

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

SUMMARY MINUTES

June 12, 2018 – 3:00 p.m.

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

MEMBERS PRESENT: Jose Sigala, David Bixler, Dave Martin, Steve Nelsen, Greg Collins

MEMBERS ABSENT: Greg Nunley

STAFF PRESENT: Aaron Fukuda, Paul Hendrix, Ken Richardson, Willard Epps, Melissa Hermann, Trisha Whitfield

OTHERS PRESENT: Larry Rodriguez with GEI Consultants; other members of the public

1. CALL TO ORDER REGULAR SESSION:

Chair Nelsen opened the meeting at 3:00 p.m.

2. PUBLIC COMMENT:

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

3. GENERAL BUSINESS:

a. Approve Minutes of April 10, 2018 Regular Board Meeting

It was moved by Director Sigala, seconded by Director Bixler and carried 5 to 0, to approve the minutes as presented.

b. Financial Report

i. Financial Statements – Year-to-Date*

P. Hendrix noted that the Treasurer was unable to attend today's meeting, and he thereupon referred the Board to the balance sheet, profit & loss statement and transactions listing for their review and consideration. He commented that about \$180,000 remains in cash, but that this will be reduced to cover remaining fiscal year expenses. With no further discussion, it was moved by Director Martin, seconded by Director Sigala and carried 5 to 0, to accept the financial report as presented.

c. Designation of Representatives on JPIA Board*

P. Hendrix indicated that the GSA's liability insurance carrier requires that members identify a primary and alternate representative to serve on its board of directors. Following his description of the role of that board and responsibilities, it was moved

by Director Collins, seconded by Director Martin and carried 5 to 0, to elect Director Bixler as the JPIA board member. It was further moved by Director Collins, seconded by Director Bixler and carried 5 to 0, to elect Director Sigala as the alternate director.

d. Amendment to Mid-Kaweah Joint Powers Agreement – Status

P. Hendrix stated that both city councils have approved execution of the amended JPA, and that the Tulare ID board has done likewise. He added that effectuation of the revised JPA must await the action of the Tulare BPU and, until that takes place, voting by the GSA board will be as per the current JPA protocol.

e. Approval of FY 2018-19 Budget, member Contributions*

Chair Nelsen indicated that agenda items e through g need to be tabled until the next meeting of the Board due to a lack of full director presence at today's meeting. By the motion of Director Collins, seconded by Director Bixler and carried 5 to 0, these matters were so tabled.

h. Report by Legal Counsel*

K. Richardson referred the Board to his letter tendering Peltzer & Richardson's withdrawal from legal representation to the GSA. He spoke to his firm's initial role to assist with GSA formation governance and the looming potential for conflicts of interest with historical clients as SGMA implementation proceeds forward. P. Hendrix then made reference to his staff report recommending an ad-hoc committee of the Board to screen qualified candidates and identify a replacement to bring to the full board for consideration. He noted that the solicitation will not constitute a formal RFQ but, rather, consist of contacts with attorneys having experience in groundwater law and public agency representation. Chair Nelsen thereupon named himself and Director Bixler as appointees to the committee and sought Board approval. By the motion of Director Martin, seconded by Director Sigala and carried 5 to 0, the legal search committee was so appointed.

i. Approval of Support Letter*

P. Hendrix made reference to the letter as distributed which lends support to the Leadership Council for Justice and Accountability's work plan for grant-funded public outreach regarding SGMA. By the motion of Director Sigala, seconded by Director Bixler and carried 5 to 0, the letter was approved for submittal to DWR.

j. Kaweah Sub-Basin Coordination

- i. Website, DMS and Stakeholder Portal – L. Rodriguez stepped through a PowerPoint presentation summarizing GEI's approach for development of a GSP. He emphasized an iterative process, in which GSAs will be at different stages in terms of GSP content at the first submittal to DWR in 2020. He reviewed some key elements of plan development, including the basin setting, data management, sustainable management criteria, and projects and management actions to reach a locally-selected sustainability goal. He then reviewed GEI's development of a website portal whereby stakeholders may

identify which of the numerous sub-basin public meetings they wish to be notified of.

Director Collins expressed his desire that the GSA website include background information as to the onset of the overdraft problem in the sub-basin and reasons for it. Director Nelsen commented that the water quality topic has overlap with other regulatory agencies and that this must be recognized. Director Collins asked where the environmental impacts of overdraft are dealt with in SGMA, to which Mr. Rodriguez said it's in the context of surface water/groundwater interconnections, one of the six Undesirable Results which must be addressed. Other Board comments related to joint and ongoing water infrastructure projects, urban water conservation, and the magnitude of urban versus agricultural groundwater pumping. Director Nelsen expressed concern as to whether a GSP with adequate public input could be achieved by fall 2019.

- ii. DWR Technical Support Services – Mr. Rodriguez indicated that the Kaweah Sub-Basin intends to apply for funding from DWR for the installation of up to six monitoring wells, and that an application is to be submitted in the near future.
- iii. Sub-Basin Committee Structure – Mr. Rodriguez explained the need to consolidate the sub-basin committee activities and rely more on the individual GSA technical advisory committees to focus on engineering details, allowing the sub-basin public meetings to be devoted to planning and policy discussions. He added that a revision to the sub-basin MOU to this effect is being distributed for consideration. P. Hendrix noted that the revised MOU has been approved by the Greater Kaweah GSA.

k. GSP Development – Status Report

P. Hendrix noted that work on the GSP has been adequately addressed under agenda item j.

l. Advisory Committee*

Communications & Engagement Plan – Committee Chair Wilbur reviewed the Committee's process to develop the Plan and it lays out a strategic process to engage the public regarding SGMA and GSP content. He emphasized that it is a living document subject to additions in the future. Director Sigala commented that we welcomed such a document that commits the GSA to outreach to all stakeholders who stand to be impacted by SGMA. He thereupon made a motion to approve the Plan as presented. Chair Nelsen then invited public comment, at which time M. Herrera of Self-Help Enterprises addressed the Board and stated that, although her organization is represented on the Committee, they have not had sufficient time to provide detailed comments on the Plan. She mentioned their goals of ample outreach to disadvantaged communities and rural school districts. Director Sigala then withdrew his motion in deference to additional comments which may be forthcoming regarding the document.

