

AGENDA

NKGSA Advisory Committee Meeting

May 18, 2018, 1:30 PM

Clovis Public Safety Community Room, 1233 Fifth Street, Clovis, CA

Conference Call Number: (559) 324-2995

1. Call to Order
2. Approval of Minutes from March 9 Meeting
3. Receive – Ad hoc Subcommittee Updates
 - Technical
 - Administrative/Fiscal
 - Membership/Outreach/Communications
4. Review/Recommend Proposed Fiscal Year 2018-2019 Budget
5. Review/Recommend Memorandum of Agreement by Groundwater Sustainability Agencies within the Kings Subbasin on 1) Grant Funds Sharing; and, 2) Dispute Resolution
6. Public Comments
7. Member Comments
8. Adjourn

MINUTES

(Preliminary – Subject to Revision/Approval at next meeting)

NKGSA Advisory Committee Meeting

March 9, 2018

Clovis Public Safety Building

In attendance:

*Chair Luke Serpa – Clovis	Dejan Pavic - Fresno
*Vice Chair Bill Stretch – FID	Sarge Green – Fresno State
*Tommy Esqueda - Fresno	Phil Larsen – Holland Farming
*Bernard Jimenez – Fresno County	Ronnie Samuelian – Provost and Pritchard
*Nick Keller – Garfield WD	Craig Moyle – Stantec
*Ken Moore – Kerman	Amanda-Peisch-Derby – DWR
*Alan Hoffman – FMFCD	Kevin Peterson - CUSD
*Shay Bakman – Bakman Water Company	Brandy Swisher - FMFCD
Gary Serrato – FID	Sue Ruiz – Self Help Enterprises
Adam Claes - FID	Mike Prandini – BIA
Scott Redelfs – Clovis	Michael Moore – F-M Farm Credit
Paul Armendariz – Clovis	Don A. Wright – Reporter
Lisa Koehn – Clovis (Ret.)	

* - Voting representative on Advisory Committee

Item 1 - Called to order at 1:33 PM

Item 2 – Approval of Minutes from 1/12/2018 Meeting

Motion by Vice Char Bill Stretch to approve, second by Tommy Esqueda.
Approved 7-0 with FMFCD abstaining, and Biola was absent.

Item 3 – Approve Recommended Outreach Plan

Copies of the Outreach Plan prepared by the Membership/Outreach/Communications Subcommittee were provided as part of the agenda package, and was presented to the Advisory Committee by Subcommittee members. Subcommittee members Brandy Swisher and Craig Moyle gave a PowerPoint presentation on the proposed Outreach Plan that included details regarding the preparation of the plan, the purpose of the outreach, and how the outreach would be accomplished. Significant discussion was on the Interested Party Database, website, key messages, and the different

needs for the different groups of stakeholders. It was discussed that service clubs need to receive presentations and outreach. Property owners within the City limits that have onsite wells used for landscape or agriculture need to be added to the interested parties list. Subcommittee member Sue Ruiz also participated in the presentation and discussion. Motion by Bernard Jimenez to approve the Outreach Plan for recommendation to the NKGSA Board, second by Nick Keller; approved unanimously.

Item 4 – Ad Hoc Subcommittee Updates

Item 4a – Technical Subcommittee

Subcommittee Chair Bill Stretch discussed FID outreach including newsletter and 3 upcoming grower meetings. Bill indicated that until the most recent storms in the Kings River drainage, 2018 was on track to be the driest year on record, but that the recent storms made a significant difference and that FID was now looking at running for 2 to 3 months.

Bill provided an update on the Kings Basin Coordination progress indicating that the first drafts of the storage change and boundary flow conditions were complete. A long-time estimate of overdraft in the Kings sub-basin had been 125,000 AF per year, but the new numbers indicate that it is over 200,000 AF. Bill also indicated that Subcommittee work is ongoing to develop the Sustainable Management Objectives for the GSP.

Consultant Ronnie Samuelian indicated that Basin Coordination group was continuing progress on dispute resolution process and looking at draft numbers for basin-wide overdraft. Due to the tight timeline it appears that it will be necessary to develop Water Budget, Sustainable Management Objectives, and Data Management System in parallel, and that we will need to have consistency on all of these issues across all GSAs in the basin. Scopes of work will be provided by the consultant for these parallel tasks.

