

**MID-KAWEAH GROUNDWATER SUB-BASIN JOINT POWERS AUTHORITY
GROUNDWATER SUSTAINABILITY AGENCY BOARD**

SUMMARY MINUTES

May 14, 2019 – 3:00 p.m.

Tulare Public Library & Council Chambers
491 North M Street – Tulare, CA 93274

MEMBERS PRESENT: Dennis Mederos, Howard Stroman, David Bixler, Dave Martin, Steve Nelsen,
Greg Collins^(left mtg @ 4:28 p.m.)

STAFF PRESENT: Paul Hendrix, Randy Groom, Leslie Caviglia, Kathi Artis, Rob Hunt, Trisha Whitfield, Roxanne Yoder, Valerie Kincaid

STAFF ABSENT: Aaron Fukuda

1. CALL TO ORDER REGULAR SESSION:

Chair Nelsen opened the meeting at 3:01 p.m.

2. PUBLIC COMMENT:

Chair Nelsen called for comments from any members of the public present at the meeting. None were forthcoming.

3. CLOSED SESSION

a. Gov't. Code §54956.9

Conference with Legal Counsel – Anticipated Litigation

The Board thereupon adjourned into closed session at 3:02 p.m. Director Nelsen reconvened to regular session at 3:14 p.m. and advised there were no reportable actions taken in closed session.

4. GENERAL BUSINESS

a. Approval of Minutes of Regular Meeting on April 9, 2019

It was moved by Director Bixler, seconded by Director Collins and unanimously carried, to approve the minutes of April 9, 2019, as presented.

b. Financial Report*

i. Financial Statements – Year-to-Date

K. Artis provided an overview of the financial statements for the Board's review and consideration. P. Hendrix pointed out some of the budget-to-actual line items therein. Director Stroman as to the differing amounts due from each city shown in the accounts receivable report. It was then moved by Director Martin, seconded by Director Mederos and unanimously carried to approve as presented.

ii. Grant Reimbursement – Status

P. Hendrix provided a brief update on the item for the Board’s review and consideration. He indicated that a net amount of about \$440,000 would be received by Mid-Kaweah for its coordination and GSP costs to date.

iii. Call for Funds

P. Hendrix made note of the accompanying staff report explaining the need for a fourth call for funds during this fiscal year. It was moved by Director Collins, seconded by Director Bixler and unanimously carried, to approve the Manager’s request for a call for funds of \$170,000, one-third from each member as presented.

c. Resolution No. 2019-01 – Establishment of Regular Meetings*

P. Hendrix stated that the recent decision to hold regular GSA meetings at monthly intervals is to be memorialized by adoption of a resolution. With no discussion, it was moved by Director Mederos, seconded by Director Stroman and unanimously carried, to adopt Resolution No. 2019-01 for that purpose as presented.

d. June GSA Meeting Actions

P. Hendrix reminded the Board that the two-year term for the GSA Chair and Vice Chair comes to an end on June 30th, and that the election of these officer positions needs to take place no later than the first meeting of the next fiscal year to be held in July. He added that the expenditure budget for the next fiscal year is to be approved by the Board by the end of June.

e. Prop 68 Funding for SGMA Planning

P. Hendrix indicated that Prop 68 contains \$50 million for GSP development, and that up to \$500,000 may be awarded to basins that have received a Prop 1 grant award. He added that qualifying expenses include those incurred back to June 2018. Mr. Hendrix noted that the Kaweah Subbasin efforts to secure eligibility for this grant program were helpful in shaping the reimbursement terms.

f. Legal Counsel Report

i. Kaweah Sub-Basin Coordination Agreement – Status

V. Kincaid told the Board that the agreement is coming together well, and that several technical appendices need to be prepared to accompany the document. She indicated that the Board will first see the agreement in form only, noting that several modifications to it may yet occur thereafter. It was stressed that this agreement needs to demonstrate to DWR how the three GSPs in the Subbasin will work in concert to achieve sustainability.

g. Public Workshop – GSP Overview

i. Section 3 – Sustainability Goal, Undesirable Results

P. Hendrix provided a PowerPoint presentation for the Board’s review and consideration. He emphasized that this section of the GSP must be echoed in all three GSPs in the Subbasin. He further discussed the primary goal as stated, namely to preserve agricultural viability and its surrounding small-community job base, and to strive to fulfill the water needs of city and county general plans within the county. Director Collins noted that growth projections may be compared to those published by the state Dept. of Finance.