Committee Vacancy and Appointment – P. Hendrix told the Board that Eric Charles has recently resigned from the Committee, and that the GSA’s solicitation for applicants has yielded one new name, that being Lee Johnson of Visalia. He said that the management Committee, after review of prior applicants to and including Mr. Johnson, recommends him for appointment. By the motion of Director Collins, seconded by Director Sigala and carried 5 to 0, Mr. Johnson was appointed by the Board to the Advisory Committee.

Future Activities – Mr. Wilbur then summarized near-term activities of the Committee, making mention of data collection where there are gaps and undertaking additional outreach methods, including reliance on Tulare ID for agricultural stakeholders.

4. BOARD/STAFF UPDATES

Director Nelsen expressed concern that, in his potential absence at GSA board meetings, the current Vice Chair G. Nunley has not been in attendance for several consecutive meetings. He asked that the appointment of a Vice Chair be therefore considered as an agenda item at the next regular meeting of the GSA.

Director Martin commented that he continues to feel the three GSA members stay unified as a GSA, but that situations such as is occurring with the mayorship of Tulare not cause an ag versus urban mentality as the cities and irrigation district seek to work together to achieve SGMA compliance. Director Nelsen added that each Member representative on the GSA board must reflect on their role, and not consider only what might be ideal for an individual GSA member agency.

5. ADJOURNMENT:

Chair Nelsen adjourned the meeting at 4:33 p.m.

Groundwater Sustainability Agency
Board Chair

Attest:

Groundwater Sustainability Agency
Board Secretary

* Staff reports and/or other documents provided.

Mid-Kaweah GSA
Agenda Item Report

August 14, 2018

Agenda Item Wording: Fiscal – Financial Statements Year To Date and Audit for year ending June 30, 2018

Report Author: Kathi Artis – Tulare ID

Background Discussion:

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

Attachments:

Balance Sheet as of August 13, 2018

Profit & Loss Statement for period July 2017 through June 2018

Transaction Detail by Account for checking and money market accounts for period June 2018 through August 13, 2018

Engagement Letter from Cuttone & Mastro CPAs

Mid-Kaweah Groundwater Sustainability Agency

08/09/18

Balance Sheet

Accrual Basis

As of August 13, 2018

	Aug 13, 18
ASSETS	
Current Assets	
Checking/Savings	
Checking	7,153.40
Money Market	52,402.15
Total Checking/Savings	59,555.55
Accounts Receivable	
Accounts Receivable	45,868.62
Total Accounts Receivable	45,868.62
Total Current Assets	105,424.17
TOTAL ASSETS	105,424.17
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	66,115.03
Total Accounts Payable	66,115.03
Total Current Liabilities	66,115.03
Total Liabilities	66,115.03
Equity	
Retained Earnings	40,044.06
Net Income	-734.92
Total Equity	39,309.14
TOTAL LIABILITIES & EQUITY	105,424.17

Mid-Kaweah Groundwater Sustainability Agency

Profit & Loss

08/09/18

July 2017 through June 2018

Accrual Basis

	Jul '17 - Jun 18
Ordinary Income/Expense	
Income	
Call For Funds	
Administration	100,000.50
GEI Planning	100,000.50
Total Call For Funds	200,001.00
Reimbursed Expenses	
GEI Planning	45,868.62
Prop 1 Grant Application Exp	19,978.04
Total Reimbursed Expenses	65,846.66
Total Income	265,847.66
Expense	
Audit Expense	3,200.00
Conference & Meetings	481.75
Consulting Fees	
Consulting Fees-GEI	70,110.31
GEI Fees - Grant Applic 01-201	29,967.06
GEI Fees - MKGSA - 02.2017	
GSP	152,568.59
Sub-Basin Coordination	68,952.94
Total GEI Fees - MKGSA - 02.2017	221,521.53
Total Consulting Fees	321,598.90
Insurance	884.00
Legal	47,441.21
Membership Dues	375.00
Office Expense	846.13
Payroll Expenses	98,235.68
Rent	1,208.25
Travel Expenses	736.08
Total Expense	475,007.00
Net Ordinary Income	-209,159.34
Other Income/Expense	
Other Income	
Interest Income	206.17
Total Other Income	206.17
Net Other Income	206.17
Net Income	-208,953.17

9:33 AM
08/09/18
Accrual Basis

Mid-Kaweah Groundwater Sustainability Agency
Transactions by Account
As of August 13, 2018

