NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

Advisory Committee Meeting – September 8, 2023

In-Person and Teleconference Meeting

Please Note: All Committee Members are required to attend in person unless provisions of AB2449 have been satisfied.

Please notify Laurie Kiser immediately if you or your designated alternate(s) are unable to attend the Advisory Committee Meeting at the City of Clovis Public Safety Room on September 8, 2023.

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

AGENDA
NKGSA Advisory Committee - Special Meeting
September 8, 2023, 1:30 PM

TELECONFERENCE and IN-PERSON MEETING

The NKGSA is offering its Special Advisory Committee meeting both via teleconference and in-person. Members of the public are encouraged to participate either in person at the City of Clovis Public Safety Community Room, 1233 Fifth Street, Clovis, CA, or virtually using the information provided below. All committee members participating in the meeting will be in person.

Please join my meeting from your computer, tablet or smartphone.
https://zoom.us/j/92234838442?pwd=SFlRZCs1cjZxcHB6T0twYWh1MENsQT09

Meeting ID: 922 3483 8442
Passcode: 848875

By Phone:
(669) 900-6833
Meeting ID: 922 3483 8442
Passcode: 848875

Written and Verbal Comments

- Members of the public participating virtually will have an opportunity to provide public comments during the meeting under Agenda Item No. 2 and following each agenda item discussion. No prior arrangements are required to be able to make public comment but comments are limited to three (3) minutes.

- Written Comments can also be provided up to one hour prior to the scheduled meeting. Written comments received in advance of the meeting will be read onto the record during the public comment portion when the item is heard. Any portion of your comment extending past three (3) minutes may not be read aloud due to time restrictions but will be made part of the record of proceedings.

AGENDA

1. Call to Order

2. Public Presentations

3. Approval of Minutes:
    a. Approval of Minutes from August 18, 2023, Special Meeting

4. Financial Report (Koehn/Hailey)
    a. Discussion / Possible Action – Recommend Approval of Expense Reports for July 2023
    b. Discussion / Possible Action – Recommend Approval of Financial Statements as of July 31, 2023
    c. FY 2022-2023 Audit Update
    d. Unpaid Invoices Report

5. Receive – Basin Coordination Update (Samuelian)

6. Administrative
    a. Discussion/Possible Action – Consider Recommending Approval of NKGSA-ACCT-505 - Budget Policy (Koehn)
    b. Discussion/Possible Action – Consider Recommending Approval of NKGSA-ACCT-506 – Operating Reserves Policy (Koehn)
    c. Discussion/Possible Action – Consider Recommending Approval of NKGSA-ACCT-510 – Financial Reporting Policy (Koehn)
    d. Well Permitting Update (Chauhan)
    e. Well Intake Portal Development Update (Chauhan)

7. Workgroup Updates and Actions
    a. Kings Water Alliance – Stakeholder Advisory Committee Report (Koehn)

8. Member Agency/Committee Member Reports
    a. Advisory Committee/Member Agency Reports/Updates
        i. Water Supply Update (Claes)
        ii. Others

9. Executive Officer Update (Chauhan)
    a. Special Studies Update
    b. SGMA Implementation Projects Update
    c. Outreach / External Affairs Update
    d. Representative Monitoring Network Update
    e. Miscellaneous

10. Adjourn

Next Meeting: October 13, 2023

3.a. – MEETING MINUTES –

August 18, 2023

MINUTES
(Preliminary – Subject to Revision/Approval at Next Meeting)

NKGSA Special Advisory Committee Meeting
August 18, 2023

IN-PERSON AND TELECONFERENCE

In attendance:

**Scott Redelfs (City of Clovis)
*Dejan Pavic (City of Fresno)
*Brent Sunamoto (Fresno Metropolitan Flood Control District)
*Adam Claes (Fresno Irrigation District)
*Shay Bakman (Bakman Water Company)
*Nick Keller (Garfield Water District)
*Jerry Jones (City of Kerman)
*Carlos Rodriguez (Biola CSD)
*Roy Jimenez (Fresno County)
Kassy Chauhan (NKGSA)
Andrew Aller (NKGSA legal counsel)
Ronnie Samuelian (Provost & Pritchard)
Paul Armendariz (City of Clovis)
Kristen Freberg (City of Clovis)
Lisa Koehn (Clovis)
Don Wright (reporter)
Sue Ruiz (Self-Help Enterprises)

* - Voting representative on Advisory Committee
** - Committee Chair

*__**Note:__ This meeting was conducted in-person at the City of Clovis Public Safety Community Room (1233 Fifth Street, Clovis, CA 93612) as well as via web conference for members of the public wishing to participate remotely.*

This meeting was called as a special meeting.

Item 1. Call to Order

Meeting called to order at 1:31 PM.

Special Instructions:
Instructions for participation by both remote and in-person attendees were given by Executive Officer Kassy Chauhan. Both written and verbal comments are accepted by all attendees and time will be made after each agenda item for comments to be heard.

Members of the Advisory Committee attended in person and were present/absent as follows:

Agency Name	Present/Absent	Name of Person
Bakman Water Company	Present	Shay Bakman
Biola CSD	Present	Carlos Rodriguez
City of Clovis	Present	Scott Redelfs
City of Fresno	Present	Dejan Pavic
City of Kerman	Present	Jerry Jones
Fresno County	Present	Roy Jimenez
Fresno Irrigation District	Present	Adam Claes
Fresno Metropolitan Flood Control District	Present	Brent Sunamoto
Garfield Water District	Present	Nick Keller

Item 2. Public Presentations

There were no public presentations.