ii. Section 6 – Water Supply Accounting

P. Hendrix provided a PowerPoint presentation for the Board’s review and consideration. He first reviewed the development of the means to apportion the Subbasin water budget among the three GSAs as proposed by Mid-Kaweah and subsequently agreed to by the East and Greater GSAs. He then discussed the engineering and legal views of this apportionment and presented graphical representations of the concepts. Mr. Hendrix indicated that the Mid-Kaweah portion of the Subbasin water budget indicates an average annual surplus of about 37,000 AF. He concluded with noting that the apportionment represents a starting point from which the three GSAs will continue to shape responsibilities in achieving sustainability during GSP implementation.

Director Collins made note of the declining water levels in the region and that emphasis should be placed on that trend. Director Stroman inquired as to the emerging perceptions regarding the value of groundwater and potential market program, and Director Mederos added that a system to manage the limited groundwater supply may be devised resembling the former agricultural set-aside program administered by the federal government. Director Martin contrasted the imputed surplus water balance with the pumping long occurring to the west of Tulare ID, and that other states have implemented land retirement programs to achieve groundwater recharge. He also noted the coordination needed with agencies outside of the Subbasin. Further discussion ensued concerning mutual impacts as between one subbasin interconnected with another.

h. Kaweah Sub-Basin Coordination – Status Report

i. Groundwater-Only Ag. Lands – Representation

P. Hendrix described the growing involvement of landowners in so-called “white areas,” where no surface water is available to meet irrigation demands. He noted that water budget balances for these areas show significant deficits that need attention in implementing SGMA.

ii. Application of Computer Model – Initial Simulations

P. Hendrix continued with a PowerPoint presentation depicting the initial simulations to be conducted using the Kaweah Subbasin groundwater model. He indicated that these simulations are to be used to aid in establishing sustainable management criteria as called for in DWR’s GSP Regulations.

iii. Kaweah Fly-Over Project

P. Hendrix stated that the Subbasin SkyTEM geophysical data collection project has been completed, and that a presentation of the results will be given at the next Subbasin Management Team meeting.

i. Advisory Committee – Activity Report

P. Hendrix summarized the recent outreach meetings that have been held. Director Martin commented that Advisory Committee member J. Snyder gave a good presentation at Buena Vista School but that attendance was disappointingly low. Mr. Hendrix then noted the GSP section reviews occurring at Committee meetings.

5. BOARD/STAFF UPDATES, FUTURE AGENDA ITEMS OR OTHER TOPICS OF INTEREST

Director Mederos inquired as to the reasons for holding closed sessions at the commencement of board meetings as opposed to at the end, and staff responded that the decision to schedule the closed session has depended on content and anticipated duration.

6. ADJOURNMENT: Next Regular Meeting – June 11, 2019

Chair Nelsen adjourned the meeting at 4:30 p.m.

Groundwater Sustainability Agency
Board Chair

Attest:

Groundwater Sustainability Agency
Board Secretary

Mid-Kaweah GSA
Agenda Item Report

June 11, 2019

Agenda Item Wording: Fiscal – Financial Statements Year To Date

Report Author: Kathi Artis – Tulare ID

Background Discussion:

The GSA's financial policies require a financial overview and Profit & Loss Statement through the end of the previous month are to be provided to the Board of Directors at each Board meeting.

Attachments:

Balance Sheet as of June 5, 2019

Profit & Loss Statement for period July 1, 2018 through June 5, 2019

Accounts Receivable Aging Summary as of June 5, 2019

Transaction Detail by Account for checking and money market accounts for period May 1, 2019 through June 5, 2019

Mid-Kaweah Groundwater Sustainability Agency

Balance Sheet

As of June 5, 2019

06/04/19

Accrual Basis

	Jun 5, 19
ASSETS	
Current Assets	
Checking/Savings	
Checking	372.78
Money Market	3,173.80
Total Checking/Savings	3,546.58
Accounts Receivable	
Accounts Receivable	56,667.00
Total Accounts Receivable	56,667.00
Total Current Assets	60,213.58
TOTAL ASSETS	60,213.58
LIABILITIES & EQUITY	
Equity	
Retained Earnings	40,044.06
Net Income	20,169.52
Total Equity	60,213.58
TOTAL LIABILITIES & EQUITY	60,213.58