Type	Date	Num	Name	Memo	Amount
Checking					
Check	06/11/2018	1043	Aliamo Properties	June and July rent for 144 South L Street, Tulare, CA	(500.00)
Check	06/11/2018	1044	Capital One	Parking and lunch - Sacramento, office supplies	(63.49)
Transfer	06/11/2018			Funds transfer	25,000.00
Check	06/12/2018	1045	GEI Consultants	KSB - Project Management Services	(4,470.58)
				MKGSA - Groundwater Sustainability Plan	(20,489.35)
Check	06/12/2018	1046	AT&T	Telephone - land line	(41.18)
Check	06/12/2018	1047	AT&T Mobility	Paul Hendrix's cellphone	(45.53)
	06/22/2018		Citizen Business Bank	Service charge	(6.93)
Check	06/26/2018	1048	VOID		-
Check	06/26/2018	1049	GEI Consultants	KSB - Project Management Services	(4,310.07)
				KSB - Water Supply Accounting	(1,507.08)
				MKGSA - Groundwater Sustainability Plan	(27,312.58)
				KSB - Groundwater Modeling	(1,556.98)
Check	06/26/2018	1050	AT&T	Telephone - land line	(56.56)
Transfer	06/26/2018			Funds transfer	50,000.00
	07/23/2018		Citizen Business Bank	Service charge	(7.33)
Check	07/25/2018	1051	AT&T Mobility	Paul Hendrix's cellphone	(46.23)
Check	07/25/2018	1052	Capital One	Parking, hotel and registration fee - GSA Summit	(392.98)
Check	07/25/2018	1053	AT&T	Telephone - land line	(56.59)
Check	07/25/2018	1054	Tulare Irrigation District	Employee salary and benefits - 2nd quarter 2018	(59,959.28)
Transfer	07/25/2018			Funds transfer	40,000.00
Check	08/09/2018	1055	Peltzer & Richardson LC	Legal Fees - SGMA implementation	(393.75)
				Legal Fees - Miscellaneous matters	(675.00)
				Legal Fees - SGMA implementation	(112.50)
				Legal Fees - Miscellaneous matters	(1,687.50)
Check	08/09/2018	1056	AT&T Mobility	Paul Hendrix's cellphone	(46.19)
Check	08/09/2018	1057	Capital One	Office supplies	(135.81)
Check	08/09/2018	1058	Aliamo Properties	August and September rent for 144 South L Street, Tulare, CA	(500.00)
Total Checking					(9,373.49)
Money Market					
Transfer	06/11/2018			Funds transfer	(25,000.00)
Transfer	06/26/2018			Funds transfer	(50,000.00)
Deposit	06/30/2018			Interest	17.17
Transfer	07/25/2018			Funds transfer	(40,000.00)
Deposit	07/30/2018			Interest	11.00
Total Money Market					(114,971.83)
TOTAL					(124,345.32)



cuttone & mastro

CERTIFIED PUBLIC ACCOUNTANTS

July 6, 2018

Mid-Kaweah Groundwater Subbasin Joint Powers Authority
6826 Avenue 240
Tulare, CA 93274

We are pleased to confirm our understanding of the services we are to provide Mid-Kaweah Groundwater Subbasin Joint Powers Authority for the year ended June 30, 2018. We will audit the financial statements of the governmental activities including the related notes to the financial statements, which collectively comprise the basic financial statements of Mid-Kaweah Groundwater Sub basin Joint Powers Authority as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Mid-Kaweah Groundwater Subbasin Joint Powers Authority's basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to Mid-Kaweah Groundwater Subbasin Joint Powers Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 audit of the basic financial statements. We will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budget Comparison Schedules

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Mid-Kaweah Groundwater Subbasin Joint Powers Authority's financial statements. Our report will be addressed to management and the governing board of Mid-Kaweah Groundwater Subbasin Joint Powers Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or

(4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Mid-Kaweah Groundwater Subbasin Joint Powers Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

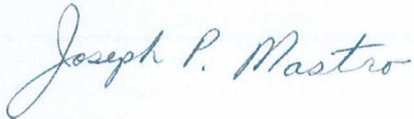
The audit documentation for this engagement is the property of Cuttone & Mastro CPA's and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State Controller or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Cuttone & Mastro CPA's personnel.

Joseph P. Mastro is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fee for the audit and other services will range from \$3,000 to \$5,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit.

We appreciate the opportunity to be of service to Mid-Kaweah Groundwater Subbasin Joint Powers Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully yours,

A handwritten signature in blue ink that reads "Joseph P. Mastro". The signature is written in a cursive style with a large, stylized "J" and "M".

Joseph P. Mastro
of Cuttone & Mastro CPA's

RESPONSE:

This letter correctly sets forth the understanding of Mid-Kaweah Groundwater Subbasin Joint Powers Authority.

Management Signature: _____

Title: _____

Date: _____

Mid-Kaweah GSA

Agenda Item Report

August 8, 2018

Agenda Item 4.e: FY 2018-19 Budget and Member Contributions

Report Author: Paul Hendrix

Staff Recommendation:

It is recommended that the Board approve the proposed expenditure budget for FY 2018-19 of \$1.2 million and authorize Member contributions to fund the budget as delineated in Attachment B.

Background Discussion:

Attached are the financial outlook and budgets for FY 2017-18 and FY 2018-19 (included as Attachment A), along with individual Member contributions for the upcoming fiscal year commencing July 1, 2018 (included as Attachment B). Expenses for this next year now reflect administrative costs for a GSA Manager plus accelerated work by GEI for sub-basin coordination and GSP preparations. Expenses are also now identified for office rent and supplies. In addition, a new line item is shown for Special Projects.

As was explained at the April 10th GSA meeting, anticipated for next year is a geophysical data-gathering project in which all three GSAs will be participating. Due to the geographical limitations governing the data collection methodology, a higher portion of these special project costs will be borne by Tulare ID as shown in the individual Member contributions as attached. This project is thus deemed a "Special Project" for budgetary purposes and distinct from all other GSP preparatory costs, in that it will not be equally split as among all three Members per the December 14th board action.

Regarding GEI work on sub-basin coordination and GSP preparations, this budget assumes that this work will be about 80% complete by July 2019. While this may be ambitious in terms of overall work load, it reflects our current understanding that a draft GSP needs to essentially complete and ready for public review by the fall of that year.

Offsetting the projected expenditures for next year will be about \$40,000 in carryover funds from last year, reimbursements from other GSAs, and a substantial amount of state grant income. Depending on the timing of grant reimbursements, a call for funds from Members of 30% of the projected expenditures may ultimately be needed, or about \$328,000 in total for the fiscal year. As approved by the Board at its December 14, 2017 meeting, Member contributions towards administrative and GSP preparatory expenses will be in equal amounts from each through FY 2019-20 for most of the work; however, Tulare ID will bear a larger share of the special project funding as explained in the staff report for agenda item 3.h.

Recommended Motion:

I move to approve a Mid-Kaweah GSA expense budget for FY 2018-19 in an amount of \$1,193,850 and Member contributions thereto as delineated in Attachment B.