Item 3. Approval of Minutes

Item 3a. Approval of Minutes from June 9, 2023, Meeting

Motion to approve the 06/09/23 minutes made by member Keller; second by member Claes. Motion passed unanimously 7-0, with 2 abstaining (Fresno County and FMFCD) since they weren't at the June 9, 2023, meeting.

Item 4. Financial Report

Item 4a. Discussion / Possible Action – Recommend Approval of Expense Reports for May 2023 through June 2023
(Presented by Lia Koehn)

Detailed copies of the expense reports were provided in the meeting packets.

Motion to approve the expense reports for May and June 2023 made by member Claes; second by member Bakman. Motion passed unanimously (9-0).

Item 4b. Discussion / Possible Action – Recommend Approval of Financial Statements as of May 31, 2023
(Presented by Lisa Koehn)

Detailed copies of the financial statements were provided in the meeting packets.

Motion to approve the financial statements as of May 31, 2023, made by member Jimenez; second by member Claes. Motion passed unanimously (9-0).

Item 4c. Review the Draft Financial Statements as of June 30, 2023
(Presented by Lisa Koehn)

Detailed copies of the draft financial statements through June 30, 2023, were provided in the meeting packets. The final audited financial statements through June 30, 2023, will be brought back at a later time upon completion of the Fiscal year 2022-2023 audit. No action was needed at this time.

Item 4d. FY 2022-2023 Audit Update
(Presented by Lisa Koehn)

The fiscal agent sent out RFQ's for an auditor. There was only one response received, from C.J. Brown. NKGSA will be moving forward with C.J. Brown to conduct its audit for the next 5-year term.

Item 5. Receive – Basin Coordination Update
(Presented by Ronnie Samuelian)

The GSP has been approved and the Kings Basin received a letter from DWR with corrective actions needed. The consistency among the Basin will be an advantage as the corrective actions are reviewed. In addition to needing revisions to the plan, the basin needs to provide "periodic evaluations" to DWR, with the first one being due in January 2025. The State Board process for other basins deemed to have incomplete GSPs is being tracked to see how they progress.

With regards to the corrective actions identified by DWR, 12 areas were identified in the letter: (1) groundwater levels; (2) subsidence; (3) interconnected surface water; (4) groundwater quality; (5) Hydrologic Conceptual Model (HCM); (6) adding confined aquifer definition and storage change for that aquifer; (7) water budget; (8) groundwater storage; (9) groundwater quality; (10) monitoring network; (11) projects; and (12) management actions.

There are 3 primary studies we need to initiate: a confined aquifer study, a domestic well mitigation program study, and an interconnected surface water study. We will need to maintain close coordination of language for consistency, which will require meetings with agencies and workgroups in the future. A copy of the planned schedule was included in the meeting packets.

Item 6. Administrative

Item 6a. NKGSA – Board of Directors Selection of Officers – Update
(presented by Kassy Chauhan)

Nominations for Chair and Vice Chair of the NKGSA Board of Directors will be solicited during the August 24, 2023, board meeting. Currently Director Jerry Prieto (Fresno Irrigation District) serves as the Chair of the Board and Supervisor Brian Pacheco (Fresno County) serves as Vice-Chair of the Board. The selection of officers will take place during the August 24th Board meeting as required by the JPA by-laws. Selection of a chair and vice chair is required each July or the first meeting of the JPA following July 1st of each year.

Item 6b. Domestic Well Mitigation Program Study – Provost & Pritchard consulting Group – Kings Subbasin Study – Update *(presented by Kassy Chauhan)*

This study has been committed to in the GSP and will be moving forward. The costs associated with the study have already been included in the budget. Provost & Pritchard will be starting on the study and the cost to complete the study will be shared amongst the GSAs in the Kings Basin.

Item 6c. Interconnected Streams Data Gap Analysis Study – Provost & Pritchard Consulting Group – Update *(presented by Kassy Chauhan)*

This study has been committed to in the GSP and will be moving forward. The costs associated with the study have already been included in the budget. This study is being done in conjunction with the San Joaquin River Restoration Program.

Item 6d. Discussion/Possible Action – Consider Recommending Approval of NKGSA-ACCT-505 – Budget Policy *(presented by Lisa Koehn)*

This policy provides for the creation of the budget each fiscal year, as well as a revised budget mid-year (as necessary).

Member Pavic noted concerns about the phrasing of the final sentence of the policy and requested clarification in the policy to ensure policy updates are brought to the Advisory Committee prior to recommendation to the Board of Directors for approval. After further discussion by the Committee, it was agreed that this clarification should be made to all four financial policies being considered for the NKGSA. The policies will be updated to reflect the agreed upon new wording. There were changes suggested by several members to the last sentence of the Review of Policy section, last sentence. Member Jimenez suggested a revision to: Amendments to the Policy will be recommended by staff to the Board of Directors following approval by the Advisory Committee.

Member Jimenez made a motion and member Keller seconded the motion to recommend approval of NKGSA Policy NKGSA-ACCT-505 with the revision of the last sentence of the policy to: Amendments to the Policy will be recommended by

staff to the Board of Directors following approval by the Advisory Committee. The motion was unanimously approved (9-0).

A similar change is needed in the last sentence of Policy No. NKGSA-ACCT-506 and NKGSA-ACCT-510.

Item 6e. Discussion/Possible Action – Consider Recommending Approval of NKGSA-ACCT-506 – Operating Reserves Policy *(presented by Lisa Koehn)*

This policy provides for minimum operating reserves to be maintained equivalent to 1 year of operating expenses.

