

**THE BOARD OF DIRECTORS OF THE
NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY
JOINT POWERS AUTHORITY
MINUTES FOR THE NOVEMBER 16, 2016, at 6:00 P.M.**

DIRECTORS PRESENT

Jerry Prieto, Jr. – Fresno Irrigation District
Karl Kienow – Garfield Water District
Rudy Hernandez – Biola Community Service District
Jose Flores – City of Clovis
Ashley Swearengin – City of Fresno
Brian Pacheco – County of Fresno
Seventh Board Seat (Individual to be Named at a Later Date)

DIRECTORS ABSENT

None

MEMBER STAFF PRESENT

Gary R. Serrato – Fresno Irrigation District (Facilitator)
Tommy Esqueda – City of Fresno
Luke Serpa – City of Clovis
Augustine Ramirez – County of Fresno
Lisa Koehn – City of Clovis
Adam Claes – Fresno Irrigation District
Bill Stretch – Fresno Irrigation District
DeAnn Hailey – Fresno Irrigation District
Lauren Layne – Baker, Manock and Jensen
Bernard Jimenez – County of Fresno
Dwight Miller – Biola Community Service District
Shay Bakman – Bakman Water District
Sarge Green – California State University, Fresno
Nick Keller – Garfield Water District Consultant
Ken Moore – City of Kerman
Alan Hofmann – Fresno Metropolitan Flood Control District
Lynn B. Rowe – Fresno Irrigation District (Recording Secretary)

POTENTIAL CONFLICTS OF INTEREST

Any Board Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter. [FPPC §87105]

None stated.

Meeting started at 6:05 p.m.

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1. ADMINISTRATIVE MATTERS

a. Introduction of Board Members

The meeting began at 6:05 p.m. with Mr. Serrato welcoming everyone to the first North Kings Groundwater Sustainability Agency (NKGSA) Board meeting. Each of the Board Members then introduced themselves.

b. Oath of Office

The Oath of office was administered to each Board Member.

c. Pledge of Allegiance

d. Officers Election (Chairman, Vice Chairman and appointment of the Secretary/ Treasurer

Newly elected officers are as follows:

Director Jerry Prieto, Jr. was nominated and elected as Chairman.

M/S/C (Hernandez/Swearengin) That the Board of Directors approved the nomination of Director Prieto as Chairman of the Board by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearengin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

Director Brian Pacheco was nominated and elected as Vice-Chairman.

M/S/C (Flores/Swearengin) That the Board of Directors approved the nomination of Director Pacheco as Vice-Chairman of the Board by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearengin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

e. Review Agenda

Director Prieto asked if there are any changes to the agenda – no changes were announced.

f. Public Presentations (for items not on agenda) – 3 Minutes Maximum Per Person, 10 Minutes Maximum Per Subject

Mr. Serrato introduced letters from Pinedale County Water District and Malaga County Water District informing the Board requesting to be listed as interested parties in the NKGSA. Mr. Serrato stated that both agencies have been added to the list and no action is required.

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g. Member Staff Presentation of Sustainable Groundwater Management Act and Purpose of the Joint Powers Authority Board

Mr. Serrato thanked staff members from participating agencies and consultants for their efforts in helping to develop the Joint Powers Agency (JPA).

Mr. Serrato introduced Mr. Augustine Ramirez from the County of Fresno who gave a brief overview of the Sustainable Groundwater Management Act (SGMA). Mr. Ramirez reviewed: Legislation Design Elements; Local Management's role; GSA development requirements; timelines; definition of sustainability; GSA's Powers / Limitations; the Groundwater Sustainability Plan (GSP); boundaries of the NKGSA; progress benchmarks; and repercussions if goals are not met.

Director Swearingin stated due to SGMA, cities are now connected with agriculture through the groundwater basin. She asked the Board to consider how it can help the outlying cities conform to the new SGMA legislation and for the Board to develop protocols of how it will be notified about upcoming development projects and what will be the practice to evaluate the impact to the water basin. Chairman Prieto stated that the Board will need to work more closely with LAFCo. Director Swearingin recommended that stakeholders be identified soon and that the NKGSA begin stakeholder outreach and education activities.

h. Groundwater Sustainability Agency Timeline/Schedule (Late September 2016 through April 2017)

Ms. Lisa Koehn (City of Clovis) reviewed the timeline required from the Act to become a GSA and the development of the Groundwater Sustainability Plan.

i. Take Action to Appoint Secretary / Treasurer

i. Recommendation: Gary Serrato (Temporarily Through Early 2017)

Mr. Luke Serpa explained that an organizational framework needs to be put into place. Staff recommended that Gary R. Serrato be appointed as Secretary / Treasurer.