Mid-Kaweah Groundwater Sustainability Agency

Profit & Loss

July 2018 through June 5, 2019

	<u>Jul 1, 2018 - June 5, 2019</u>	<u>2018-2019 Budget</u>	<u>Variance</u>
Ordinary Income/Expense			
Income			
Call For Funds			
Administration	178,500.00	98,465	80,035
GEI Planning	556,500.00	229,751	326,749
Total Call For Funds	<u>735,000.00</u>	<u>328,216</u>	<u>406,784</u>
Prop 1 GSP Grant	0.00	699,600	(699,600)
Reimbursed Expenses			
Aqua Geo Frameworks - SkyTEM	132,841.50	125,800	7,042
Kaweah Sub Basin Expenses	130,015.06		130,015
DWR Tech Services Application	3,624.76		3,625
Total Reimbursed Expenses	<u>266,481.32</u>	<u>125,800</u>	<u>140,681</u>
Total Income	<u>1,001,481.32</u>	<u>1,153,616</u>	<u>(152,135)</u>
Expense			
Audit Expense	3,900.00	3,200	700
Conference & Meetings	695.00		695
Consulting Fees			
Consulting Fees-GEI	0.00		-
GEI Fees - Grant Applic 01-201	5,437.14		5,437
GEI Fees - MKGSA - 02.2017			
GSP	144,642.54	283,300	(138,657)
Sub-Basin Coordination	422,437.66	421,100	1,338
Total GEI Fees - MKGSA - 02.2017	<u>567,080.20</u>	<u>704,400</u>	<u>(137,320)</u>
Total Consulting Fees	<u>572,517.34</u>	<u>704,400</u>	<u>(131,883)</u>
Flight Lines	160,049.69	175,000	(14,950)
Insurance	972.40	1,500	(528)
Legal	29,100.00	50,000	(20,900)
Membership Dues	562.50	750	(188)
Office Expense	2,615.49	1,200	1,415
Payroll, Benefits and Travel Expenses	208,249.09	254,800	(46,551)
Rent	2,750.00	3,000	(250)
Total Expense	<u>981,411.51</u>	<u>1,193,850</u>	<u>(212,438)</u>
Net Ordinary Loss	<u>20,069.81</u>	<u>(40,234)</u>	<u>60,304</u>
Other Income/Expense			
Other Income			
Interest Income	99.71	200	(100)
Total Other Income	<u>99.71</u>	<u>200</u>	<u>(100)</u>
Net Other Income	<u>99.71</u>	<u>200</u>	<u>(100)</u>
Net Loss	<u><u>20,169.52</u></u>	<u><u>(40,034)</u></u>	<u><u>60,204</u></u>

Mid-Kaweah Groundwater Sustainability Agency

A/R Aging Summary

As of June 5, 2019

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
City of Tulare	56,667.00	0.00	0.00	0.00	0.00	56,667.00
Tulare Irrigation Dist	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	<u>56,667.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>56,667.00</u>

**Mid-Kaweah Groundwater Sustainability Agency
Transactions by Account**

As of June 5, 2019

Type	Date	Num	Name	Description	Account	Amount
Checking						
Check	04/23/2019		Citizen's Business Bank	Checking account service charge	Office Expense	(1.23)
Check	05/13/2019	1113	Capital One	ACWA, GRA, and DWR meetings-hotel and parking	Payroll, Benefits & Travel Expenses	(338.00)
Check	05/13/2019	1114	Tulare Irrigation District	Office supplies, AcroPro	Office Expense	(32.02)
Check	05/13/2019	1115	Aqua Geo Frameworks	Payroll and Benefits April	Payroll, Benefits & Travel Expenses	(27,132.46)
Transfer	05/15/2019			Report of part 1.7 of Section 1 of Agreement	Flight Lines	(33,015.00)
Check	05/23/2019	1116	Aliamo Properties	Funds Transfer	Money Market	55,000.00
Check	05/27/2019	1117	O'Laughlin & Paris LLP	June 2019 Rent	Rent	(250.00)
Check	05/31/2019	1119	AT&T	Legal services April 2019	Legal	(3,990.00)
Transfer	05/31/2019			Landline	Office Expense	(98.03)
Check	06/04/2019	1120	GEI Consultants	Funds Transfer	Money Market	4,000.00
Check	06/04/2019	1121	GEI Consultants	Consulting Fees	Accounts Payable	(58,589.80)
Transfer	06/05/2019			Consulting Fees	Accounts Payable	(112,748.53)
Check	06/05/2019	1122	AT&T Mobility	Funds Transfer	Money Market	171,000.00
Total Checking				Paul's cellphone	Office Expense	(50.91)
Money Market						(6,245.98)
Deposit	04/30/2019		Citizen's Business Bank	Deposit	Interest Income	9.65
Deposit	05/13/2019		East Kaweah GSA	Deposit	Reimbursement of expenses	9,904.50
Transfer	05/15/2019		Greater Kaweah GSA	Deposit	Reimbursement of expenses	14,196.45
Deposit	05/31/2019		Tulare Irrigation District	Funds Transfer	Checking	(55,000.00)
Transfer	05/31/2019		City of Visalia	Deposit	Call for Funds	56,667.00
Deposit	06/04/2019			Funds Transfer	Checking	(4,000.00)
Transfer	06/05/2019			Deposit	Call for Funds	115,000.00
Total Money Market				Funds Transfer	Checking	(171,000.00)
						(34,222.40)
						(40,468.38)

