NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

Advisory Committee Special Meeting – November 3, 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 November 3, 2023.

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

AGENDA
NKGSA Advisory Committee - Special Meeting
November 3, 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/96985299707?pwd=dW9zQ2NRUmthVk9XL2R3MXFrUFVYUT09
Meeting ID: 969 8529 9707
Passcode: 170603

By Phone:
(669) 900-6833
Meeting ID: 969 8529 9707
Passcode: 170603

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 September 8, 2023, Meeting

4. Financial Report
    a. Discussion / Possible Action – Recommend Approval of the 2022-2023 Audited Financial Statements (CJ Brown CPAs)
    b. Discussion / Possible Action – Recommend Approval of the Final Financial Statements as of June 30, 2023 (Koehn)
    c. Discussion / Possible action - Recommend Approval of Expense Reports for August and September 2023 (Koehn)
    d. Discussion / Possible Action – Recommend Approval of Financial Statements as of September 30, 2023 (Koehn)
    e. Local Agency Investment Fund Update (Koehn)

5. Receive – Basin Coordination Update (Samuelian)

6. Administrative
    a. Discussion / Possible Action – Approval of the Advisory Committee Schedule of Meetings for 2024 (Chauhan)
    b. Discussion / Possible Action – Approval of the NKGSA Official Advisory Committee Roster – Dated November 3, 2023 (Chauhan)
    c. Well Permitting Update (Chauhan)
    d. 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. Kings Basin Special Studies Update
    b. SGMA Implementation Projects Update
    c. Outreach / External Affairs Update
    d. Representative Monitoring Network Update
    e. Miscellaneous

10. Adjourn **Next Meeting: December 8, 2023**

3.a. – MEETING MINUTES – September 8, 2023

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

NKGSA Advisory Committee Meeting
September 8, 2023

IN-PERSON AND TELECONFERENCE

In attendance:

**Scott Redelfs (City of Clovis)
*Dejan Pavic (City of Fresno)
*Jerry Jones (Fresno Metropolitan Flood Control District)
*Adam Claes (Fresno Irrigation District)
*Shay Bakman (Bakman Water Company)
*John Jansons (City of Kerman)
*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)
Josh Rogers (Y&H / Biola)
Don Wright (reporter)

* - 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.*

Item 1. Call to Order

Meeting called to order at 1:33 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 Community Services District	Present	Josh Rogers
City of Clovis	Present	Scott Redelfs
City of Fresno	Present *	Dejan Pavic
City of Kerman	Present	John Jansons
Fresno County	Present	Roy Jimenez
Fresno Irrigation District	Present	Adam Claes
Fresno Metropolitan Flood Control District	Present	Jarrod Takemoto
Garfield Water District	Absent	-

**Member Pavic arrived when the meeting was in progress (after Item 4c).*

Item 2. Public Presentations

There were no public presentations.

Item 3. Approval of Minutes

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

There was an update to the minutes to correct the listed staff member present to represent Fresno Metropolitan Flood Control District from Brent Sunamoto to Jarrod Takemoto at the August 18, 2023, special adivisory committee meeting. Motion to approve the minutes with corrections made by member Claes; second by member Takemoto. Motion passed unanimously 6-0 with 2 absent (Garfield Water District and City of Fresno).

Item 4. Financial Report

Item 4a. Discussion / Possible Action – Recommend Approval of Expense Reports for July 2023
(Presented by Lisa Koehn)

Expenses for the month of July 2023 totaled $155, which included payments to ACWA, Constant Contact, and bank charges. Detailed copies of the expense reports were provided in the meeting packets.

This item was taken together with Item 4b below.

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

As of July 31, 2023, assets totaled $1,698,537.69 (including $125,763.24 in accounts receivable). Detailed copies of the financial statements were provided in the meeting packets.

This item was taken together with Item 4a above.

Motion to approve the expense reports and financial statements made by member Takemoto; second by member Bakman. Motion passed unanimously 6-0 with 2 absent (Garfield Water District and City of Fresno).

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

The new auditing company – C.J. Brown – received information from the past auditor and will now begin their work this week. A draft is expected by October 6th.

Item 4d. Unpaid Invoices Report
(Presented by Lisa Koehn)

As of July 31st, there are currently outstanding invoices from the County of Fresno and the City of Fresno.

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

The determination letter from DWR has been received. The main priority right now is the new studies that were identified as needed based on DWR's letter with corrective actions. The group will be concentrating on these new studies from now through the end of the year; other GSP-related work will come after.

Item 6. Administrative

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

Approval of this policy was already recommended at the last Advisory Committee meeting, but there were minor changes agreed upon at that time that have now been incorporated into the written policy. No further action was needed.

This item was taken together with Items 6b and 6c below.

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

This policy was pulled for further edits at the last Advisory Committee meeting. The suggested changes have been incorporated into the updated written policy.

This item was taken together with Item 6a above and Item 6c below.