Member Pavic noted concerns about the authority to use reserves resting under the Executive Officer rather than the Board of Directors as noted in the Use of Reserves section of the policy. There was discussion about the spending limits granted to the NKGSA Executive Officer per the NKGSA-2021-002 (Signing and Spending Authority). Member Keller inquired about needing to have a special board meeting to use operating reserves. Ms. Chauhan stated the spending limits identified in the NKGSA-2021-002 as $50,000 if the expense was approved in the budget process and $5,000 if it wasn't approved by the budget process. Chair Redelfs indicated the limits are stipulated in the Spending and Signing Authority Policy and the Use of Reserves section could be modified to reflect the policy, NKGSA-2021-002.

The suggested change to the Use of Reserves section was to modify the first sentence to: "Use of the Operating Reserves is subject to NKGSA-2021-002 (Signing and Spending Authority Policy) and the three steps below". Member Keller indicated he would like to see the refence to the spending limits policy rather than specific amounts so that if the policy gets changed, the Operating Reserves Policy will still be relevant. was to make the use of operating reserves subject to the limitation set in policy NKGSA-2021-002 "Signing and Spending Authority."

Chair Redelfs inquired about the urgency for getting this policy adopted or if there is time to do a thorough review and bring this back for possible action in the future.

Member Jimenez inquired about the phrase "in consultation with the Advisory Committee" in Item 2 of the Use of Reserves section of the Policy. Ms. Chauhan explained this language provides flexibility to the executive officer for those cases

when there are emergencies and there isn't time to gain pre-approval for use of the reserves.

The same edits suggested for Item 6d under the Review of Policy will apply to this policy, as well. Specifically, the last sentence in Review of Policy will be changed to "Amendments to the Policy will be recommended by staff to the Board of Directors following approval by the Advisory Committee".

Ms. Koehn requested comments be provided on any future drafts prior to the Advisory Committee so that the edits could be considered prior to the public advisory committee meeting.

This item was continued to the next meeting of the Advisory Committee. No action was taken by the Advisory Committee on the NKGSA-ACCT-506.

Item 6f. Discussion/Possible Action – Consider Recommending Approval of NKGSA-ACCT-510 – Financial Reporting Policy *(presented by Kassy Chauhan)*

This policy sets deadlines for bank reconciliations and other financial reporting procedures.

The same edits suggested for Item 6d will apply to this policy, as well. Specifically, the last sentence in Review of Policy will be changed to "Amendments to the Policy will be recommended by staff to the Board of Directors following approval by the Advisory Committee".

Member Jimenez made a motion and member Sunamoto seconded the motion to recommend approval of NKGSA Policy NKGSA-ACCT-510 with the revision of the last sentence of the policy to: Amendments to the Policy will be recommended by staff to the Board of Directors following approval by the Advisory Committee. The motion was unanimously approved (9-0).

Item 6g. Discussion / Possible Action – Consider Recommending Approval of NKGSA-ACCT-538 – Hiring an Auditor Policy *(presented by Kassy Chauhan)*

This policy formalizes procedures for RFPs/RFQs for auditing services, sets audit terms of 5 years, and sets the requirement of 3 proposals by the due date.

Member Jimenez inquired about the process used for the selection of the auditor this year. Ms. Koehn explained that the Board of Directors authorized the Executive Officer and Fiscal Agent to approve the selected auditor. The RFQs were sent and only one response was received. The preference would be to have three responses.

Member Pavic recommended a word change in the policy under Items 6 and 7 from "select" to "recommend" so that the recommendation would be brought back to the Advisory Committee who would then recommend to the board to hire the selected auditor. However, it was discussed that said edit would go against the direction previously provided by the Board of Directors, so that change will not be made. This item can be addressed at the Board of Directors meeting in the event the Board wishes to change directions.

Member Jimenez inquired about who the financial workgroup is. Ms. Chauhan shared the financial workgroup consists of DeAnn Hailey-Stork, Lisa Koehn and Kassy Chauhan. As needs arise, the financial workgroup is convened when there are needs for the NKGSA.

Member Keller made a motion and member Claes seconded the motion to recommend approval of NKGSA Policy NKGSA-ACCT-538 with the revision of the last sentence of the policy to: Amendments to the Policy will be recommended by staff to the Board of Directors following approval by the Advisory Committee. The motion was unanimously approved (9-0).

Item 6h. Discussion / Possible Action – Consider Recommending Approval of Member Agency Projects to be Incorporated into GSP and Completed Project Review *(presented by Kassy Chauhan)*

Copies of the revised project list were included in the meeting packets. There are four new projects included: 3 for FID and 1 for City of Clovis.

Motion to recommend approval made by member Keller; second by member Fresno County. Motion passed unanimously (9-0).

Item 6i. Governor's Executive Order N-7-22 and N-4-23: Well Permitting Update *(presented by Kassy Chauhan)*

No update has been received from Fresno County on the number of well permits issued since the last meeting. The process has not changed, but the number of permits has declined since this time last year. The next phase of the project will be to verify how many permits led to actual new wells.

Item 6j. Well Intake Portal Development Update *(presented by Kassy Chauhan)*

Work has continued with Break9 to develop the well intake portal. Internal beta testing has been completed and revisions made. External beta testing will take place from October through December, followed by future soft and full launches.

Item 7. Workgroup Updates and Actions

Item 7a. Kings Water Alliance – Stakeholder Advisory Committee Report
(Presented by Lisa Koehn)

There have been no meetings. No update at this time.

Item 8. Member Agency / Committee Member Reports

Item 8a. Advisory Committee/Member Agency Reports/Updates

i. **Water Supply and Storm Water Routing Update** *(Member Claes)*
Friant Class 1 allocation is currently at 100%; Class 2 is at 15% residual. Millerton is currently at 400k AF. SJR flood releases ended at the end of July.