Attachments:

Attachment A – Financial Outlook and FY Budgets

Attachment B – Member Contributions to FY 2018-19 Expense Budget

Attachment A
Mid-Kaweah GSA - Financial Outlook

MKGSA Budget:	<u>FY 2017-18</u> (projected actual)	<u>FY 2018-19</u>	
Manager/Support Services ^(a)	\$ 99,454	\$ 254,800	
Administration/Technical	\$ -	\$ -	In-kind contr.
Office Rent & Supplies	\$ 2,047	\$ 4,200	
Consultants (for coordination, GSP) ^(b)	\$ 321,599	\$ 704,400	
Legal Counsel	\$ 47,441	\$ 50,000	
Liability/E&O Insurance ^(c)	\$ 1,259	\$ 2,250	
Financial Statement Audit	\$ 3,200	\$ 3,200	
Special Projects ^(d)		\$ 175,000	
Operating Expenses:	\$ 475,000	\$ 1,193,850	
Less Carryover from Prior FY	\$ (248,997)	\$ (40,034)	
Interest Earnings	\$ (189)	\$ (200)	
Member Contributions	\$ (200,001)	TBD	
Reimb. From Other GSAs ^(e)	\$ (65,847)	\$ (125,800)	
Net Expenses	\$ (40,034)	\$ 1,027,816	

- (a) Includes benefits; 5 mos only for FY 2017-18
(b) Assumes GSP plus all coordination costs per sub-basin MOU
(c) Includes prerequisite membership fees
(d) For FY 2018-19, SkyTEM Project funded by GSA Agmt.
(e) For prior work by GEI related to sub-basin coordination plus grant prep. and special projects

State Prop 1 Grants:

County Facilitation Grant	\$ -	\$ -	reflected in net cost
GSP Grant ^(a)	\$ -	\$ 699,600	
Potential Local Cost Match	\$ -	\$ -	
Potential Call for Funds ^(b)	\$ -	\$ 328,216	

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

Attachment B
Mid-Kaweah GSA - Financial Outlook
Segregation by Member

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

MKGSA Budget:	<u>Tulare I.D.</u>	<u>City of Tulare</u>	<u>City of Visalia</u>	<u>Other GSAs</u>	<u>Total FY 2018-19</u>	<u>JPA Member Contribution</u>
Manager/Support Services ^(a)	\$ 84,933	\$ 84,933	\$ 84,933		\$ 254,800	⅓
Administration/Technical	\$ -	\$ -	\$ -		\$ -	In-kind contr.
Office Rent & Supplies	\$ 1,400	\$ 1,400	\$ 1,400		\$ 4,200	⅓
Consultants (for coordination, GSP) ^(b)	\$ 141,227	\$ 141,227	\$ 141,227	\$ 280,720	\$ 704,400	⅓
Legal Counsel	\$ 16,667	\$ 16,667	\$ 16,667		\$ 50,000	⅓
Liability/E&O Insurance ^(c)	\$ 750	\$ 750	\$ 750		\$ 2,250	⅓
Financial Statement Audit	\$ 1,067	\$ 1,067	\$ 1,067		\$ 3,200	⅓
Special Projects	\$ 29,720	\$ 9,740	\$ 9,740	\$ 125,800	\$ 175,000	varies
Total Operating Expenses:					\$ 1,193,850	
Less Carryover from Prior FY	\$ (13,345)	\$ (13,345)	\$ (13,345)		\$ (40,034)	⅓
Member Contributions						⅓
Interest Earnings	\$ (67)	\$ (67)	\$ (67)		\$ (200)	
Reimb. From Other GSAs ^(d)	\$ -	\$ -	\$ -	\$ (125,800)	\$ (125,800)	
Net Expenses	\$ 262,352	\$ 242,372	\$ 242,372	\$ 280,720	\$ 1,027,816	

(a) Includes benefits; 5 mos only for FY 2017-18

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

(c) Includes prerequisite membership fees

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

State Prop 1 Grants:

County Facilitation Grant					\$ -	reflected in net cost
GSP Grant ⁽¹⁾	\$ 139,627	\$ 139,627	\$ 139,627	\$ 280,720	\$ 699,600	⅓
Potential Local Cost Match (N/A)					\$ -	
Potential Member Call for Funds ⁽²⁾	\$ 122,725	\$ 102,745	\$ 102,745		\$ 328,216	varies

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

(2) Call for funds dependent grant reimbursement timing.

Mid-Kaweah GSA

Agenda Item Report

August 9, 2018

Agenda Item 3.f: Member Call for Funds

Report Author: Paul Hendrix

Staff Recommendation:

It is recommended that the Board approve an initial call for funds from the Members for FY 2018-19 in the amount of \$140,000.

Background Discussion:

The recommended call for funds, along with carryover funds from last year, should be sufficient to cover routine administrative and planning expenses into early September. At the next regular GSA board meeting in August, cash on hand will be revisited and a second call for funds may be addressed at that time. Of the total collection, 30% is to be devoted to the administrative budget and 70% to the planning budget.

Near-term expenses include an initial deposit from Mid-Kaweah for the sub-basin data-gathering project as described in the budget staff report (agenda item 3.e). Reimbursements for this will be forthcoming by late summer or early fall from both the East Kaweah GSA and Greater Kaweah GSA. Reimbursements from these two GSAs are also expected within the next 30 days for coordination work conducted by GEI through June. State grant reimbursements are not anticipated until the end of the calendar year.

Recommended Motion:

I move to approve a Mid-Kaweah GSA call for funds in the amount of \$140,000.

Mid-Kaweah GSA

Agenda Item Report

August 10, 2018

Agenda Item 4.g: Proposed Policy re GSA Board Alternate Directors

Report Author: Paul Hendrix

Staff Recommendation:

It is recommended that the Board consider adopting the attached policy concerning the role of GSA board alternates that serve in the stead of primary directors at GSA board meetings.