Item 6c. Discussion/Possible Action – Consider Recommending Approval of NKGSA-ACCT-510 – Financial Reporting Policy
(Presented by Lisa Koehn)

Approval of this policy was already recommended at the last Advisory Committee meeting, but there were minor changes agreed upon at that time that have now been incorporated into the written policy. No further action was needed.

This item was taken together with Items 6a and 6b above.

Motion to recommend approval of NKGSA-ACCT-505, NKGSA-ACCT-506, and NKGSA-ACCT-510 made by member Claes; second by member Jimenez. Motion passed unanimously 8-0 with 1 absent (Garfield Water District). These policies will be presented to the Board at their next meeting on September 23, 2023.

Item 6d. Well Permitting Update
(Presented by Kassy Chauhan)

As of August 25, 2023, there have been 185 total well permits issued for the calendar year. This is in comparison to 299 at this time last year. These numbers will continue to be tracked.

Item 6e. Well Intake Portal Development
(Presented by Lisa Koehn)

External beta testing on the portal will start in late September/early October. Launch strategy will be worked on concurrently.

Item 7. Workgroup Updates and Actions

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

There has not been a meeting recently so there is no current update to provide, but a meeting has been scheduled for October.

Item 8. Member Agency / Committee Member Reports

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

i. **Water Supply and Storm Water Routing Update**
(Presented by Member Claes)
Friant Class 1 allocation is currently at 100%; Class 2 is at 15% residual. SJR flood releases concluded at the end of July. The Friant-Kern Canal will be undergoing maintenance work and will be shut down from November through January 2024.

ii. Others

There were no further reports.

Item 9. Executive Officer Update

(Presented by Kassy Chauhan)

Item 9a. Special Studies Update

As mentioned in the Basin Coordination Update, work will be starting on these soon. Updates will be provided periodically.

Item 9b. SGMA Implementation Projects Update

Biola CSD's project is continuing and is on schedule to be completed this fall. Two basin projects for FID are underway but in early stages.

Item 9c. Outreach / External Affairs Update

The website has been updated with information regarding the GSP. Several speaking events are coming up. The next campaign will be highlighting water professionals.

Item 9d. Representative Monitoring Network Update

Contact has been made with the owner of one of the 2 remaining wells. DWR will be drilling a new monitoring well in the northeast area of the NKGSA.

Item 9e. Miscellaneous

The boundary flow study that was approved by the Board is underway and is nearing completion. A database of wells throughout the NKGSA is continuously being developed with the help of information from the well permitting applications, as well as DWR's notifications about dry wells. This will help the NKGSA identify any areas of concern.

Item 10. Adjourn

Meeting adjourned at 2:21 PM.

Next Meeting: October 13, 2023

4 (a-e) - FINANCIAL REPORT –

FY 2022-2023 Audit and Financial Statements as of June 30, 2023; Expense Report – August and September 2023; and Financial Statements Through

September 30, 2023

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

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

NKGSA-
REPORT TO THE ADVISORY COMMITTEE

TO: Chair and Advisory Committee Members

FROM: DeAnn Hailey – Fiscal Agent

DATE: November 3, 2023

SUBJECT: Financial Update

ATTACHMENTS:
(A) NKGSA FY 2022-2023 Auditor's Report
(B) Final Financial Statements as of June 30, 2023
(C) NKGSA – Expense Report Through September 2023
(D) Financial Statements as of September 30, 2023

CONFLICT OF INTEREST

None

RECOMMENDATION

For the Advisory Committee to recommend approval of the Fiscal Year 2022-2023 Auditor's Report, Expense Reports and Financial Statements to the NKGSA Board of Directors.

EXECUTIVE SUMMARY

The North Kings GSA contracted with Hudson Henderson & Company to complete the Fiscal Year 2022-2023 Auditor's Report and financial statements (Attachment A and B) for consideration by the NKGSA Board. There were no issues reported or corrections needed. Mr. Jonathan Abadesco, with CJ Brown Accountants, will be at the Advisory Committee meeting to provide an overview of his findings and the financial status of the NKGSA.

The fiscal agent, DeAnn Hailey, has prepared the monthly expense reports through September 2023 (Attachment C) and the financial statements as of September 30, 2023 (Attachment D). All expenses are within the budget amounts and no unexpected expenses were noted.

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.

FISCAL IMPACT

The fiscal impact is shown on the attached reports. Expenses are in line with the amounts included in the NKGSA 2023-2024 Budget.

REASON FOR RECOMMENDATION

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

ACTIONS FOLLOWING APPROVAL

The auditor's report, expense reports and financial statements will be provided to the NKGSA Board of Directors for approval at its special board meeting on November 16, 2023.