M/S/C (Flores/Hernandez) That the Board of Directors approved Gary Serrato as the Secretary / Treasurer of the Board by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearingin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

j. Take Action to Appoint Interim Legal Counsel Through January 2017

i. Recommendation: Lauren Layne (Baker Manock & Jensen) as Interim Legal Counsel Through the January 2017 Board Meeting

Mr. Serrato stated it is Staff's recommendation that Lauren Layne be named as interim legal counsel through January 2017.

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M/S/C (Swearengin/Pacheco) That the Board of Directors approved Lauren Layne as interim legal counsel by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearengin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

k. Director Seat #7 Appointment – Review and Take Action

i. Recommendation: Defer Seat #7 Appointment Until January 2017

Ms. Layne requested that agenda items 1. k. and l. be combined.

l. Member Updates

Ms. Layne reiterated that the NKGSA JPA calls for seven board members; with six having just been seated. Ms. Layne explained that the seventh member can come from: 1) an agency within the JPA not already seated; 2) an agency that has a participation agreement; or 3) an entity that is an interested party that has entered into a Memorandum of Understanding (MOU). Staff's recommendation is to defer the appointment of the seventh seat until January 2017. Bakman Water District has submitted a participation agreement and Fresno Metropolitan Flood Control District has submitted a MOU; both will be discussed at the December 7 Board meeting. California State University – Fresno has submitted a letter of eligibility to the State Water Resources Control Board inquiring about meeting the requirement to be a member of the JPA.

Chairman Prieto, speaking for the Board Members, authorized deferring the seating of the seventh Board Member to the December 7 Board meeting.

m. Review of Future Meeting

i. Take Action to Set Date for Next Board Meeting

1. Recommendation: December 7, 2016, at 6:00 p.m. – Fresno Irrigation District Office

n. Take Action to Set Public Hearing Date for Election of Joint Power Authority to be Groundwater Sustainability Agency

i. Recommendation: December 7, 2016, at 6:00 p.m. – Fresno Irrigation District Office

The Board agreed to combine items 1. m. and n. as one action item.

M/S/C (Hernandez/Flores) That the Board of Directors approved holding the next Board Meeting and set the public hearing date for December 7, 2016 by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearengin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

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o. Joint Powers Authority Organizational Structure – Review and Take Action

i. Recommendation: Approve Advisory Committee Formation

Mr. Luke Serpa reviewed the agency and committee structure. Staff proposes forming an Advisory Committee, GSP Project Management Team, and Technical and Coordination Support (with possible Ad Hoc and sub-committees to follow). Staff requests that the Board approve the Advisory Committee and that Mr. Serpa serve as the first Advisory Committee chairman.

M/S/C (Swearengin/Flores) That the Board of Directors approved the formation of the Advisory Committee with Luke Serpa to be named as committee chair and for the Advisory Committee to develop sub-committees and Ad Hoc committees by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearengin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

2. LEGAL MATTERS

a. Conflict of Interest Code – Review and Take Action

i. Recommendation: Adopt Conflict of Interest Code

Ms. Layne provided copies of the conflict of interest code which was developed and is being recommended. Staff asked that the Board review the code with it being placed on the December 7 agenda. Ms. Layne also reminded the Directors that they will need to complete the required Statement of Economic Interest Form (700 Form) within the 30 day requirement.

b. Bylaws (Final Due at January 2017 Board Meeting)

Ms. Layne requested direction to start preparing the bylaws to be presented at the December 7 meeting.

The Board approved Ms. Layne preparing the bylaws for the next meeting.

c. Insurance

Mr. Serrato stated that it is critical for the group to carry errors and omissions insurance. Staff has reached out to a couple of different agencies (ACWA-JPIA and California Special District Association). Staff will bring the insurance coverage bids to the Board for further action.

d. Legal Counsel RFP (Request for Proposal) – Review and Take Action

i. Recommendation: Release/Public Notice RFP to be due December 16, 2016. Review Committee to Interview/Review. Board to be Provided Recommendation Prior to January 2017 Board Meeting

Mr. Thomas Esqueda (City of Fresno) stated that the RFP will be sent to several legal firms. One of the desired qualifications that Staff is looking for is that the legal

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firm/attorney to be experienced in water law. Staff's recommendation is for the Board to establish an RFP review panel recommended by the Advisory Committee at the December 7 meeting to review the proposals due on December 16. The panel members will then come before the Board at January's Board meeting with a recommendation.