Background Discussion:

In conjunction with Section 9(a) of the proposed Joint Powers Agreement amendment concerning the number of alternate directors appointed by each Member, the Management Committee seeks clarification on how and when alternate directors are seated at the dais at a GSA board meeting. The attached draft policy sets forth guidelines on this matter, and solicits the submittal of any documentation each Member may have on hand governing their respective reliance on alternate directors.

It is recommended that the proposed policy be considered for adoption by the GSA Board at such time as the first amendment to the JPA has been authorized for execution by the three GSA Members.

Attachment:

Draft "Board Member Alternate Policy."



Mid-Kaweah Groundwater Sustainability Agency

Board Member Alternate Policy

Background:

Each GSA Member appoints two primary representatives to serve on the Board of Directors and two alternate representatives to serve in their stead in circumstances where the primary representative cannot attend a board meeting. As stated in the First Amendment to the Joint Powers Agreement, either of two alternate directors may serve in the place of one of the two primary board members at board meetings.

Purpose:

To provide for an orderly transition during GSA board meetings for the replacement of an alternate director by a primary director after the meeting has commenced, and for replacement by an alternate director in the event a primary director leaves a board meeting prior to adjournment.

Policy:

It shall be the policy of the Mid-Kaweah GSA that, if any Member has seated an alternate director at the dais when a board meeting is called to order, should a primary director of said Member subsequently arrive at the meeting, the alternate director may step down and be replaced by the primary director at the dais upon the completion of all discussion and any action on the then-current agenda item.

If any primary or alternate board director of any Member leaves a board meeting prior to adjournment an alternate director, should any be present representing said Member, will be seated at the dais to replace the departed director.

Members shall furnish the GSA with any internal policies or other guidelines governing the protocol concerning reliance on alternate representatives and the manner in which they shall represent said Member at GSA board meetings.

Mid-Kaweah GSA
Agenda Item Report

August 10, 2018

Agenda Item 4.h, 4.i: Geophysical Data Collection Project

Report Author: Paul Hendrix

Staff Recommendation:

It is recommended that the Board approve for execution (1) a cost-sharing agreement with the East and Greater Kaweah GSAs, and (2) an agreement with Aqua Geo Frameworks for s sub-basin geophysical data collection project.

Background Discussion:

At the April 10th GSA meeting, an overview of the proposed project and funding was presented to the Board. Attachment A depicts the proposed helicopter flight lines for which the data will be collected, and Attachment B summarizes the cost-sharing arrangement among outside sources and local GSAs. The project is anticipated to commence early this fall.

Two agreements, to be executed by all three Kaweah Sub-Basin GSAs, are now needed to effectuate this project – one to memorialize the cost-sharing among the GSAs and one with the contractor undertaking the data collection effort. These are included as Attachments C and D respectively.

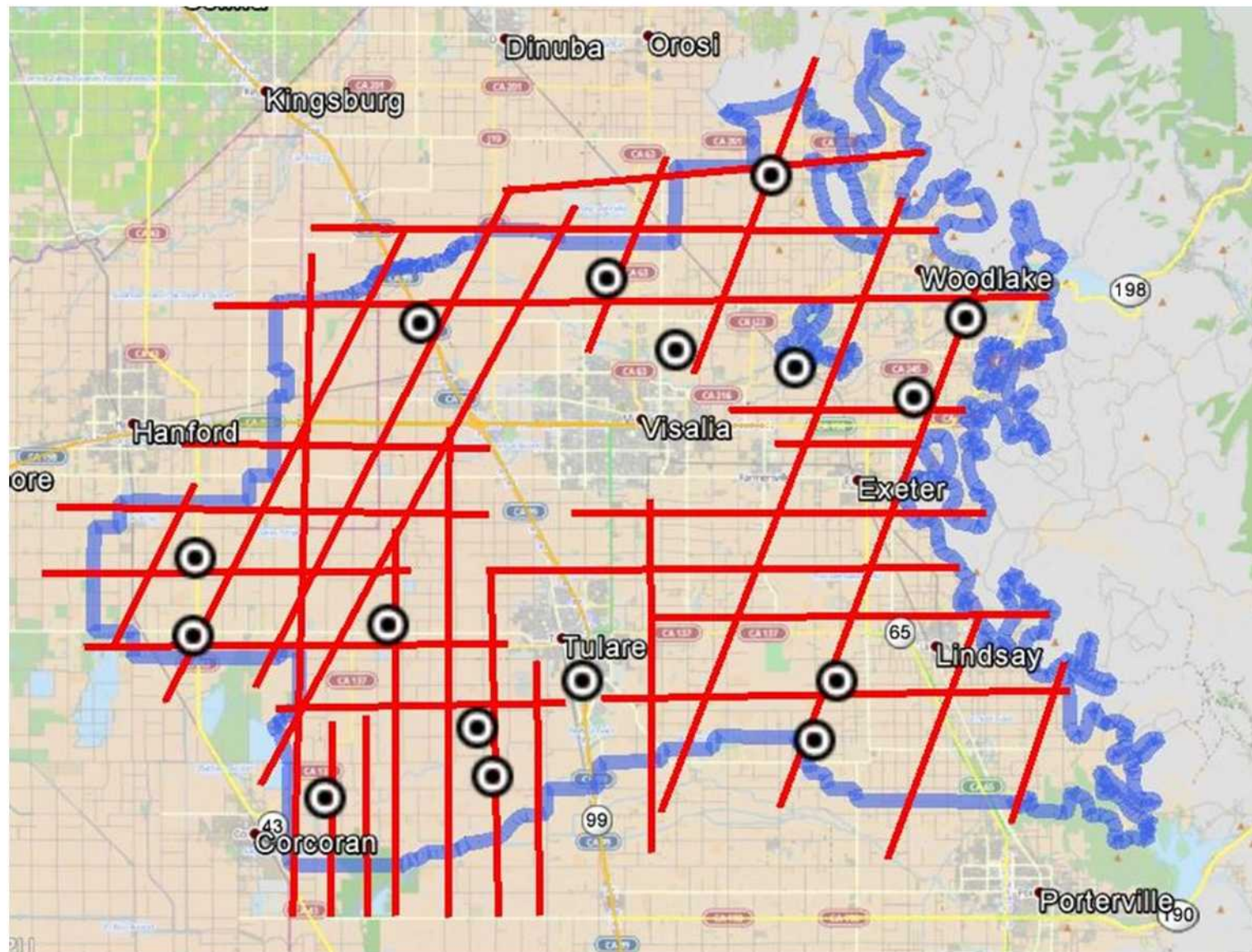
It is recognized that additional data collected from this proposed project will enhance the understanding of the Sub-Basin and its underlying aquifer characteristics, assist with the Basin Setting and Hydrogeologic Conceptual Model as necessary elements of GSPs, and provide new calibration parameters for the region’s numerical simulation model. The project will also provide direct benefits to the GSAs and landowners that overlie the proposed new flight lines, providing detailed subsurface information not previously available to those areas and landowners. However, no flight lines are being proposed over urban areas, as the SkyTEM fly-over operations are prohibited in these developed areas.