Mid-Kaweah GSA

Agenda Item Report

June 5, 2019

Agenda Item 4.c: FY 2019-20 Budget

Report Author: Paul Hendrix

Staff Recommendation:

It is recommended that the Board approve the proposed expenditure budget for FY 2019-20 of about \$1.09 million and associated Member contributions thereto.

Background Discussion:

Attached are the expenditure budgets and income for FY 2018-19 and FY 2019-20 (included as Attachment A), along with a segregation by member for the upcoming fiscal year commencing July 1, 2019 (included as Attachment B). Expenses for this next year reflect ongoing administrative costs plus remaining work by GEI for sub-basin coordination and GSP preparations. In addition, \$50,000 in general consulting costs are projected to be incurred after GSP adoption during the balance of the fiscal year.

Offsetting the projected expenditures for next year will be about \$480,000 in carryover funds from last year and the remaining amount of the Prop 1 grant award not yet reimbursed. Depending on the timing of the second and final grant reimbursement, a call for funds from Members may ultimately be needed depending on cash flow; however, this should be offset for the most part when the remainder of the grant is paid out. A near net-zero budget is primarily the result of Member calls for funds during the last three years in lieu of grant reimbursements and the anticipated final grant award this year. As approved by the Board at its December 14, 2017 meeting, any Member contributions towards administrative and GSP/Subbasin coordination expenses will be in equal amounts from each through FY 2019-20.

Recommended Motion:

I move to approve a Mid-Kaweah GSA expense budget for FY 2019-20 in an amount of \$1,087,950 and potential Member contributions thereto as delineated in Attachment B.

Attachments:

Attachment A – FY Budgets

Attachment B – Member Contributions to FY 2019-20 Expense Budget

Attachment A
Mid-Kaweah GSA - Expenditure Budget & Anticipated Revenues

MKGSA Budget:	<u>FY 2018-19</u>	<u>FY 2018-19</u> (projected actual)	<u>FY 2019-20</u>	
Manager/Support Services ^(a)	\$ 254,800	\$ 246,000	\$ 246,000	
Administration/Technical	\$ -	\$ -	\$ -	in-kind contr.
Office Rent & Supplies	\$ 4,200	\$ 5,600	\$ 5,600	
Consultants (for coordination, GSP) ^(b)	\$ 704,400	\$ 637,100	\$ 780,200	
Legal Counsel	\$ 50,000	\$ 35,000	\$ 50,000	
Liability/E&O Insurance ^(c)	\$ 2,250	\$ 1,535	\$ 2,250	
Financial Statement Audit	\$ 3,200	\$ 3,900	\$ 3,900	
Special Projects ^(d)	\$ 175,000	\$ 160,050	\$ -	
Operating Expenses:	\$ 1,193,850	\$ 1,089,185	\$ 1,087,950	
Less Carryover from Prior FY	\$ (40,035)	\$ (40,035)	\$ (463,200)	
Interest Earnings	\$ (200)	\$ (150)	\$ (200)	
Member Contributions		\$ (735,000)	TBD	
Net Reimb. to/from Other GSAs ^(e)	\$ (125,800)	\$ (266,481)	\$ 13,420	
Net Expenses	\$ 1,027,815	\$ 47,520	\$ 637,970	

(a) Includes benefits

(b) Assumes GSP plus all coordination costs per sub-basin MOU

(c) Includes prerequisite membership fees

(d) For FY 2018-19, SkyTEM Project funded by GSA Agmt.