Bill indicated that the Technical Subcommittee's goal was to have the draft GSP completed by January 2019. Gary Serrato indicated that two GSAs in the sub-basin were trying to determine how they fund their GSP; North Fork Kings GSA was looking at a Prop 218 election, and the Kings River East GSA undertook a Prop 26 election. Nick Keller provided an update on the Kings River East GSA Prop 26 progress. Significant discussion occurred by the entire group of the different election processes and possible ways of eventually funding the GSA.

Item 4b – Administrative/Fiscal Subcommittee

Subcommittee Chair Lisa Koehn indicated that the Subcommittee has not met recently. Lisa reported that the DWR released draft funding recommendations for its Proposition 1 Sustainable Groundwater Planning Grant Program. The draft funding recommendations included \$1.5 million for GSP development in the Kings Subbasin under the name of North Fork Kings GSA, of which NKGSA would receive \$214,000. Biola CSD was recommended to receive a Severely Disadvantaged Community grant for a recharge project. Sue Ruiz reported that Self Help Enterprises received a grant funding recommendation for SGMA outreach and is working with several small communities in several GSAs.

Discussion occurred on the timeline to get the budget for next fiscal year approved by the NKGSA Board. Based on that timeline, it was determined that FID will send out the copies of the current multi-year budget estimate as a refresher for all parties and that any requested changes should be submitted to the Admin/Fiscal subcommittee for consideration by April 15.

Item 4c – Membership/Outreach/Communications Subcommittee

The Membership/Outreach/Communications Subcommittee's agenda items were already covered in the Outreach Plan presentation.

Item 5 – Public Comments

Phil Larsen reported that he is frequently asked by growers if the State is going to limit their groundwater use. In response, Gary Serrato discussed the importance of local agencies achieving sustainability so that the State will not have to get involved. Gary also described his recent discussions with State Water Resources Control Board (SWRCB) staff regarding how the State will deal with "bad actors" if other GSAs are achieving sustainability, the need to recognize groundwater recharge as a beneficial use of surface water, and that tributary waters should remain in their native basin at least until that basin achieves sustainability. Tommy Esqueda pointed out that the purpose of SGMA was not to "control groundwater", it was to eliminate undesirable effects of groundwater use.

Item 6 – Member Comments

No further member comments

Item 7 – Adjourn

Motion by Vice Chair Bill Stretch, second by Bernard Jimenez; approved unanimously. Adjourned at 3:05 PM.

North Kings Groundwater Sustainability Agency
Statement of Revenues, Expenses, and Changes in Net Position