The aforementioned proposal will implicate the cost-share arrangement within the Mid-Kaweah GSA. Proposal costs that are deemed to be of benefit to all of its Members will be equally split as confirmed by the Board at its December 2017 meeting. Proposal costs that are determined based on flight-line locations within TID will be assigned to that Member only.

Recommended Motions: I move to authorize execution of the “Letter Agreement for Kaweah Sub-Basin Airborne Geophysical Electromagnetic Data Collection Project;” I move to authorize execution of the Professional Services Agreement between the Kaweah Sub-Basin GSAs and Aqua Geo Frameworks LLC.

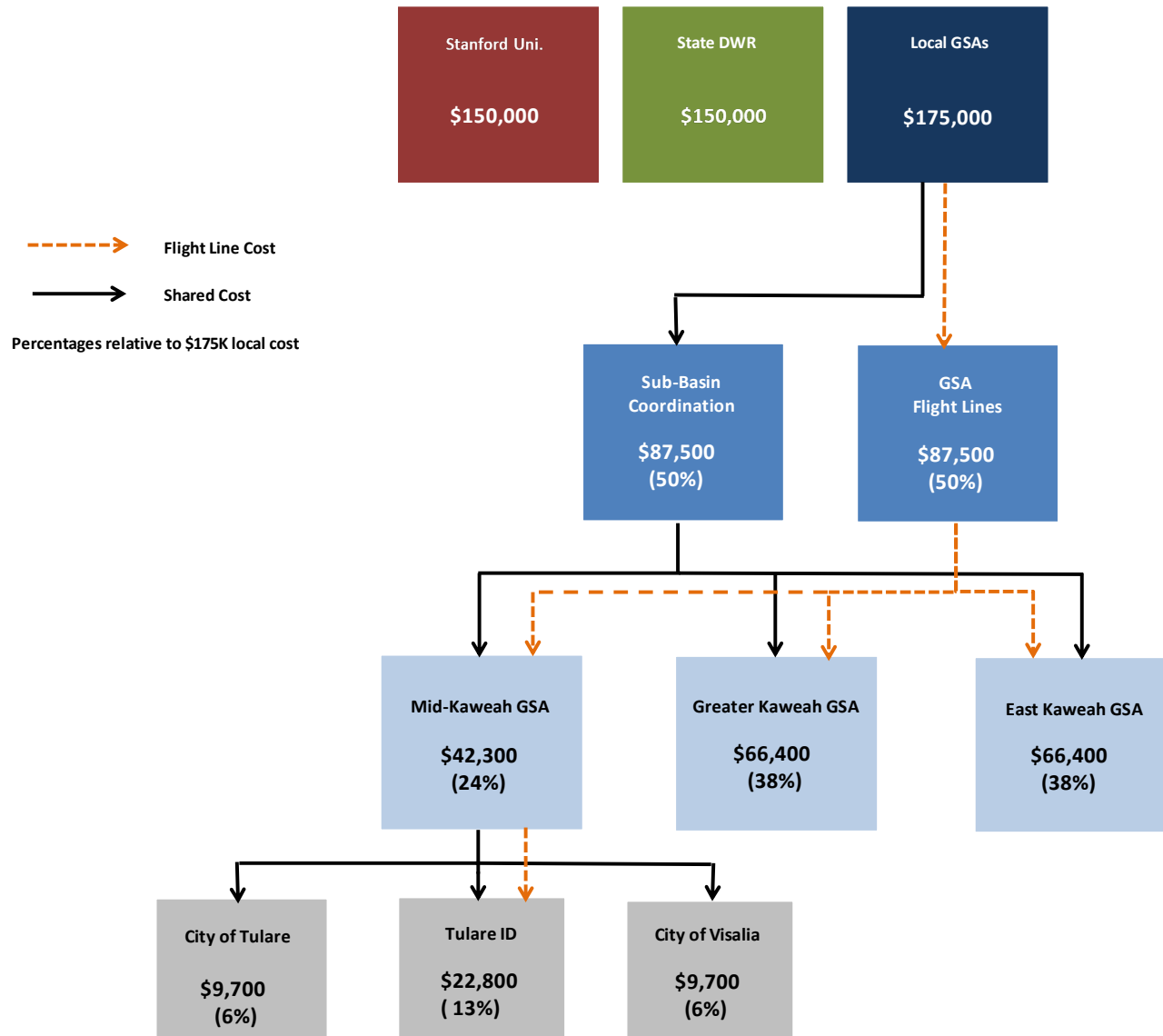
Attachments:

- A – Helicopter flight line locations
- B – Cost-Sharing Schematic
- C – GSA Letter Agreement
- D – Professional Services Agreement



Helicopter Flight Line Locations – Kaweah Sub-Basin

SkyTEM Cost Distribution
15% of Flight Lines in Tulare ID
Equal Amounts in Other Two GSAs