Prepared by: DeAnn Hailey

Attachment A

North Kings Groundwater Sustainability Agency

Management Report

June 30, 2023

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North Kings Groundwater Sustainability Agency

Management Report

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DRAFT

Board of Directors
North Kings Groundwater Sustainability Agency
Fresno, California

Dear Members of the Board:

In planning and performing our audits of the financial statements of the governmental activities and each major fund of the North Kings Groundwater Sustainability Agency (Agency) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Current Year Comment and Recommendation

Disclosure of Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Agency are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the journal entries that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Current Year Comment and Recommendation, continued

Management's Response

We have reviewed and approved all of the adjusting and reclassification entries provided by the auditor and have entered those entries into the Agency's accounting system to close-out the Agency's year-end trial balance.

* * * * * * * * * *

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company CPAs
Cypress, California
November 16, 2023

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APPENDIX

North Kings Groundwater Sustainability Agency

Audit/Finance Committee Letter

June 30, 2023

DRAFT

Board of Directors
North Kings Groundwater Sustainability Agency
Fresno, California

We have audited the financial statements of the governmental activities and each major fund of the North Kings Groundwater Sustainability Agency (Agency) for the year ended June 30, 2023, and have issued our report thereon dated November 16, 2023.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 19, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated November 16, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

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Required Risk Assessment Procedures per Auditing Standards

As auditors of the Agency, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no other changes in significant accounting policies or their application during 2023. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Agency's financial statements relate to:

The disclosure of fair value of cash and cash equivalents in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

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Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on page 5 presents the journal entries that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 16, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

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Conclusion

We appreciate the cooperation extended us by DeAnn Hailey-Stork, Fiscal Agent, in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Agency.

C.J. Brown & Company CPAs
Cypress, California
November 16, 2023

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North Kings Groundwater Sustainability Agency
Schedule of Adjusting Journal Entries
For Fiscal Year Ended June 30, 2023

Account	Description		Debit	Credit
Adjusting Journal Entries #1				
To recognize accrued interest receivable from LAIF as of June 30, 2023.				
CJB-1150	Interest Receivable	**$**	3,966.76	
1020	LAIF			3,966.76
Total			**3,966.76**	**3,966.76**
Adjusting Journal Entries #2				
To recognize fair market value in LAIF as of June 30, 2023.				
CJB-4150	FMV Adjustment		7,665.09	
1020	LAIF			7,665.09
Total		**$**	**7,665.09**	**7,665.09**

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NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

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NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

Board of Directors as of June 30, 2023

Name	Title	Area of Representation
Jerry Prieto, Jr	Chair	Fresno Irrigation District
Brian Pacheco	Vice Chair	County of Fresno
Karl Kienow	Director	Garfield Water District
Steve Pickens	Director	Bakman Water Company
Matthew Basgill	Director	City of Clovis
Jerry Dyer	Director	City of Fresno
Kyle Moeller	Director	Fowler Packing

North Kings Groundwater Sustainability Agency
DeAnn Hailey-Stork, Fiscal Agent
2907 South Maple Avenue
Fresno, California 93725
(559) 233-7161

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North Kings Groundwater Sustainability Agency

Annual Financial Report

For the Fiscal Year Ended June 30, 2023

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North Kings Groundwater Sustainability Agency
Annual Financial Report
For the Fiscal Year Ended June 30, 2023

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Financial Section

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Independent Auditor's Report

Board of Directors
North Kings Groundwater Sustainability Agency
Fresno, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the North Kings Groundwater Sustainability Agency (Agency) , as of and for the years ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the North Kings Groundwater Sustainability Agency, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Agency's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Agency's ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing the audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance. That report can be found on pages 18 and 19.

C.J. Brown & Company CPAs
Cypress, California
November 16, 2023

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North Kings Groundwater Sustainability Agency
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the North Kings Groundwater Sustainability Agency (Agency) provide an introduction to the financial statements of the Agency for the fiscal years ended June 30, 2023 (with comparative information for fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

For the fiscal year ended June 30, 2023, the Agency's:

- Net position increased 23.78% or $273,709 to $1,424,730.
- Total revenues decreased 5.64% or $38,584 to $645,631.
- Total expenses increased 18.64 or $67,485 to $429,596.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the Agency's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. The statement also provides the basis for computing a rate of return, evaluating the capital structure of the Agency, and assessing the liquidity and financial flexibility of the Agency. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Agency's operations over the past year and can be used to determine if the Agency has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Agency's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net change in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, as well as providing answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Agency

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Agency in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Agency's *net position* and changes in it. One can think of the Agency's net position (assets and deferred outflows less liabilities and deferred inflows), as one way to measure the Agency's financial health, or *financial position*. Over time, *increases or decreases* in the Agency's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 16 through 32.

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by $1,424,730 as of June 30, 2023.

At the end of fiscal year 2023, the Agency showed a positive balance in its unrestricted net position of $1,424,730.