The most noteworthy item was the Category 4 tropical storm Hilary, which marked the first ever tropical storm watch issued for California. It was also the first tropical storm to hit southern California in 84 years.

ii. **Others**
There were no further reports.

Item 9. Executive Officer Update
(Presented by Kassy Chauhan)

Item 9a. Groundwater Sustainability Plan Determination Update

This information was covered in Item 5 – Basin Coordination Update (presented by Ronnie Samuelian).

Item 9b. DWR Prop 68 Grant Projects Update
The project for Biola CSD is estimated to be completed by April 2024.

Item 9c. Outreach / External Affairs Update
Routine social media, website, and email outreach continues.

Item 9d. Representative Monitoring Network Update
There are now only 2 wells we currently need access to. Letters have been sent this week to the well owners – one is a private domestic well and one belongs to a business. We are working with a vendor to create a proposal on keeping monitoring equipment on wells (some or all) in the network for long-term data logging.

Item 9e. Miscellaneous
Public comments were revisited. Attendee Sue Ruiz with Self-Help Enterprises described a recent tour of water facilities and the education and perspective that experience provided.

Item 10. Adjourn

Meeting adjourned at 3:25 PM.

Next Meeting: September 8, 2023

4 (a-b and d) - FINANCIAL REPORT –

Expense Report – July 2023; Financial Statements Through July 31, 2023; Unpaid Invoices Through July 31, 2023

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

AGENDA ITEM NO: **4 (a-d)**
Executive Officer: KDC

NKGSA-
REPORT TO THE ADVISORY COMMITTEE

TO: Chair and Advisory Committee Members

FROM: DeAnn Hailey – Fiscal Agent

DATE: September 5, 2023

SUBJECT: Financial Update

ATTACHMENTS:
(A) NKGSA – Expense Report – July 2023
(B) Financial Statements as of July 31, 2023
(C) Unpaid Invoices Report – July 2023

CONFLICT OF INTEREST

None

RECOMMENDATION

For the Advisory Committee to recommend approval of the Expense Report for July 2023, and Financial Statements as of July 31, 2023, to the NKGSA Board of Directors and provide an update on the unpaid invoices.

EXECUTIVE SUMMARY

The fiscal agent, DeAnn Hailey-Stork, has prepared the monthly expense report for July 2023 (Attachment A), the financial statements as of July 31, 2023 (Attachment B), and the unpaid invoices report as of July 31, 2023 (Attachment C). All expenses are within the revised budget amounts and no unexpected expenses were noted. To date, all member agencies with the exception of the City of Fresno and Fresno County, have paid their participation amounts for FY 2023-2024. There are several unpaid invoices associated with the Proposition 1 and Proposition 68 grants in which the NKGSA is awaiting reimbursement for costs incurred which are reimbursable under the grants.

The inclusion of the financial reports for consideration by the NKGSA Advisory Committee is a procedural change implemented in October 2020 to allow for review prior to submittal to the NKGSA Board of Directors for approval.

The revised FY 2022-2023 budget was presented at the April 14 Advisory Committee meeting and the NKGSA Board of Directors approved the revised budget at its April 27 meeting.

FISCAL IMPACT

The fiscal impact is shown on the attached reports. Expenses are in line with the amounts included in the NKGSA 2022-2023 Revised Budget.

REASON FOR RECOMMENDATION

The reports represent expenses and revenues for the NKGSA for this reporting period.

ACTIONS FOLLOWING APPROVAL

The expense report and financial statement will be provided to the NKGSA Board of Directors for approval at its regular board meeting on September 28, 2023.

Prepared by: DeAnn Hailey

Attachment A

North Kings Groundwater Sustainability Agency

Expense Report

July 2023

TRANSACTION TYPE	DATE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
Accounts Payable						
Bill	07/01/2023	INV014370	ACWA/Joint Powers Insurance Authority		Accounts Payable	100.00
				Cyber Liability Insurance 7/1/2023 - 6/30/2024	Insurance	100.00

North Kings Groundwater Sustainability Agency
Balance Sheet
As of July 31, 2023

ASSETS		
Current Assets		
Bank Accounts		
BOTW - Checking Account		477,491.20
BOTW - Money Market Account		555,939.46
LAIF		513,162.88
Total Bank Accounts	**$**	**1,546,593.54**
Accounts Receivable		
Accounts Receivable		125,763.24
Total Accounts Receivable	**$**	**125,763.24**
Other Current Assets		
Grants Receivable		26,180.91
Total Other Current Assets	**$**	**26,180.91**
Total Current Assets	**$**	**1,698,537.69**
TOTAL ASSETS	**$**	**1,698,537.69**
LIABILITIES & NET POSITION		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		1,264.20
Total Accounts Payable	**$**	**1,264.20**
Other Current Liabilities		
Deferred Revenues Intr Parties		7,113.20
Total Other Current Liabilities	**$**	**7,113.20**
Total Current Liabilities	**$**	**8,377.40**
Total Liabilities	**$**	**8,377.40**
Net Position		
Legal Reserves Fund		500,000.00
Net Investment		932,393.80
Net Income		257,766.49
Total Net Position	**$**	**1,690,160.29**
TOTAL LIABILITIES & NET POSITION	**$**	**1,698,537.69**