	Jul 17-Mar 18 Actual	1/25/2018 Approved 2017-2018 Budget	% of Budget	5/24/2018 Proposed 2018-2019 Budget	% of Budget
Operating Income/Expense					
Income					
Grants Income	0.00	0.00	0%	214,000.00	0%
Member/Contracting Entity					
Bakman Water Company	21,000.00	21,000.00	100%	17,000.00	124%
Biola Community Services Distr	9,000.00	9,000.00	100%	8,000.00	113%
City of Clovis	59,000.00	59,000.00	100%	47,000.00	126%
City of Fresno	125,000.00	125,000.00	100%	100,000.00	125%
City of Kerman	20,000.00	20,000.00	100%	16,000.00	125%
County of Fresno	93,000.00	93,000.00	100%	74,000.00	126%
CSU Fresno	0.00	0.00	0%	16,000.00	0%
Fresno Irrigation District	187,000.00	187,000.00	100%	149,000.00	126%
Garfield Water District	25,000.00	25,000.00	100%	20,000.00	125%
International Water District	24,000.00	24,000.00	100%	19,000.00	126%
Total Member/Contracting Entity	<u>563,000.00</u>	<u>563,000.00</u>	<u>100%</u>	<u>466,000.00</u>	<u>121%</u>
Total Income	<u>563,000.00</u>	<u>563,000.00</u>	<u>100%</u>	<u>680,000.00</u>	<u>83%</u>
Expense					
Audit Expense	4,285.00	6,000.00	71%	4,285.00	100%
Bank Charges	0.00	0.00	0%	0.00	0%
Dues and Subscriptions	187.50	0.00	100%	515.00	36%
Grant Administration Costs	0.00	0.00	0%	10,000.00	0%
Insurance	1,231.00	3,000.00	41%	3,000.00	41%
Kings Basin Coordination	28,315.00	65,000.00	44%	105,000.00	27%
Legal	15,661.88	30,000.00	52%	70,000.00	22%
Office Supplies	0.00	2,000.00	0%	2,000.00	0%
Printing/Materials Costs (FID)	0.00	2,000.00	0%	4,000.00	0%
Professional Services					
Engineering Consultant	171,193.22	500,000.00	34%	540,000.00	32%
Public Information	1,256.00	1,000.00	126%	25,000.00	5%
Security Services	36.74	500.00	7%	500.00	7%
Professional Services - Other	0.00	0.00	0%	0.00	0%
Total Professional Services	<u>172,485.96</u>	<u>501,500.00</u>	<u>34%</u>	<u>565,500.00</u>	<u>31%</u>
Staff Expense					
Executive Officer	0.00	0.00	0%	0.00	0%
Supporting Staff (FID)	6,157.49	10,000.00	62%	90,000.00	7%
Total Staff Expense	<u>6,157.49</u>	<u>10,000.00</u>	<u>62%</u>	<u>90,000.00</u>	<u>7%</u>
Total Expense	<u>228,323.83</u>	<u>619,500.00</u>	<u>37%</u>	<u>854,300.00</u>	<u>27%</u>
Net Operating Income	<u>334,676.17</u>	<u>-56,500.00</u>	<u>-592%</u>	<u>-174,300.00</u>	<u>-192%</u>
Non-Operating Income					
Interest Income	194.07	0.00	100%	0.00	100%
Total Non-Operating Income	<u>194.07</u>	<u>0.00</u>	<u>100%</u>	<u>0.00</u>	<u>100%</u>
Change in Net Position	<u><u>334,870.24</u></u>	<u><u>-56,500.00</u></u>	<u><u>-593%</u></u>	<u><u>-174,300.00</u></u>	<u><u>-192%</u></u>

North Kings GSA
Participation Percentages

Agency	%	(1)	(2)	(3)	(1-2-3)	(4)	(1-2-3+4)
		2018-2019 Net Budget Exp-Grants-Int	2016-2017 Actual Surplus	2017-2018 Estimated Surplus	2018-2019 Net Participation Amount	2018-2019 10% Reserves Amount	2018-2019 Total Participation Amount
Bakman Water Company	3.51%	\$ 22,474.53	\$ 4,562.66	\$ 4,733.95	\$ 13,177.92	\$ 2,983.50	\$ 17,000.00
Biola Community Service District	1.55%	9,924.65	2,014.85	2,090.49	5,819.31	1,317.50	8,000.00
City of Clovis	10.09%	64,606.27	13,116.03	13,608.41	37,881.83	8,576.50	47,000.00
City of Fresno	21.54%	137,920.62	27,999.93	29,051.05	80,869.64	18,309.00	100,000.00
City of Kerman	3.46%	22,154.38	4,497.67	4,666.51	12,990.20	2,941.00	16,000.00
County of Fresno	15.95%	102,127.85	20,733.47	21,511.80	59,882.58	13,557.50	74,000.00
CSU Fresno	3.47%	22,218.41	4,510.67	4,680.00	13,027.75	2,949.50	16,000.00
Fresno Irrigation District	32.24%	206,432.72	41,908.91	43,482.17	121,041.65	27,404.00	149,000.00
Garfield Water District	4.18%	26,764.54	5,433.60	5,637.58	15,693.36	3,553.00	20,000.00
International Water District	4.01%	25,676.03	5,212.62	5,408.30	15,055.12	3,408.50	19,000.00
Total Participation	100.00%	\$ 640,300.00	\$ 129,990.41	\$ 134,870.24	\$ 375,439.35	\$ 85,000.00	\$ 466,000.00

Notes to North Kings GSA Budget

Fiscal Year 2018-2019

Income:

Grants Income – Grants Income line was added this fiscal year to budget for the approved grant funding.

Expense:

Audit Expense - This amount is the contracted amount for 2018-2019.

Bank Charges – The bank has agreed not to charge bank fees.

Dues and Subscriptions – ACWA membership required to participate in the ACWA JPIA insurance program.

Grant Administration Costs – The estimated costs for the Grants Income.

Insurance – The cost of insurance for the last fiscal year with an increase for this fiscal year.

Kings Basin Coordination – The estimated cost as proposed by the consultant.