Condensed Statements of Net Position

		2023	2022	Change
Assets:				
Current assets	$	1,471,039	1,224,977	246,062
Total assets		1,471,039	1,224,977	246,062
Liabilities:				
Current liabilities		46,309	73,956	(27,647)
Total liabilities		46,309	73,956	(27,647)
Net position:				
Unrestricted		1,424,730	1,151,021	273,709
Total net position	$	1,424,730	1,151,021	273,709

Statement of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

		2023	2022	Change
Revenues:				
Operating revenues	$	636,363	684,113	(47,750)
Non-operating revenues		9,268	102	9,166
Total revenues		645,631	684,215	(38,584)
Expenses:				
Operating expenses		421,931	362,111	59,820
Non-operating expenses		7,665	-	7,665
Total expenses		429,596	362,111	67,485
Net income before capital contributions		216,035	322,104	(106,069)
Capital contributions		57,673	453	57,220
Changes in net position		273,708	322,557	(48,849)
Net position, beginning of year		1,151,022	828,464	322,558
Net position, end of year	$	1,424,730	1,151,021	273,709

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Statement of Revenues, Expenses, and Changes in Net Position, continued

The statement of revenues, expenses, and changes in net position shows how the Agency's net position changes during the fiscal year.

A closer examination of the sources of changes in net position reveal that:

In fiscal year 2023, the Agency's net position increased 23.78% or $273,709 to $1,424,730 from ongoing operations.

In fiscal year 2023, the Agency's total revenues decreased 5.64% or $38,584 to $645,631. Operating revenues decreased 6.98% or $47,750, due primarily to a decrease of $48,000 in member/contracting entity contributions.

In fiscal year 2023, the Agency's total expenses increased 18.64% or $67,485 to $429,596. Operating expenses increased 14.18% or $59,820, due primarily to an increase of $77,186 in professional services; which was offset by a decreases of $11,805 in legal expenses.

Conditions Affecting Current Financial Position

Management is unaware of any other conditions which could have a significant impact on the Agency's current financial position, net position, or operating results in terms of past, present, and future.

Requests for Information

This financial report is designed to provide the Agency's funding sources, customers, stakeholders, and other interested parties with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency at 2907 S. Maple Avenue, Fresno, California 93725.

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Basic Financial Statements

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North Kings Groundwater Sustainability Agency
Statement of Net Position
June 30, 2023

		2023
Current assets:		
Cash and cash equivalents (note 2)	$	1,413,023
Accounts receivable		27,868
Grants receivable		26,181
Accrued interest receivable		3,967
Total current assets		1,471,039
Total assets		1,471,039
Current liabilities:		
Accounts payable and accrued expenses		31,626
Due to Fresno Irrigation District		7,570
Unearned revenues		7,113
Total liabilities		46,309
Net position:		
Unrestricted		1,424,730
Total net position	$	1,424,730

See accompanying notes to the basic financial statements

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North Kings Groundwater Sustainability Agency
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2023

		2023
Operating revenues:		
Member/contracting entity contributions	$	629,000
Interested party contributions		7,363
Total operating revenues		636,363
Operating expenses:		
General and administrative expenses		95,831
Professional services		299,891
Legal expenses		20,603
Office expense		3,524
Insurance		2,082
Total operating expenses		421,931
Operating income		214,432
Non-operating revenue(expense)		
Interest income		9,268
Unrealized loss on investments		(7,665)
Total non-operating revenues, net		1,603
Net income before capital contributions		216,035
Capital contributions		57,673
Changes in net position		273,708
Net position, beginning of year		1,151,022
Net position, end of year	$	1,424,730

See accompanying notes to the basic financial statements

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North Kings Groundwater Sustainability Agency
Statements of Cash Flows
For the Fiscal Year Ended June 30, 2023

		2023
Cash flows from operating activities:		
Cash receipts from member and interested party contributions	$	631,563
Cash payment to vendors		(449,327)
Net cash provided by operating activities		182,236
Cash flows from non-capital financing activities:		
Proceeds from grant		31,492
Net cash provided by non-capital financing activities		31,492
Cash flows from investing activities:		
Investment return		(2,364)
Net cash (used in)provided by investing activities		(2,364)
Net increase in cash and cash equivalents		211,364
Cash and cash equivalents, beginning of year		1,201,659
Cash and cash equivalents, end of year	$	1,413,023
Reconciliation of cash and cash equivalents to statements of net position:		
Cash and cash equivalents	$	1,413,023
Total cash and cash equivalents	$	1,413,023

		2023
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	214,432
Change in assets and liabilities:		
(Increase)decrease in assets:		
Accounts receivable, net		(4,549)
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses		(22,547)
Due to Fresno Irrigation District		(4,850)
Customer advances and deposits		(250)
Total adjustments		(32,196)
Net cash provided by operating activities	$	182,236
Non-cash investing, capital, and financing transactions:		
Changes in fair-market value of funds deposited with LAIF	$	(7,665)
	$	(7,665)

See accompanying notes to the basic financial statements

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(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The North Kings Groundwater Sustainability Agency (Agency) is a Joint Powers Authority formed on October 25, 2016. As a Joint Powers Authority, the Agency has been established to sustainably manage the groundwater resources within a portion of the Kings Subbasin, which is located within the greater San Joaquin Valley Basin (Basin 5-22). Composed of local public agencies and others engaged through binding agreements, the Agency is the governing body of a portion of the Kings Subbasin (California Department of Water Resources Bulleting 118, 5-22.08) in compliance with the Sustainable Groundwater Management Act of 2014. Agency members are Fresno Irrigation District, Garfield Water District, International Water District, Biola Community Services District, City of Kerman, City of Clovis, City of Fresno, County of Fresno, Bakman Water Company, and Fresno Metropolitan Flood Control District.