North Kings GSA
Budget vs. Actual
July 2023

	Actual	Budget	Remaining	% Remaining
Income				
Grant Income		0.00	0.00	
Interested Party Contribution	7,113.20	7,363.20	250.00	3.40%
Member/Contracting Entity			0.00	
Bakman Water Company	1,449.85	1,449.85	0.00	0.00%
Biola Community Services Distr	56.23	56.23	0.00	0.00%
City of Clovis	12,083.24	12,083.24	0.00	0.00%
City of Fresno	62,371.19	62,371.19	0.00	0.00%
City of Kerman	1,627.19	1,627.19	0.00	0.00%
County of Fresno	31,772.14	31,772.14	0.00	0.00%
Fresno Irrigation District	142,576.29	142,576.29	0.00	0.00%
Garfield Water District	1,395.18	1,395.18	0.00	0.00%
International Water District	618.70	618.70	0.00	0.00%
Total Member/Contracting Entity	**$ 253,950.01**	**$ 253,950.01**	**$ -**	**0.00%**
Total Income	**$ 261,063.21**	**$ 261,313.21**	**$ 250.00**	**0.10%**
Gross Profit	**$ 261,063.21**	**$ 261,313.21**	**$ 250.00**	**0.10%**
Expenses				
Audit Expense		5,000.00	5,000.00	100.00%
Bank Charges	10.00	200.00	190.00	95.00%
Dues and Subscriptions		3,315.00	3,315.00	100.00%
Insurance	100.00	2,085.00	1,985.00	95.20%
Kings Basin Coordination		70,000.00	70,000.00	100.00%
Legal		60,000.00	60,000.00	100.00%
Office Supplies		550.00	550.00	100.00%
Professional Services		60,000.00	60,000.00	100.00%
Engineering Consultant		100,000.00	100,000.00	100.00%
Security Services		1,800.00	1,800.00	100.00%
Total Professional Services	**$ -**	**$ 161,800.00**	**$ 161,800.00**	**100.00%**
Project Costs		25,000.00	25,000.00	100.00%
Public Information	45.00	75,000.00	74,955.00	99.94%
Staff Expense			0.00	
Executive Officer		100,000.00	100,000.00	100.00%
Supporting Staff (FID)		30,000.00	30,000.00	100.00%
Total Staff Expense	**$ -**	**$ 130,000.00**	**$ 130,000.00**	**100.00%**
Total Expenses	**$ 155.00**	**$ 532,950.00**	**$ 532,795.00**	**99.97%**
Net Operating Income	**$ 260,908.21**	**$ (271,636.79)**	**$ (532,545.00)**	**196.05%**
Other Income				
Interest Income	3,971.48	8,000.00	4,028.52	50.36%
Total Other Income	**$ 3,971.48**	**$ 8,000.00**	**$ 4,028.52**	**50.36%**
Net Other Income	**$ 3,971.48**	**$ 8,000.00**	**$ 4,028.52**	**50.36%**
Net Income	**$ 264,879.69**	**$ (263,636.79)**	**$ (528,516.48)**	**200.47%**

North Kings Groundwater Sustainability Agency

Unpaid Invoices

As of July 31, 2023

TRANSACTION TYPE	DATE	NUM	TERMS	DUE DATE	OPEN BALANCE
CNF - County of Fresno					
Invoice	07/06/2023	1133	Net 30	08/05/2023	31,772.14
Total for CNF - County of Fresno					**$31,772.14**
COF - City of Fresno					
Invoice	07/06/2023	1131	Net 30	08/05/2023	62,371.19
Total for COF - City of Fresno					**$62,371.19**
NFKGSA - North Fork Kings GSA					
Prop 1					
Invoice	04/15/2019	1032	Net 30	05/15/2019	21,428.50
Total for Prop 1					**$21,428.50**
Prop 68					
Invoice	01/24/2022	1102	Net 30	02/23/2022	775.62
Invoice	02/04/2022	1103	Net 30	03/06/2022	411.85
Invoice	06/30/2022	1117	Net 30	07/30/2022	45.25
Invoice	10/14/2022	1118	Net 30	11/13/2022	1,299.62
Invoice	11/22/2022	1119	Net 30	12/22/2022	190.25
Invoice	02/27/2023	1120	Net 30	03/29/2023	926.50
Invoice	03/01/2023	1123	Net 30	03/31/2023	279.55
Invoice	03/01/2023	1124	Net 30	03/31/2023	418.95
Invoice	03/01/2023	1122	Net 30	03/31/2023	2,006.60
Invoice	03/31/2023	1125	Net 30	04/30/2023	85.25
Total for Prop 68					**$6,439.44**
Total for NFKGSA - North Fork Kings GSA					**$27,867.94**
TOTAL					**$122,011.27**

6 (a-c) – Financial Policies

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

AGENDA ITEM NO: **6 (a-c)**
Executive Officer: KPC

NKGSA-
REPORT TO THE ADVISORY COMMITTEE

TO: Chair and Advisory Committee Members

FROM: DeAnn Hailey – Fiscal Agent

DATE: September 5, 2023

SUBJECT: Consider Recommending Approval of Three Financial Policies for the NKGSA

ATTACHMENTS:
(A) NKGSA-ACCT-505 Budget Policy - Redline
(B) NKGSA–ACCT–506 Operating Reserves Policy - Redline
(C) NKGSA-ACCT-510 Financial Reporting Policy - Redline

CONFLICT OF INTEREST

None

RECOMMENDATION

For the Advisory Committee to recommend to the NKGSA Board of Directors to approve financial policy NKGSA-ACCT-506, and review edits made to the NKGSA-ACCT-505 and and NKGSA-ACCT-510 prior to recommending to the Board for approval..

EXECUTIVE SUMMARY

When the North Kings Groundwater Sustainability Agency (NKGSA) was formed in 2016, as a new agency, it did not have its own policies to govern financial matters. At that time, the Board of Directors approved following the fiscal agent's recommendation to use member agency, Fresno Irrigation District's policies, for financial matters in the absence of NKGSA-specific policies. Since that time, the NKGSA has relied on FID's policies on budget, operating reserves, financial reporting and hiring an auditor. The fiscal agent, DeAnn Hailey, is recommending the NKGSA Board of Directors adopt its own policies for budgeting, operating reserves, financial reporting and hiring an auditor to allow for specific differences needed to address the NKGSA needs.