Legal – The anticipated legal services needed for general counsel services, intra-basin and inter-basin agreements, and water allocation discussions.

Office Supplies and Printing/Materials Costs (FID) – The cost of administrative notices, flyers and other supplies.

Engineering Consultant – The estimated cost proposed by the consultant plus additional funds for water movement evaluation.

Public Information – The cost of electronic communication services, publications and other outreach efforts.

Security Services – Security during the board meetings.

Executive Officer – Line item for future costs of an executive officer. Amount to be changed during the next budget revision in anticipation of the change in role of the Executive Officer in December 2018.

Supporting Staff (FID) – Increase in cost due to additional time needed for the Administrator.

Non-Operating Income:

Interest Income – Interest earned on the Money Market account.

**MEMORANDUM OF AGREEMENT
BY GROUNDWATER SUSTAINABILITY AGENCIES
WITHIN THE KINGS SUBBASIN ON
1) GRANT FUNDS SHARING; AND,
2) DISPUTE RESOLUTION**

THIS MEMORANDUM OF AGREEMENT (“MOA”) is entered into this ____ day of _____, 2018, by and between the Central Kings Groundwater Sustainability Agency (“CKGSA”), James Groundwater Sustainability Agency (“JGSA”), Kings River East Groundwater Sustainability Agency (“KREGSA”), McMullin Area Groundwater Sustainability Agency (“MAGSA”), North Fork Kings Groundwater Sustainability Agency (“NFKGSA”), North Kings Groundwater Sustainability Agency (“NKGSA”), and South Kings Groundwater Sustainability Agency (“SKGSA”) (individually also referred to as “Party” or “GSA” and collectively referred to as “Parties”).

RECITALS

WHEREAS, the Parties are all located within the Kings Subbasin (“Subbasin”), Tulare Lake Hydrologic Region, San Joaquin Valley Groundwater Basin, a groundwater subbasin recognized by the California Department of Water Resources (“DWR”) Bulletin 118 (2006) as Groundwater Subbasin Number 5-22.08;

WHEREAS, the Sustainable Groundwater Management Act (“SGMA”) requires Groundwater Sustainability Agencies (“GSA”) to develop and implement Groundwater Sustainability Plans (“GSP”) to achieve certain sustainability goals;

WHEREAS, SGMA allows local agencies or a combination of local agencies overlying a groundwater basin to serve as a GSA to develop and implement one or more GSPs;

WHEREAS, pursuant to Water Code §10727, a GSP may be any of the following: (1) a single GSP covering the entire basin developed and implemented by one GSA; (2) a single GSP covering the entire basin developed and implemented by multiple GSAs; or (3) multiple GSPs implemented by multiple GSAs that are subject to a single Coordination Agreement that covers the entire basin;

WHEREAS, the Parties acknowledge that multiple GSAs were formed within the Subbasin and the Parties presently intend to develop and implement multiple GSPs, and nothing in this MOA shall interfere with the ability of the GSAs and their boards to make decisions and determinations regarding the content and implementation of their receptive GSPs;

WHEREAS, a GSP coordination working group comprised of representatives of each GSA has met to coordinate the required common elements of multiple GSPs within the Subbasin;

WHEREAS, the purpose of this MOA is to also memorialize the sharing and allocation of Prop 1 Grant funding that will aid in the development and implementation of the GSPs by the GSAs; and,

WHEREAS, the purpose of this MOA is to also provide a method to resolve disputes that may develop as the Parties are developing their respective GSP's.

NOW, THEREFORE, the Parties hereby agree as follows:

SECTION 1: FUNDING

1.1 For the purposes of the Prop 1 Grant Funding, the NFKGSA will be the lead applicant to the State of California Department of Water resources, and if the Subbasin is awarded said grant, the NFKGSA will be the contracting entity and enter into a grant agreement with the State. NFKGSA will enter into sub-agreements with the other GSAs for disbursement of their respective allotments of the funding.

1.2 The Parties have agreed to share the Prop 1 Grant Funding equally based on the number of GSPs being prepared within the Subbasin. As of the time of this agreement, each GSA anticipates preparing their own GSP so there will be seven GSPs and any Prop 1 Grant Funding awarded to the Subbasin will be split equally seven ways. If the number of GSPs is reduced because two or more GSAs chose to cooperatively prepare one GSP, the total amount of unspent Prop 1 Grant Funding will be reportioned based on the total number of GSPs being prepared within the Subbasin.