(e) For work by GEI related to sub-basin coordination plus grant prep. and special projects

State Prop 1 Grants:

County Facilitation Grant	\$ -	\$ -	reflected in net cost
GSP Grant ^(a)	\$ 510,700	\$ 607,600	
Potential Local Cost Match	\$ -	\$ -	
Potential Call for Funds ^(b)	\$ -	\$ 30,390	

(a) Est. amt. to be reimbursed by DWR and/or other GSAs in indicated FY. Includes all coordination exp. plus 1/3 share of remainder; excludes pass through to/from other GSAs for GSP preparation.

(b) Call for funds dependent grant reimbursement timing

Attachment B
Mid-Kaweah GSA - Expenditure Budget & Anticipated Revenues
Segregation by Member

	<u>TID</u>	<u>Tulare</u>	<u>Visalia</u>
Planning/Consultant Expenses & Member Contributions:	33.3%	33.3%	33.3%
Grant/Other Income Distribution:	33.3%	33.3%	33.3%
GM, Administration Expenses & Member Contributions:	33.3%	33.3%	33.3%
Special Projects (SkyTEM):	60.4%	19.8%	19.8%

MKGSa Budget:	<u>Tulare I.D.</u>	<u>City of Tulare</u>	<u>City of Visalia</u>	<u>Other GSAs</u>	<u>Total FY 2019-20</u>	<u>JPA Member Contribution</u>
Manager/Support Services ^(a)	\$ 82,000	\$ 82,000	\$ 82,000	\$	\$ 246,000	1/3
Administration/Technical	\$ -	\$ -	\$ -	\$	\$ -	In-kind contr.
Office Rent & Supplies	\$ 1,867	\$ 1,867	\$ 1,867	\$	\$ 5,600	1/3
Consultants (for coordination, GSP) ^(b)	\$ 130,078	\$ 130,078	\$ 130,078	\$ 389,966	\$ 780,200	1/3
Legal Counsel	\$ 16,667	\$ 16,667	\$ 16,667	\$	\$ 50,000	1/3
Liability/E&O Insurance ^(c)	\$ 750	\$ 750	\$ 750	\$	\$ 2,250	1/3
Financial Statement Audit	\$ 1,300	\$ 1,300	\$ 1,300	\$	\$ 3,900	1/3
Special Projects	\$ -	\$ -	\$ -	\$ -	\$ -	varies
Total Operating Expenses:					\$ 1,087,950	
Less Carryover from Prior FY	\$ (154,400)	\$ (154,400)	\$ (154,400)	\$	\$ (463,200)	1/3
Member Contributions	\$	\$	\$	\$	\$	1/3
Interest Earnings	\$ (67)	\$ (67)	\$ (67)	\$	\$ (200)	
Net Reimb. to/from Other GSAs ^(d)	\$ 4,473	\$ 4,473	\$ 4,473	\$ -	\$ 13,420	
Net Expenses	\$ 82,668	\$ 82,668	\$ 82,668	\$ 389,966	\$ 637,970	
(a) Includes benefits						
(b) Assumes GSP plus all coordination costs per sub-basin MOU						
(c) Includes prerequisite membership fees						
(d) For work by GEI related to sub-basin coordination plus grant prep. and special projects						
State Prop 1 Grants:						
County Facilitation Grant				\$	\$ -	reflected in net cost
GSP Grant ⁽¹⁾	\$ 72,545	\$ 72,545	\$ 72,545	\$ 389,966	\$ 607,600	1/3
Potential Local Cost Match (N/A)				\$	\$ -	
Potential Member Call for Funds ⁽²⁾	\$ 10,123	\$ 10,123	\$ 10,123	\$	\$ 30,390	1/3

(1) Est. amt. to be reimbursed by DWR and/or other GSAs in indicated FY. Includes all coordination exp. plus 1/3 share of remainder; excludes pass through to/from other GSAs for GSP preparation. Reflects 10% DWR retention until completion.

(2) Call for funds dependent grant reimbursement timing.