Specifically, the Fiscal Agent is recommending the Board Adopt NKGSA-ACCT-505 budget policy, NKGSA-ACCT-506 Operating Reserves Policy and NKGSA-ACCT-510 Financial Reporting Policy and that said policies be maintained as they contain provisions that affect the creation and management of the annual budget. NKGSA-ACCT-505 Budget Policy establishes the timeline for when the annual budget will be prepared and presented for approval by the Advisory Committee and the Board of Directors. NKGSA-ACCT-506 Operating Reserves Policy established the reserves to be equal to at least 100% of the average annual expenses as well as criteria for use of the reserves and need to refund any use of the reserves as well as reporting out to the Advisory Committee and Board of Directors. NKGSA-ACCT-510 establishes the financial reporting requirements for the NKGSA including presentation of the monthly financial statements and expense reports along with the unpaid report at the monthly Advisory Committee and Board meetings.

These three policies were revised based on feedback from Member Dejan Pavic and others at the August 18, 2023, special Advisory Committee meeting. Specifically, the language was clarified to ensure the current process of routing all possible board actions through the Advisory Committee whom would then make a recommendation to the Board of Directors to take action. There were additional edits to the NKGSA-ACCT-506 (Operating Reserves Policy) to ensure the spending limits established in NKGSA Policy 2021-002 were followed if reserves are to be used. Legal counsel has reviewed the policies and has not taken any issue to the proposed language.

Redline versions of NKGSA-ACCT-505 and NKGSA-ACCT-510 are provided for review as the Advisory Committee already took action to recommend approval of these two policies at the August 18th special Advisory Committee Meeting. NKGSA-ACCT-506 has been revised and a redline version is included (Attachment B) for consideration by the Advisory Committee. If approved and recommended by the Advisory Committee, all three policies will be taken to the Board of Directors for possible action at its September 27, 2023, board meeting. The policies are being presented as a package since they each reference the other two and have not been previously adopted.

Ms. Hailey-Stork has prepared the NKGSA financial policies and is recommending approval of the three financial policies by the Board of Directors.

FISCAL IMPACT

There is no fiscal impact related to the proposed policy.

REASON FOR RECOMMENDATION

The proposed financial policies are needed to provide guidance for financial matters of the NKGSA which has specific needs different than those of the Fresno Irrigation District specifically as it relates to its operating reserves policy. The NKGSA annual budget has averaged between $500,000 and $1,000,000.00 which is relatively small compared to larger agency budgets. It is common for small agencies with budgets less than $1M to

maintain a reserve which is equal to or greater than 100% of the average annual expenses. Given the operating expenses have been less than the budgeted expenses, the member agencies of the NKGSA have balances which can be used to fund the reserve to 100% of the annual average expenses. The budget policy (NKGSA-ACCT-505) and the financial reporting policy (NKGSA-ACCT-510) are related to the operating reserves policy and need to be maintained by the NKGSA.

ACTIONS FOLLOWING APPROVAL

The proposed policies will be presented to the NKGSA Board of Directors at its August 24, board meeting for possible action.

Prepared by: Kassy D. Chauhan

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

Policy No: NKGSA – ACCT-505
Policy Title: Budget Policy
Board Approval Date: ~~August~~ September XX, 2023
Revision/Review Date:

Introduction

The North Kings Groundwater Sustainability Agency (Agency) will prepare and present an annual fiscal budget. This budget will be prepared twice a year and will provide financial guidance for the Executive Officer and Fiscal Agent. This policy will set objectives, roles and timelines for the budgeting process.

Purpose

The purpose of this policy is to describe the process and timelines for preparing the original and revised budgets for each fiscal year of the Agency. The budget will include funding to meet the objectives of the Financial Reporting Policy (NKGSA-ACCT-510) and the Operating Reserves Policy (NKGSA-ACCT-~~505~~506) and will provide financial guidance to the Executive Officer and Fiscal Agent.

Objectives and Goals

The objective of the budget is to provide structure for the planning process, predict cash flows, and allocate resources. The budget process is used as a tool to decide where to allocate funds and indicates how objectives are to be achieved.

The budget will be created for the fiscal year (original budget) and revised during the year (revised budget) to adjust the budget for unforeseen events that affect the budget. Consideration will be given for the participants in the Agency who contribute to the overall financial health of the Agency.

The goal of the budget is to set limits on the funding for items listed in the budget and to provide guidance on how objectives are to be achieved taking into consideration the Operating Reserves Policy (NKGSA-ACCT-~~505~~506) and funding for the operating reserves and other reserves as directed by the Board.

Timeline and Roles

The original budget shall be prepared by the Fiscal Agent with direction from the Executive Officer and presented to the Advisory Committee and the Board of Directors for approval before the beginning of the fiscal year preferably in April or May of each year.

The revised budget shall be prepared by the Fiscal Agent with direction from the Executive Officer and presented to the Advisory Committee and the Board of Directors for approval before the end of the fiscal year preferably in March or April of each year.

Relationship to Other Policies

North Kings Groundwater Sustainability Agency shall maintain the following, existing policies (as amended from time to time), which may contain provisions that affect the creation and management of the annual budget.