LETTER OF AGREEMENT

KAWEAH SUB-BASIN AIRBORNE GEOPHYSICAL ELECTROMAGNETIC DATA COLLECTION PROJECT

This Letter of Agreement (“LOA”) by and between the Mid-Kaweah Groundwater Sustainability Agency (“MKGSA”), the Greater Kaweah Groundwater Sustainability Agency (“GKGSA”), and the East Kaweah Groundwater Sustainability Agency (“EKGSA”) (individually referred to also as “Party” and collectively referred to as “Parties”), is entered into by the Parties based upon the following understandings:

1. The Parties executed an MOU for Cooperation and Coordination of the Kaweah Sub-Basin in November 2017 which, among other things, committed the Parties to collectively fund the work necessary to assemble and analyze hydrogeologic data and information concerning the sub-basin and for compliance with SGMA, including the Coordination Agreement to be ultimately executed by the Parties.
2. The Parties intend to jointly prepare a Basin Setting, Hydrogeologic Conceptual Model and Numeric Simulation Model for the Kaweah Sub-Basin, all which are benefited by additional knowledge of the sub-basin characteristics and sub-surface geology, and all of which are needed by the Parties for their respective GSPs as may be initially submitted to DWR or as updated thereafter.
3. The Parties acknowledge, in Section 4.1 of the MOU, that consultant costs incurred to fulfill recommendations made per the MOU would be shared equally among them where it is understood that all Parties benefit equally from such consultant work.
4. The Parties further acknowledge, in Section 4.3 of the MOU, that other costs may arise for coordination needs, the distribution of which may need to be later determined and agreed to by the Parties.
5. To advance and expand the knowledge base of the Kaweah Sub-Basin and its aquifer characteristics, a proposal has been submitted by Stanford University to arrange for the collection and processing of airborne geophysical transient electromagnetic survey data within the region, referred to herein as the “Project.” Project work will be conducted by Stanford and through utilization of the services of the companies identified as SkyTEM and Aqua Geo Frameworks
6. Project funding is to consist of \$150,000 from the Parties, \$150,000 from Stanford University and \$150,000 from the Calif. Dept. of Water Resources. It is currently estimated that an additional \$25,000 will be due from the Parties to GEI Consultants for their work in infusing the geophysical data so collected and processed into the Basin Setting, HCM and numerical modeling parameters.
7. Upon assurance that \$300,000 is forthcoming from other sources to partially fund the Project, the Parties will execute a contract with Aqua Geo Frameworks, attached as

Exhibit A, at a fixed fee of \$150,000 for their role in the Project; Project work by SkyTEM and/or others will be as arranged for and coordinated by Stanford. The Parties will further execute a SkyTEM task order with GEI in an amount not to exceed \$25,000 for data review and incorporation into sub-basin coordination work.

8. In said contract with Aqua Geo Frameworks, the MKGSA is identified as the Clients Representative and fiscal agent for all payments due the contractor. As with ongoing coordination work by GEI, MKGSA will serve as the fiscal agent for GEI's expenditures related to this Project.

The purpose of this LOA is to set forth the cost-sharing arrangement and proportion borne by each Party for the costs as identified in the contract with Aqua Geo Frameworks and in the GEI task order.

The Parties hereby agree to the following terms and conditions concerning reimbursements to MKGSA for its payments to Aqua Geo Frameworks and GEI:

- A. One-half of the total Parties' cost of \$175,000 (\$87,500) is deemed to be of equal benefit to all Parties, and one-third of this amount will be reimbursed to MKGSA each by EKGSA and by GKGSA.
- B. One-half of the total Parties' cost (\$87,500) is deemed to be of benefit pro-rata to each GSA based on the proportion of SkyTEM helicopter survey flight lines mapped within each as shown in Exhibit B, and reimbursements to MKGSA will be made accordingly. Flight line extensions into adjoining sub-basins are not to be included in this pro-rata calculation.
- C. Based on the cost apportionment in A and B above, the following percentages identify each GSA's share of the total cost of \$175,000:

East Kaweah GSA	X%
Greater Kaweah GSA	Y%
Mid-Kaweah GSA	Z%
- D. Reimbursements to MKGSA are to be made as follows:
 - a. Of the \$45,000 initial deposit due Aqua Geo Frameworks, X% is to be reimbursed by EKGSA and Y% by GKGSA upon execution of this LOI.
 - b. Of the \$75,000 due Aqua Geo Frameworks upon completion of the survey, X% is to be reimbursed each by EKGSA and Y% by GKGSA upon invoicing by MKGSA.
 - c. Of the \$30,000 balance due Aqua Geo Frameworks upon delivery of the post-survey Hydrogeologic Framework Report to the Parties, X% is to be reimbursed each by EKGSA and Y% by GKGSA upon invoicing by MKGSA.
 - d. For services rendered per the SkyTEM task order with GEI, X% is to be reimbursed each by EKGSA and Y% by GKGSA upon invoicing by MKGSA on a quarterly basis until the work per the task order is completed.

For purposes of communications pursuant to this LOA, the point of contact for each Party shall be as follows:

J. Paul Hendrix – Manager
Mid-Kaweah Groundwater Sustainability Agency
144 South L Street Suite N
Tulare, CA 93274
jph@midkaweah.org

Eric Osterling – General Manager [or Mark Larsen?]
Greater Kaweah Groundwater Sustainability Agency
2975 N. Farmersville Blvd.
Farmersville, CA 93223
eosterling@kdwcd.com

Michael D. Hagman – Executive Director
East Kaweah Groundwater Sustainability Agency
315 E. Lindmore St.
Lindsay, CA 93247
mhagman@lindmoreid.com

The Parties have entered into this LOA as of the last date executed below.