B. Basis of Accounting and Measurement Focus

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or operating income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as membership contributions and general and administrative expenses, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal value. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Agency has adopted the following GASB pronouncements in the current year:

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the Agency's cash is invested in interest bearing accounts. The Agency considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

3. Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Accounts Receivable

The Agency utilizes the allowance method of accounting for uncollectible or doubtful accounts based on historical experience and current information as it becomes available. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. All accounts receivable are non-interest bearing.

5. Net Position

The Agency follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* – consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted* – this component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the *net investment in capital assets* or *restricted* components of net position.

6. Reclassification

The Agency has reclassified certain prior year information to conform with current year presentations.

(2) Cash and Investments

Cash and investments as of June 30, are classified as follows:

	2023
Cash and cash equivalents	$ 1,413,023
Total	$ 1,413,023

Cash and investments as of June 30, consist of the following:

	2023
Deposits with bank	$ 915,458
Investments	497,564
Total	$ 1,413,023

As of June 30, the Agency's authorized deposits had the following maturity:

	2023
Deposits in California Local Agency Investment Fund (LAIF)	260 days

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized by the Agency in accordance with the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
Certificates of Deposit	5 years	30%	None
Banker's Acceptance	5 years	40%	30%
U.S. Treasury Notes, Bonds, and Bills	5 years	None	None
U.S. Government Sponsored Securities	5 years	None	None
Commercial Paper	5 years	25%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Savings Account/Money Market Accounts	N/A	None	None
Corporate debt – Short and Long Term	5 years	None	None

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(2) Cash and Investments, continued

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies.

Of the bank balance, up to $250,000 as of June 30, 2023, is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The Agency's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transaction processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of $5,000, in increments of $1,000.
- Withdrawals of $10 million or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Interest Rate Risk

Interest rate risk is the risk that the change in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the change in market interest rates. The Agency's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

(2) Cash and Investments, continued

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Local Agency Investment Fund are not rated.

Concentration of Credit Risk

The Agency's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the Agency's total investments as of June 30, 2023.

(3) Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is insured for a variety of potential exposures.

(4) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the issue date, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

(4) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 100, continued

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(5) Commitments and Contingencies

Grant Awards

Grant funds received by the Agency are subject to audit by grantor agencies. Such an audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(6) Subsequent Events

Events occurring after June 30, 2023, have been evaluated for possible adjustment to the financial statements or disclosure as of November 16, 2023, which is the date the financial statements were available to be issued.

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Report on Internal Controls and Compliance

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Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on the Audits of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
North Kings Groundwater Sustainability Agency
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the North Kings Groundwater Sustainability Agency (Agency), as of and for the years ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 16, 2023.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on the Audits of Financial Statements Performed in Accordance with *Government Auditing Standards,* continued

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company CPAs
Cypress, California
November 16, 2023

DRAFT

North Kings Groundwater Sustainability Agency
Balance Sheet
As of June 30, 2023

ASSETS		
Current Assets		
Bank Accounts		
BOTW - Checking Account		359,523.70
BOTW - Money Market Account		555,934.74
LAIF		497,564.27
Total Bank Accounts	**$**	**1,413,022.71**
Accounts Receivable		
Accounts Receivable		27,867.94
Total Accounts Receivable	**$**	**27,867.94**
Other Current Assets		
Grants Receivable		26,180.91
Interest Receivable		3,966.76
Total Other Current Assets	**$**	**30,147.67**
Total Current Assets	**$**	**1,471,038.32**
TOTAL ASSETS	**$**	**1,471,038.32**
LIABILITIES & NET POSITION		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		39,196.41
Total Accounts Payable	**$**	**39,196.41**
Other Current Liabilities		
Deferred Revenues Intr Parties		7,113.20
Total Other Current Liabilities	**$**	**7,113.20**
Total Current Liabilities	**$**	**46,309.61**
Total Liabilities	**$**	**46,309.61**
Net Position		
Legal Reserves Fund		500,000.00
Net Investment		651,021.78
Net Income		273,706.93
Total Net Position	**$**	**1,424,728.71**
TOTAL LIABILITIES & NET POSITION	**$**	**1,471,038.32**

