined by applicable laws, whether of the Agency or the Agency’s customers or other third parties.

Each party agrees that it will not transmit to the other, in any manner, (i) Personal Information that is not needed to render the services hereunder, and (ii) Personal Information that has not been encrypted. In the event you transmit to us Personal Information in an unencrypted format or via unencrypted means, you agree that we have no obligation to notify you of the foregoing.

You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to us or our Subcontractors of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

In the event the services provided hereunder involve Personal Information collected in Canada, you acknowledge that we or our Subcontractors performing services hereunder on our behalf may store, transfer, and/or process such Personal Information in locations and on servers located outside of Canada, including jurisdictions such as the United States whose data protection laws differ from those of Canada. As a result, such Personal Information may be subject to access requests from governments, courts, or law enforcement in those jurisdictions, including the United States, according to the laws in those jurisdictions. Subject to applicable laws in such other jurisdictions, we will use reasonable efforts to require that appropriate protections are in place to require our Subcontractors maintain protections on Personal Information collected in Canada that are equivalent to those that apply in Canada.

Upon your written request, we will enter into a mutually agreed upon agreement relating to the lawful cross-border transfer and processing of Personal Information.

We will use all such Agency-provided Personal Information, if at all, only for the purposes described in this Arrangement Letter. The parties agree that as part of the performance of the services as described in this Arrangement Letter, and as part of the direct business relationship between the parties, we may, at our election, use the Personal Information to improve the services and for other similar internal and business purposes. We agree to maintain appropriate security measures to protect such Personal Information in accordance with applicable laws.

If we become aware of an unauthorized acquisition or use of Agency-provided Personal Information, we will promptly inform you of such unauthorized acquisition or use as required by applicable laws and, upon your written request, reasonably cooperate with you at your sole cost in support of any breach notification requirements as imposed upon you by applicable laws.

Retention of Records

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

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

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, BPW may, at its sole discretion, terminate this arrangement letter without further obligation to the Agency. Resumption of review work following termination may be subject to our client acceptance procedures and, if resumed,

will necessitate additional procedures not contemplated in this arrangement letter. Accordingly, the scope, timing and fee arrangement discussed in this arrangement letter will no longer apply. In order for BPW to recommence work, a new arrangement letter would need to be mutually agreed upon and executed.

We may terminate this Arrangement Letter upon written notice if: (i) we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards; or (ii) you are placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, you or any of your affiliates is placed on a verified sanctioned person list, in each case, including, but not limited to, lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union, or any other relevant sanctioning authority.

The parties agree that those provisions of this Arrangement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Arrangement Letter.

Miscellaneous

The Agency agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the Agency agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering. Our association with an official statement is a matter for which separate arrangements may be necessary. The Agency agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed.

We agree that our association with any proposed offering is not necessary, providing the Agency agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The Agency agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

Bartlett, Pringle & Wolf, LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Bartlett, Pringle & Wolf, LLP also has not performed any procedures relating to this official statement.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agrees to compensate us for any additional costs incurred as a result of you employment of one of our partners, principals or employees.

Entire Agreement

This Arrangement Letter constitutes the complete and exclusive statement of agreement between BPW and the Agency, and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Arrangement Letter.

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

This Arrangement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

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

Please sign and return a copy of this Arrangement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit, including our respective responsibilities.

Acknowledgement and Acceptance

Each party acknowledges that it has read and agrees to all of the terms and conditions contained herein. Each party and its signatory below represents that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

Very truly yours,

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

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

Tracey Solomon
Partner

TAS/jf
Enclosures

Approved:

Signature