- Financial Reporting Policy (NKGSA-ACCT-510)
- Operating Reserves Policy (NKGSA-ACCT-506)
- Investment Policy (NKGSA-ACCT-507)

Review of Policy

This Policy will be reviewed by the Executive Officer and Fiscal Agent as needed if warranted by internal or external events or changes. Amendments to the Policy will be recommended for approval by staff to the Board of Directors following approval by the NKGSA Advisory Committee.

Attachment B

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

Policy No: NKGSA – ACCT-506
Policy Title: Operating Reserves Policy
Board Approval Date: September XX, 2023
Revision/Review Date:

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Introduction

The North Kings Groundwater Sustainability Agency (Agency) shall maintain minimum operating reserves equivalent to at least one (1) year of operating expenses. If these reserves are used as approved by the Board of Directors, a plan will be developed and implemented to replenish the funds used.

Purpose

The purpose of the Operating Reserves Policy for the Agency is to ensure the stability of the mission, programs, and ongoing operations of the Agency. The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the Agency for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserve Policy will be implemented in concert with the other governance and financial policies of the Agency and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

Definitions and Goals

The Operating Reserves Fund is defined as the designated fund set aside by action of the Board of Directors. The minimum amount to be designated as Operating Reserves will be an amount sufficient to maintain ongoing operations and programs for one year. The Operating Reserves serve a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The target minimum Operating Reserves Fund is equal to one year of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as groundwater sustainability monitoring and reporting, staff expenses, and ongoing professional services. In-kind, and other non-cash expenses are not included in the calculation. The calculation of average annual expenses also excludes other expenses such as capitalized equipment purchases, and other non-recurring expenses as designated by the Executive Officer or Fiscal Agent.

The amount of the Operating Reserves fund target minimum will be calculated each year after approval of the revised annual budget, reported to the Advisory Committee, and included in the regular financial reports.

Accounting for Reserves

The Operating Reserves will be recorded in the financial records as Operating Reserves. The Operating Reserves will be funded and available in cash or cash equivalent funds and will be commingled with the general cash and investment accounts of the agency.

Funding of Reserves

The Operating Reserves will be funded with operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for Operating Reserves.

Use of Reserves

Use of the Operating Reserves is subject to the spending limits per NKGSA-2021-002 (Signing and Spending Authority Policy) and the following ~~requires~~ three steps:

1. Identification of appropriate use of reserve funds. The Executive Officer and Fiscal Agent will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.

2. Authority to use operating reserves. Authority for use of Operating Reserves is delegated to the Executive Officer in consultation with the Advisory Committee. The use of Operating Reserves will be reported to the Board of Directors at their next scheduled meeting, accompanied by a description of the use of funds and plans for replenishment to restore the Operating Reserves to the target minimum amount. The Executive Officer must receive prior approval from the Board of Directors, based on recommended action from the Advisory Committee, ~~if~~ the Operating Reserves will take longer than two (2) years to replenish or the amount exceeds the spending limits per NKGSA-2021-002.~~,~~

3. Reporting and monitoring. The Executive Officer is responsible for ensuring that the Operating Reserves are maintained and used only as described in this Policy. Upon approval for the use of Operating Reserves, the Fiscal Agent will maintain records of the use of funds and plan for replenishment. They will provide regular reports to the Board of Directors of progress to restore the fund to the target minimum amount.

Relationship to Other Policies

North Kings Groundwater Sustainability Agency shall maintain the following, existing policies (as amended from time to time), which may contain provisions that affect the creation, sufficiency, and management of the Operating Reserves.

- Financial Reporting Policy (NKGSA-ACCT-510)
- Budget Policy (NKGSA-ACCT-505)
- Investment Policy (NKGSA-ACCT-507)

Review of Policy

This Policy will be reviewed by the Executive Officer and Fiscal Agent as needed if warranted by internal or external events or changes. Amendments to the Policy will be recommended for approval by staff to the Board of Directors following approval by the Advisory Committee.~~,~~

DRAFT

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

Policy No: NKGSA – ACCT-510
Policy Title: Financial Reporting Policy
Board Approval Date: ~~August~~ September XX, 2023
Revision/Review Date:

Introduction

The North Kings Groundwater Sustainability Agency (the Agency) will prepare financial reports on a regular basis in accordance with accounting standards and rules. This policy will set objectives, roles and timelines for the finance reporting process.

Purpose

The purpose of this policy is to describe the objectives, process and timelines for preparing the financial reports including bank reconciliations presented to the Advisory Committee and the Board.

Objectives and Goals

The objective of the Financial Reporting Policy is to guide procedures and practices related to the recording, reporting and management of financial transactions. The goal is to provide financial reports to the Advisory Committee and Board so that the Agency can be financially monitored and managed.

Timeline and Roles

The bank reconciliations will be completed when the monthly bank statements are available from the bank but in no case later than the last day of the current month and preferably on the 15th of the month.

After the bank reconciliations are completed, the unpaid bills of the Agency shall be recorded and paid preferably on the 15th of each month but in no case shall they be paid late. If a bill does not have a due date, the Agency will assume that the bill is due 30 days after the invoice date or if there is no invoice date, the date the bill was received.

The monthly financial statements, transaction listing, and unpaid report shall be completed monthly preferably on the 15th of the month but no later than the date needed for the Advisory Committee meeting. The reports for the current month's Advisory Committee meeting shall be the reports dated no more than two months prior unless the previous month's Advisory Committee meeting was cancelled. (For example, an Advisory Committee meeting in May would be reviewing reports from March.)

Relationship to Other Policies

North Kings Groundwater Sustainability Agency shall maintain the following, existing policies (as amended from time to time), which may contain provisions that affect the creation and management of the annual budget.