North Kings GSA
Income Statement - Budget vs. Actual
July 2022 - June 2023

	Actual	Budget	Remaining	% Remaining
Income				
Grant Income	57,672.80	57,672.80	0.00	0.00%
Interested Party Contribution	7,363.20	7,363.20	0.00	0.00%
Member/Contracting Entity			0.00	
Bakman Water Company	4,000.00	4,000.00	0.00	0.00%
Biola Community Services Distr	500.00	500.00	0.00	0.00%
City of Clovis	31,000.00	31,000.00	0.00	0.00%
City of Fresno	154,000.00	154,000.00	0.00	0.00%
City of Kerman	3,500.00	3,500.00	0.00	0.00%
County of Fresno	80,000.00	80,000.00	0.00	0.00%
Fresno Irrigation District	351,500.00	351,500.00	0.00	0.00%
Garfield Water District	3,700.00	3,700.00	0.00	0.00%
International Water District	800.00	800.00	0.00	0.00%
Total Member/Contracting Entity	**$ 629,000.00**	**$ 629,000.00**	**$ -**	**0.00%**
Total Income	**$ 694,036.00**	**$ 694,036.00**	**$ -**	**0.00%**
Gross Profit	**$ 694,036.00**	**$ 694,036.00**	**$ -**	**0.00%**
Expenses				
Audit Expense	4,500.00	4,510.00	10.00	0.22%
Bank Charges	155.00	200.00	45.00	22.50%
Dues and Subscriptions	3,313.17	3,315.00	1.83	0.06%
Insurance	2,081.50	2,085.00	3.50	0.17%
Kings Basin Coordination	45,425.00	60,000.00	14,575.00	24.29%
Legal	20,602.88	30,000.00	9,397.12	31.32%
Office Supplies	55.96	500.00	444.04	88.81%
Professional Services	122,862.07	120,000.00	(2,862.07)	-2.39%
Engineering Consultant	66,525.63	75,000.00	8,474.37	11.30%
Security Services	824.00	964.00	140.00	14.52%
Total Professional Services	**$ 190,211.70**	**$ 195,964.00**	**$ 5,752.30**	**2.94%**
Project Costs	7,495.55	22,125.00	14,629.45	66.12%
Public Information	52,258.36	60,000.00	7,741.64	12.90%
Staff Expense			0.00	
Executive Officer	75,411.32	80,000.00	4,588.68	5.74%
Supporting Staff (FID)	20,421.41	16,000.00	(4,421.41)	-27.63%
Total Staff Expense	**$ 95,832.73**	**$ 96,000.00**	**$ 167.27**	**0.17%**
Total Expenses	**$ 421,931.85**	**$ 474,699.00**	**$ 52,767.15**	**11.12%**
Net Operating Income	**$ 272,104.15**	**$ 219,337.00**	**$ (52,767.15)**	**-24.06%**
Other Income				
Interest Income	9,267.87	5,500.00	(3,767.87)	-68.51%
Unrealized Gain/Loss	(7,665.09)		7,665.09	
Total Other Income	**$ 1,602.78**	**$ 5,500.00**	**$ 3,897.22**	**70.86%**
Net Other Income	**$ 1,602.78**	**$ 5,500.00**	**$ 3,897.22**	**70.86%**
Net Income	**$ 273,706.93**	**$ 224,837.00**	**$ (48,869.93)**	**-21.74%**

North Kings Groundwater Sustainability Agency

Expense Report

August 2023

TRANSACTION TYPE	DATE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
Accounts Payable						
Bill	08/04/2023	7261	Fresno Irrigation District		Accounts Payable	5,945.59
				July 2023 Executive Officer Hours	Staff Expense:Executive Officer	4,462.82
				July 2023 Fiscal Agent Hours	Staff Expense:Supporting Staff (FID)	925.44
				July 2023 Recording Secretary Hours	Staff Expense:Supporting Staff (FID)	43.97
				July 2023 GIS Specialist Surveyor Hours	Staff Expense:Supporting Staff (FID)	134.32
				July 2023 Intuit QuickBooks Software	Office Supplies	42.50
				July 2023 Admin Fee 6%	Staff Expense:Supporting Staff (FID)	336.54
Bill	08/14/2023		Provost & Pritchard Consulting Group		Accounts Payable	5,122.10
				Project 02643-23-101 GEN	Professional Services:Engineering Consultant	910.50
				Project 02643-23-101 PUB	Public Information	4,177.40
				Project 02643-23-101 WEL	Professional Services	34.20
Bill	08/16/2023		Provost & Pritchard Consulting Group		Accounts Payable	1,506.00
				Project 02643-23-100	Kings Basin Coordination	1,506.00