Mid-Kaweah GSA

Agenda Item Report

June 6, 2019

Agenda Item 4.d: GSP Section Reviews

Report Author: Paul Hendrix

Background Discussion:

At the March 12th GSA meeting, a GSP review schedule was discussed with the Board. The schedule pertained to the internal process for reviews as among the several GSA committees (Management Committee, Advisory Committee and Technical Sub-Committee) and Board leading to a draft GSP slated for public review and comment. A revised version of that schedule is attached. While the July 9th date remains the objective for release of the draft document, the order in which some of the GSP sections have moved through the committee process and to the Board has changed. Necessitating the changes have been delays with the consulting team in producing technical information, timing of comments received from committee members, and additional time needed to coordinate with other GSAs on items requiring joint input prior to inclusion in GSPs.

At the April 9th meeting and GSP workshop, Sections 2 and 4 were reviewed with the Board. At the May 14th meeting/workshop, Sections 3 and 6 were reviewed. Sections 7 and 8 will be reviewed at the June 11th meeting. Projects, management actions and related concepts – the content of Section 7 – have been reviewed with the Board at prior meetings as well, the most recent being on February 12th. At the July 9th meeting, the objective is a review of Sections 1 and 5 with the intent to seek authorization to release the draft GSP that day or shortly thereafter.

Attachments:

GSP Review Schedule - Revised

GSP Internal Review Process & Schedule

- GSP Sections/Chapters
 - Section 1 – Introduction
 - Section 2 – Basin Setting
 - Section 3 – Sustainability Goal and Undesirable Results
 - Section 4 – Monitoring Networks
 - Section 5 – Minimum Thresholds and Measurable Objectives
 - Section 6 – Water Accounting Framework
 - Section 7 – Projects and Management Actions
 - Section 8 – DWR Reporting