M/S/C (Flores/Hernandez) That the Board of Directors approved Staff's recommendation for the legal counsel RFP process by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearingin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

e. Technical Engineering Consultant RFQ (Request for Qualifications) – Review and Take Action

i. Recommendation: Release/Public Notice RFQ to be due December 16, 2016. Review Committee to Interview/Review. Board to be Provided Recommendation Prior to January 2017 Board Meeting

Mr. Thomas Esqueda (City of Fresno) stated that the RFQ will be sent to several engineering firms. The chosen engineering firm will assist with gathering technical data and prepare the Groundwater Sustainability Plan (GSP). Staff's plan is to have the GSP ready by June 2019.

M/S/C (Kienow/Flores) That the Board of Directors approved Staff's recommendation for the engineering consultants RFQ process by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearingin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

3. FINANCIAL MATTERS

a. Administrative/Fiscal Agent Agreement – Review and Take Action

i. Recommendation: Approve Administrative/Fiscal Agent Agreement with FID for Services

Mr. Serrato stated that the group went through many configurations of how to divide the budget among the participating agencies. Mr. Adam Claes stated that Staff decided Fresno Irrigation District would become the administrative/fiscal agent for the group and cover the day-to-day administrative duties and handle paying of the invoices and maintaining the budget. Mr. Claes also outlined the agreement and provided a copy.

M/S/C (Swearingin/Flores) That the Board of Directors approved the agreement for administration and fiscal agent services by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearingin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

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b. Purchasing and Procurement Policy – Review and Take Action

i. Recommendation: Temporarily Use Policy of Administrative/Fiscal Agent Until JPA Adopts its Own

Ms. DeAnn Hailey (Fresno Irrigation District) explained the procedures needed to be followed when starting a new agency. A checking account will need to be opened and signers will need to be identified. The selection of the signer can be determined at the December's meeting.

Samples of policies were included in the Board packet in preparation of developing a procurement policy. Staff is looking to the Board on how they would like to set the procedures for paying of invoices (i.e. audit committee, entire board or other options). A draft of the procurement policy will be brought to the December 7 meeting. The Board stated that for the short term that all the invoices should be listed on the agenda and brought before the entire Board.

M/S/C (Flores/Hernandez) That the Board of Directors approved that this agency adopt the Administrative/Fiscal policy so they can pay bills until it can adopt its own policy and have permanent legal counsel prepare those policies so the agency would be adopting the policy for the next three to four months by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearengin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

c. Remainder of Fiscal Year 2016-2017 JPA/GSA Budget (November 16, 2016 Through June 30, 2017) – Review and Take Action

i. Recommendation: Adopt Proposed Budget

Mr. Claes explained that the budget being proposed would cover from November 16, 2016, through June 30, 2017. The group went through several different scenarios on the cost share. Income was derived from groundwater pumping by each agency, number of seats and adjustments on agencies able to afford. Mr. Claes reviewed the categories and budget. The initial budget through June 2017 is \$345,328. Staff explained that this was the preliminary budget and that Staff expects it to increase in future years.

A brief explanation on how the Kings Basin Coordination will work with and effect the NKGSA. The Kings Basin Coordination will consists of working together with the six area GSAs to develop an overall "basin-wide" plan. Director Swearengin stated that third party consultants selected by the Kings subbasin's GSA to assist with subbasin coordination efforts should be vetted to ensure no conflicts of interest exist.

M/S/C (Flores/Hernandez) That the Board of Directors approved the 2016-2017 budget and authorizes Staff to begin sending out invoices and receiving payments by the following vote. (Ayes – Kienow, Hernandez, Prieto, Swearengin, Flores, Pacheco; Nays – 0; Absent – 0; Abstain – 0)

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Mr. Serrato asked the Board to reopen Public Presentation. There were no other comments or presentations.

4. DIRECTORS REPORT

Chairman Prieto thanked the Board Members and Staff for presenting and coming to the inaugural Board meeting of the NKGSA.

5. ADJOURNMENT

With no further action, Chairman Prieto adjourned the meeting at 7:30 p.m.

Respectfully Submitted by,



Gary R. Serrato, Board Secretary