North Kings Groundwater Sustainability Agency
Expense Report
September 2023

TRANSACTION TYPE	DATE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
Accounts Payable						
Bill	09/01/2023		Atkinson, Andelson, Loya, Ruud & Romo		Accounts Payable	4,176.38
				August Legal Services	Legal	4,176.38
Bill	09/11/2023	7274	Fresno Irrigation District		Accounts Payable	8,200.95
				August 2023 Hours	Staff Expense:Executive Officer	6,655.08
				August 2023 Fiscal Agent Hours	Staff Expense:Supporting Staff (FID)	462.72
				August 2023 Recording Secty Hours	Staff Expense:Supporting Staff (FID)	307.81
				August 2023 GIS Specialist Hours	Staff Expense:Supporting Staff (FID)	268.64
				QuickBooks Online Monthly Fee	Office Supplies	42.50
				August 2023 Admin Fee 6%	Staff Expense:Supporting Staff (FID)	464.20
Bill	09/29/2023	20230929	C.J. Brown & Company CPAs		Accounts Payable	5,130.00
				September 2023 Progress Billing	Audit Expense	5,130.00
Bill	09/30/2023	103871	Provost & Pritchard Consulting Group		Accounts Payable	1,166.50
				Project 02643-21-003 T3 Pump Tests	Professional Services	1,166.50
Bill	09/30/2023	103872	Provost & Pritchard Consulting Group		Accounts Payable	11,080.00
				Project 02643-23-101 GEN	Professional Services:Engineering Consultant	5,748.00
				Project 02643-23-101 PUB	Public Information	4,875.70
				Project 02643-23-101 WEL	Professional Services	456.30
Bill	09/30/2023	103886	Provost & Pritchard Consulting Group		Accounts Payable	3,887.00
				Project 02643-23-100 COR	Kings Basin Coordination	2,606.00
				Project 02643-23-100 REP	Kings Basin Coordination	1,281.00
Deposit	09/15/2023		Provost & Pritchard Consulting Group		BMO - Checking Account	13,186.06
				02643-22-101 APP Refund	Professional Services	(13,186.06)

North Kings Groundwater Sustainability Agency
Balance Sheet
As of September 30, 2023

ASSETS		
Current Assets		
Bank Accounts		
BMO - Checking Account		566,381.22
BMO - Money Market Account		555,948.75
LAIF		513,162.88
Total Bank Accounts	**$**	**1,635,492.85**
Accounts Receivable		
Accounts Receivable		27,867.94
Total Accounts Receivable	**$**	**27,867.94**
Other Current Assets		
Grants Receivable		26,180.91
Total Other Current Assets	**$**	**26,180.91**
Total Current Assets	**$**	**1,689,541.70**
TOTAL ASSETS	**$**	**1,689,541.70**
LIABILITIES & NET POSITION		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		25,439.88
Total Accounts Payable	**$**	**25,439.88**
Total Current Liabilities	**$**	**25,439.88**
Total Liabilities	**$**	**25,439.88**
Net Position		
Legal Reserves Fund		500,000.00
Net Investment		924,728.71
Net Income		239,373.11
Total Net Position	**$**	**1,664,101.82**
TOTAL LIABILITIES & NET POSITION	**$**	**1,689,541.70**

North Kings GSA
Budget vs. Actual
July - September, 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	5,130.00	5,000.00	(130.00)	-2.60%
Bank Charges	30.00	200.00	170.00	85.00%
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	5,393.00	70,000.00	64,607.00	92.30%
Legal	4,176.38	60,000.00	55,823.62	93.04%
Office Supplies	127.50	550.00	422.50	76.82%
Professional Services	(11,529.06)	60,000.00	71,529.06	119.22%
Engineering Consultant	6,658.50	100,000.00	93,341.50	93.34%
Security Services		1,800.00	1,800.00	100.00%
Total Professional Services	**$ (4,870.56)**	**$ 161,800.00**	**$ 166,670.56**	**103.01%**
Project Costs		25,000.00	25,000.00	100.00%
Public Information	9,188.10	75,000.00	65,811.90	87.75%
Staff Expense			0.00	
Executive Officer	11,117.90	100,000.00	88,882.10	88.88%
Supporting Staff (FID)	2,943.64	30,000.00	27,056.36	90.19%
Total Staff Expense	**$ 14,061.54**	**$ 130,000.00**	**$ 115,938.46**	**89.18%**
Total Expenses	**$ 33,335.96**	**$ 532,950.00**	**$ 499,614.04**	**93.75%**
Net Operating Income	**$ 227,727.25**	**$ (271,636.79)**	**$ (499,364.04)**	**183.84%**
Other Income				
Interest Income	3,980.77	8,000.00	4,019.23	50.24%
Unrealized Gain/Loss	7,665.09		(7,665.09)	
Total Other Income	**$ 11,645.86**	**$ 8,000.00**	**$ (3,645.86)**	**-45.57%**
Net Other Income	**$ 11,645.86**	**$ 8,000.00**	**$ (3,645.86)**	**-45.57%**
Net Income	**$ 239,373.11**	**$ (263,636.79)**	**$ (503,009.90)**	**190.80%**

6 (a) – 2024 Advisory Committee Meeting Dates

NORTH KINGS GSA

ADVISORY COMMITTEE MEETINGS

PROPOSED 2020 SCHEDULE OF COMMITTEE MEETINGS - Subject to Change with Proper Notice

January 12, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
February 9, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
March 8, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
April 12, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
May 10, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
June 14, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
July 12, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
August 9, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
September 13, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
October 11, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
November 8, 2024	**1:30 p.m.**	**Advisory Committee Meeting**
December 13, 2024	**1:30 p.m.**	**Advisory Committee Meeting**