Sections 2 and 4

Basin Setting, Monitoring Networks



Sections 3 and 6

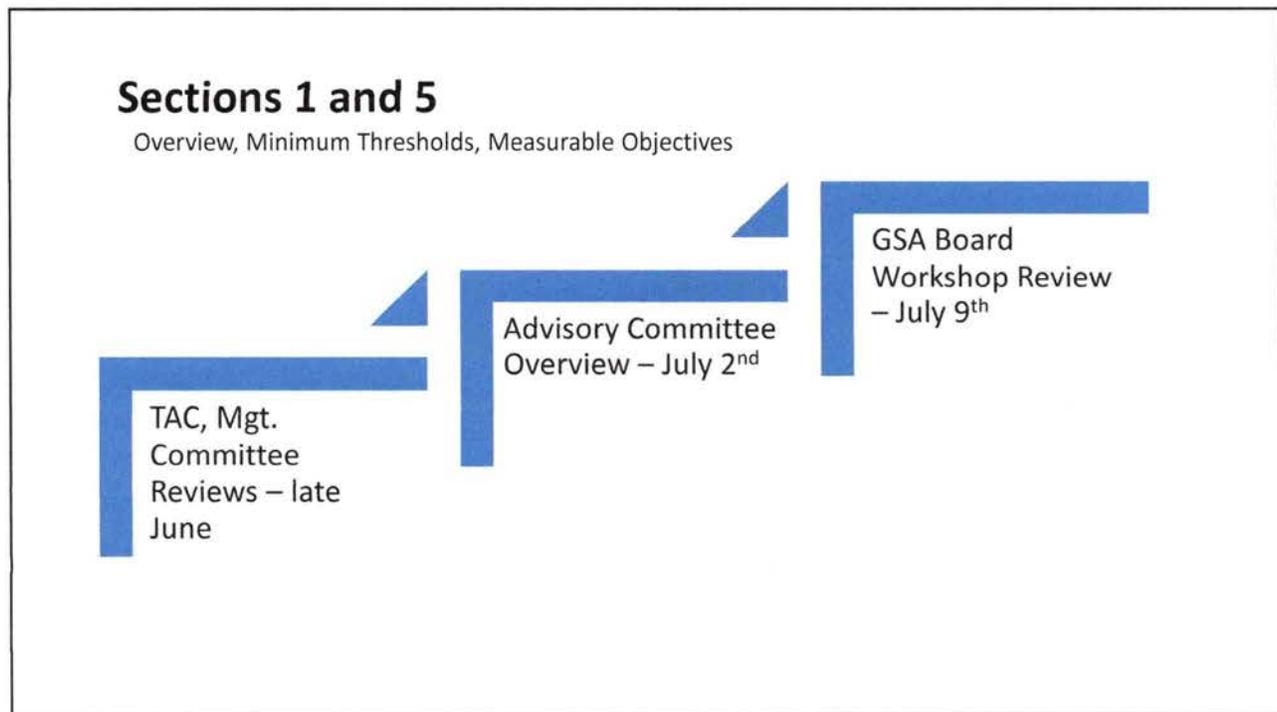
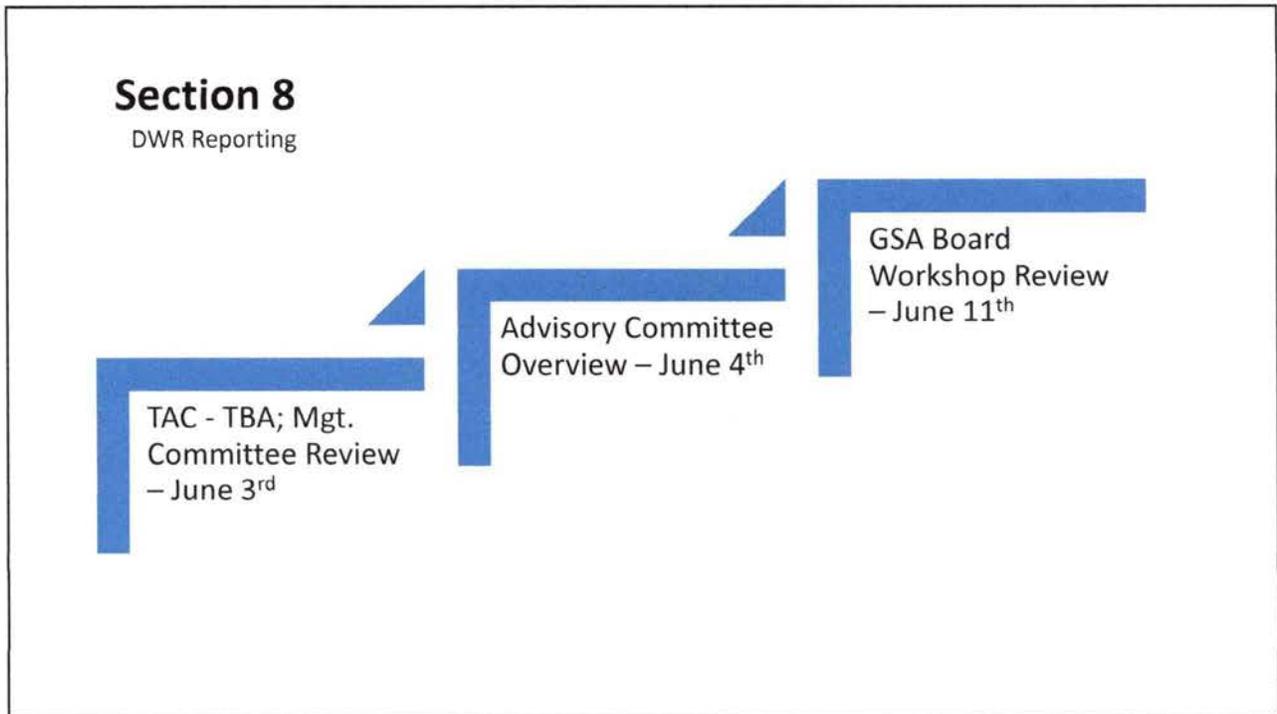
Sustainability Goal, Undesirable Results, Water Accounting Framework



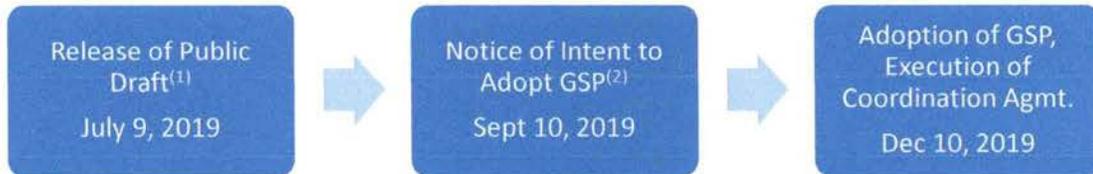
Section 7

Projects and Management Actions





Mid-Kaweah GSA Board Approval Process



(1) 45-day public comment period; review and consideration of comments; final draft in Nov.

(2) Potential 30-day consultation with Tulare County (CA Water Code § 10728.4)