SECTION 2: DISPUTE RESOLUTION

2.1 In the event of any dispute or material disagreement arising from or relating to the utilization of the same data and methodologies required by Water Code section 10727.6(a)-(g) for GSP development, the Parties hereto shall use their best efforts to settle the dispute or disagreement. To this effect, Parties shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution. If one Party does not agree with another Party they may notify the GSP coordination working group in writing of their dispute or disagreement. The Parties shall then have a period of thirty (30) days to resolve the dispute or disagreement. If the issue cannot be resolved, the dispute/disagreement shall then be submitted to a Mediator who shall have thirty (30) days to resolve the matter. The Mediator shall attempt to resolve the issues between the parties. If the Mediator is unable to resolve the issues, then the Mediator will provide a written recommendation to the Parties involved in the dispute and the GSP coordination working group, which shall not be binding upon any of the parties.

2.2 The Parties have agreed to have Paula J. Landis serve as the Primary Mediator for the Subbasin. If for some reason the Primary Mediator is unavailable to engage when needed, the Parties have agreed that Bill Luce will serve as the Secondary Mediator. If neither the

Primary or Secondary Mediator are available, the Parties involved in the dispute shall attempt to mutually select a Mediator. If agreement cannot be reached, the Parties involved in the dispute shall request a list of five (5) available mediators from the remaining GSAs in the Subbasin. Thereafter, the Parties shall alternate striking names from the list until one mediator remains, who shall then serve as the mediator. The Party to strike first from the list shall be determined by lot.

2.3 The cost of mediation shall be apportioned equally amongst the Parties involved in the dispute or disagreement, provided that such costs shall be limited to agreed upon billing rates and reasonable expenses of the mediator, absent further agreement of the parties involved in the dispute or disagreement.

2.4 After attempting to settle or resolve the dispute or disagreement through mediation, nothing within this section shall prevent the Parties from pursuing legal action.

SECTION 3: INDEMNIFICATION

No Party, nor any officer or employee of a Party, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by another Party under or in connection with this MOA. The Parties further agree, pursuant to Government Code section 895.4, that each Party shall fully indemnify and hold harmless each other Party and its agents, officers, employees and contractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney fees, arising out of, resulting from, or in connection with any work delegated to or action taken or omitted to be taken by such Party under this MOA.

SECTION 4: MISCELLANEOUS

4.1. Counterparts. This MOA may be executed in counterparts.

4.2. Choice of Law. This MOA is made in the State of California, under the Constitution and laws of said State and is to be so construed.

4.3. Severability. If any provision of this MOA is determined to be invalid or unenforceable, the remaining provisions shall remain in force and unaffected to the fullest extent permitted by law and regulation.

4.4. Entire Agreement. This MOA constitutes the sole, entire, integrated and exclusive agreement between the Parties regarding the contents herein. Any other contracts, agreements, terms, understandings, promises, representations, not expressly set forth or referenced in this writing are null and void and of no force and effect.

4.5. Construction and Interpretation. The Parties agree and acknowledge that this MOA has been developed through negotiation, and that each Party has had a full and fair opportunity to revise the terms of this MOA. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in construing or interpreting this MOA.

4.6. Withdrawal. Any Party may unilaterally withdraw from this MOA without causing or requiring termination of this MOA. Withdrawal shall become effective upon thirty (30) days written notice to the remaining Parties. A Party that has withdrawn from this MOA shall remain obligated to pay its share of expenses and obligations incurred, accrued or encumbered up to the date the Party provided notice of withdrawal.

4.7. Termination. This MOA may be terminated upon unanimous written consent of all Parties, or shall terminate upon execution of a Coordination Agreement among the Parties in accordance with Water Code Section 10727.6, provided that the provisions concerning sharing of grant funding as provided at Paragraph 1.2 shall survive any such termination.

IN WITNESS WHEREOF, the Parties have executed this MOA on the dates shown below.

CENTRAL KINGS GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Its: _____

Date: _____

JAMES GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Its: _____

Date: _____

KINGS RIVER EAST GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Its: _____

Date: _____

MCMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Its: _____

Date: _____

NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Its: _____

Date: _____

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Its: _____

Date: _____

SOUTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Its: _____

Date: _____