6 (b) – NKGSA Advisory Committee Official Roster

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

Attachment A

Revision Date: 11/3/2023

Approval Date: _____

ADVISORY COMMITTEE OFFICAL ROSTER

November 3, 2023

Background:

The Advisory Committee is established by the North Kings Groundwater Sustainability Agency (NKGSA) Board of Directors as a standing committee to assist with the development of the necessary processes and programs needed by the NKGSA Board of Directors to implement the mission of the NKGSA. Each party identified in the Joint Powers Authority (JPA) agreement can appoint a member of the Advisory Committee and a designated alternative. The Board of Directors passed NKGSA Resolution 2023-04 establishing the agencies composing the NKGSA Advisory Committee which included eliminating International Water District from the represented agency list. Each July, the Advisory Committee should nominate and select a chair and vice-chair of the Advisory Committee. Each July, the official roster of Advisory Committee members and selected alternatives will be reviewed and approved.

Each	Name	Alternate 1/2	Comments
City of Clovis	Mr. Scott Redelfs	Mr. Paul Armendariz	Chair
Fresno Irrigation District	Mr. Adam Claes	Mr. Bill Stretch	Vice-Chair
Garfield Irrigation District	Mr. Nick Keller	Ms. Lauren Layne	
Bakman Water Company	Mr. Tim Bakman	Mr. Shay Bakman	
Biola CSD	Mr. Chuck Rodriguez	Mr. Josh Rogers Mr. Jesus Gonzalez	
City of Kerman	Mr. John Jansons	Mr. Jesus Gonzalez Mr. Josh Rogers	
City of Fresno	Mr. Brock Buche	Mr. Dejan Pavic	
County of Fresno	Mr. Bernard Jimenez	Mr. Augustine Ramirez Mr. Roy Jimenez	
Fresno Metropolitan Flood Control District	Mr. Peter Sanchez	Mr. Jarrod Takemoto Mr. Brent Sunamoto	

Official Roster Changes:

Requested changes to the official NKGSA Advisory Committee roster shall be submitted in writing to the NKGSA Executive Officer, Kassy Chauhan.

9 (a - e) – Executive Officer Report

NORTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

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

NKGSA-
REPORT TO THE BOARD OF DIRECTORS

TO: Chair and Board Members

FROM: Executive Officer – Kassy Chauhan

DATE: October 31, 2023

SUBJECT: NKGSA Executive Officer Report

ATTACHMENTS: A: None

Groundwater Sustainability Plan – Studies and Revisions

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. Provost & Pritchard Consulting Group has provided the scopes of work and cost for four studies to address the corrective actions including the domestic well mitigation program study, the interconnected surface water studies for the Kings River and the San Joaquin River and the confined aquifer and land subsidence study. The costs for the four studies are being shared amongst the GSAs in the Kings Basin. Once the studies have been prepared and are available for review, the Technical Workgroup will be convened to review and provide feedback for the NKGSA and its member agencies. The costs for these studies were included in the 2023-2024 NKGSA Budget approved by the Board of Directors and additional costs will be considered in the 2024-2025 budget. The total estimated cost for the three studies for the NKGSA is about $100,000.00. Coordination with DWR will be imperative and an initial consultation with DWR was held on September 29, 2023.

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.

Outreach and External Affairs

The Kings Basin released a short video and story map on Monday, October 30, 2023, to highlight the efforts made in the Kings Basin to take advantage of the wettest Kings River water year on record. In Water Year 2022-2023, the Kings Basin GSAs diverted more than 500,000 acre-feet of water for groundwater recharge purposes. Various GSA managers were interviewed to share specific efforts for their GSAs. The news release was shared with local news media outlets, DWR executive management, the Governor's Office and a large group of stakeholders. The information was also shared via the NKGSA email distribution list and on its social media platforms.

Since the last Advisory Committee meeting on September 8th, 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.

Groundwater Level Measurements – Fall 2023

The Fall 2023 water level measurements concluded on October 20, 2023, and early evaluation of the data shows improved groundwater levels in almost every monitoring well compared to the readings from Fall 2022. The water level information has been shared with Provost & Pritchard for completion of the annual report and for preparing the water level contour maps and heat map to show the change in groundwater levels.

Miscellaneous

Well Intake Portal Launch

The well intake portal has been completed and was launched to some external growers for additional beta testing the week of October 30, 2023. The external beta test group consists of about 6 growers who have been asked to input information on the wells on their properties/farms and provide additional details on the use of the tool. The input from the external stakeholders will be considered before the portal is placed on the NKGSA website and launched for use by all well owners in the NKGSA boundary. There will be an option for a batch upload for those growers with many wells with the requested information summarized in a table to eliminate the need for inputting the information individually. Additional details on the full launch of the well intake portal will be shared at the next Advisory Committee meeting.

Well Permit Review:

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