- Budget Policy (NKGSA-ACCT-505)
- Operating Reserves Policy (NKGSA-ACCT-506)
- Investment Policy (NKGSA-ACCT-507)

Review of Policy

This Policy will be reviewed by the Executive Officer and Fiscal Agent as needed if warranted by internal or external events or changes. Amendments to the Policy will be recommended for approval by staff to the Board of Directors following approval by the NKGSA Advisory Committee.

9 (a - e) – Executive Officer Report

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

AGENDA ITEM NO:	**9 (a) - (e)**
Executive Officer:	KDC

NKGSA-
REPORT TO THE ADVISORY COMMITTEE

TO: Chair and Committee Members

FROM: Executive Officer – Kassy Chauhan

DATE: September 5, 2023

SUBJECT: NKGSA Executive Officer Report

ATTACHMENTS: A: None

Groundwater Sustainability Plan Determinations From DWR

Department of Water Resources (DWR) provided the final determination letter for the Kings Basin groundwater sustainability plans via letter dated August 4, 2023 The final determination letter indicates the groundwater sustainability plans (GSPs) for the Kings Subbasin were determined to be complete but contains 12 corrective actions which must be addressed in the five-year evaluation due to DWR in January 2025. At the August 18th Special Advisory Committee meeting, members heard a detailed discussion on each of the 12 corrective actions and preliminary plans on how to address the recommended corrective actions. The bulk of the work needing to be done is related to two studies the Kings Basin GSAs committed to completing related to domestic well mitigation and interconnected surface water data gap analysis. Provost & Pritchard Consulting Group has received approval to proceed and is gathering information on how other GSAs have considered implementing a domestic well mitigation program within their boundaries. All alternatives are being considered and updates will be provided periodically as information is available.

Recommended approaches to addressing each of the corrective actions will be discussed at the Kings Basin coordination meetings and updates will be provided to the Advisory Committee at its regular monthly meetings. The Technical Workgroup will be engaged to review the technical studies and to provide feedback on proposed solutions to addressing the corrective actions.

SGMA Implementation Project Updates

Progress continues on the projects being constructed under the Round 1 SGMA implementation grant funds. These projects include Fresno Irrigation District's (FID's)

Carter-Bybee Basin, along with projects for Consolidated Irrigation District, James Irrigation District and Riverdale Irrigation District. The total grant award was $7.6 million.

A second FID recharge basin, the Kenneson-Sanchez Basin, was recently put out to bid to allow construction to begin on the project in Fall 2023. The project is being co-funded by FID, IRWMP grant, and an NRCS Recharge Pilot Program grant.

The Biola Recharge Project (Prop 1 funds) has had some significant progress but the turnout to the FID canal has not been constructed given the long irrigation season in 2023. DWR has indicated the Project must be constructed by March 29, 2024, and the final reimbursement date is April 30, 2024. No further extensions will be granted due to Prop 1 funds sunsetting. Biola CSD has indicated the project is on schedule for being completed this fall. The final section of pipe to connect the discharge from the canal to the future basin is being paid for with State Revolving Funds awarded to the District.

Groundwater Recharge Opportunities:

Given the historic winter conditions just experienced and the availability of water for groundwater recharge, agencies should be making every effort possible to recharge as much water as possible. Each member agency will be asked to document its recharge efforts and report at a future Advisory Committee on their efforts. This will be done at least annually at the end of the water year to begin to show progress towards meeting the agreed upon mitigation targets established for the NKGSA agencies.

Outreach and External Affairs

Since the last Advisory Committee meeting on August 18th, North Kings GSA has been actively engaged with stakeholders via e-blogs and social media. Participation in the San Joaquin Valley Blueprint and the California Partnership for the San Joaquin Valley continues.

Representative Monitoring Network

Progress on obtaining construction information on all of the monitoring network wells continues and there are about three wells identified as still needing construction information. Letters have been sent requesting landowner cooperation in obtaining the construction information. One of the well owners has responded and arrangements are being made to conduct a site visit and gather the needed construction information.

Replacement monitoring wells were identified in the recently revised NKGSA GSP due to problems with wells originally identified. Improvements to the monitoring network are needed including better means to monitor the water levels in the representative monitoring wells. North Kings GSA has requested a scope of work and proposal from Provost & Pritchard to evaluate the needed improvements to the monitoring network as well as associated costs. Funds have been set aside for continued work on the monitoring network in the Proposed FY 2023-2024 budget.

DWR's Technical Support Services (TSS) grant is paying for a new monitoring well in the northeast portion of the North Kings GSA boundary. The well was supposed to be drilled this summer but the installation is delayed. Fresno Metropolitan Flood Control District (FMFCD) Board of Directors approved the easement for the TSS well at its August 23 board meeting.

Miscellaneous

Boundary Flow Study Update:

The Board previously approved proceeding with a boundary flow study to better quantify the amount of water leaving the NKGSA boundary at its western boundary. Provost & Pritchard was contracted to complete the study which is nearing completion. The boundary flow study is intended to refine the agreed upon boundary flow estimates used in the initial GSA overdraft assignments in the Kings Subbasin coordination agreement. The NKGSA and its member agencies fully intend to recapture the flows leaving the NKGSA boundary at its western boundary.

Groundwater Conditions Update:

The NKGSA continues to review each of the well permit applications submitted to permitting agencies for wells being drilled within the NKGSA boundary. Data obtained from the well permit applications is compiled to facilitate ease of review and tracking. The NKGSA has been reviewing all new well permit applications submitted to Fresno County. The locations of the proposed new wells (including replacement wells) are being mapped to enable the NKGSA to identify any areas of concerns. In addition, the NKGSA is notified by the State of California any time there is a report of a well going dry through the My Well Went Dry portal housed on DWR's website.

Prepared by: Kassy D. Chauhan