Mid-Kaweah GSA:

By: _____
J. Paul Hendrix Date

Greater Kaweah GSA:

By: _____
Eric Osterling Date

East Kaweah GSA:

By: _____
Michael D. Hagman Date

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (this "Agreement") is made and entered into as of May 4, 2018 by and between the East Kaweah Groundwater Sustainability, Greater Kaweah Groundwater Sustainability Agency and Mid-Kaweah Groundwater Sustainability Agency (hereinafter called Clients) and Aqua Geo Frameworks, LLC., a limited liability corporation of the State of Nebraska, (hereinafter called "AGF" or the "Contractor"). The Clients and Contractor are sometimes referred to below as "Parties" and each of them as a "Party."

RECITALS

A. The Clients desires to obtain a hydrogeologic framework of selected areas of the Kaweah Sub-Basin region located in Tulare and Kings counties, California. This work will be accomplished through use of Airborne Electromagnetic (AEM) Surveys in conjunction with existing geologic and hydrogeologic information, hereinafter called the Project.

B. AGF is a Company qualified and experienced in conducting and preparing surveys and associated data reports and agrees to contract with the Clients to provide the Survey and the Hydrogeologic Framework Report as further described below. AGF is a Nebraska Registered company with California registered Professional Geophysicists performing this work.

NOW THEREFORE, in consideration of the above Recitals and the mutual promises and covenants contained below, the parties agree as follows:

1. SCOPE OF WORK

- 1.1 An AEM survey will be flown over selected areas within the Clients. Data collected from these flights will be provided as a preliminary AEM Survey and as a final product as part of the Hydrogeologic Framework Report. The AEM survey will be flown at a spacing appropriate for each area in north-south and east-west directions. Approximately 500 miles of AEM survey transects across the Sub-Basin will be flown for the Clients .
- 1.2 Commencing upon the dates of execution of this Agreement, by the parties work shall begin on the project.
- 1.3 The Contractor shall begin project planning upon signing of the project between the parties. This work includes flight plans, database development, and review of hydrogeologic and geologic work for the area. Clients shall be afforded the opportunity to review the flight transects selected by the Contractor and to request changes acceptable to the Parties. The Clients shall also assist in providing information such as power line maps, test hole databases, and related aquifer characteristic studies in digital form to the contractor.

- 1.4 The Contractor shall acquire the AEM survey data referenced in Section 1.1, which survey will be flown over selected areas within the Sub-Basin to provide the hydrogeological framework, commencing on approximately October 1, 2018 through November 1, 2018. Status reports of the data acquisition will be provided to the Client Representative of the daily, including the areas flown, production rates, and flight plan for the following day.
- 1.5 The Contractor shall process and perform quality assurance/quality control (QA/QC) on all of the data collected from the AEM system.
- 1.6 The Contractor shall numerically invert the AEM data and derive 2D and 3D electrical resistivity models of the surveyed area. These inverted georeferenced data will be delivered to the Clients.
- 1.7 The Contractor shall provide a Hydrogeologic Framework Report that will include maps of aquifer(s), map of aquifer(s) relationship to current test holes and production groundwater wells, and a map of estimated potential recharge areas in the surveyed area. The report will include all data and metadata files. The report will be delivered in PDF digital format.

2. SCHEDULE

- 2.1 The project planning, AEM data acquisition, QA/QC, and preliminary inversion work shall be completed by early December 2018. A report on the project status shall be given at that time.
- 2.2 Beginning in early January 2019, the Contractor will begin development of the hydrogeologic framework. At times during its development, interaction with the Clients will be needed to keep parties apprised of progress. After completion of the framework, a data publication which is considered the final Report will be produced and notification of its completion will be provided to Clients by early April 2019. The Report will be delivered and then presented at a meeting with the Clients on or before April 30, 2019.

3. COMPENSATION

- 3.1 For the services satisfactorily rendered as set forth in this Agreement, the Contractor will be paid as described below. The Client Representative shall serve as the fiscal administrator for all payments to the Contractor
 - 3.1.1 The Clients shall pay a fixed fee of \$150,000.00 to be paid as follows:
 - 3.1.2 Due upon signing the Agreement, (30%) \$45,000;
 - 3.1.3 Due upon completion of the data acquisition by AGF, (50%) \$75,000.00;

3.1.4 Due upon delivery of completed report of Part 1.7 of section 1 of contract on approximately April 1, 2019 (20%) \$30,000.

3.1.5 All costs and expenses of whatever kind incurred by SkyTEM, which is the AEM subcontractor selected by Stanford for this survey, including the aircraft, fuel and stand by days are included in the fixed fee of \$107 per line mile and the \$16,000 mobilization-demobilization fee. AGF will pay for all such costs.

3.2 In no event shall the work described here in exceed \$150,000, unless authorized in writing by the Clients.

4. TERM AND TERMINATION

4.1 This Agreement is effective as of August ____, 2018 and shall continue until the Project is completed, no later than April 1, 2019, unless terminated earlier as provided for in the Agreement, or extended by mutual agreement of the Parties.

4.2 If AGF defaults in the performance of its material obligations, the Clients may, without prejudice to any other remedy it may have, give AGF written notice of its intent to terminate this Agreement, unless AGF remedies the default within ten (10) days after receiving such notice. If AGF has not remedied said default within such time, the Clients may, upon written notice to AGF, terminate this Agreement.

4.3 The Clients may, at its option, terminate this Agreement for reasons other than AGF's default at any time prior to the completion of the Project upon giving AGF thirty (30) days written notice. If the Clients elect to terminate this Agreement prior to the completion of the Project, then Clients shall pay to AGF all costs incurred by AGF, or for which AGF has become obligated to incur, prior to the date of termination.

5. INDEPENDENT CONTRACTOR

It is understood and agreed that AGF is, and shall be deemed and treated as an independent contractor while engaged in the performance of professional services to the Clients and none of its employees, agents or subcontractors shall be employees or agents of the Clients for any purpose. AGF maintains the absolute right to supervise, manage and exclusively control the operation and safety of its personnel, facilities and other equipment and property and the manner and means of performing the rights and obligations under this Agreement. The Clients shall have no right of direction or

control of AGF or its employees or agents, being only authorized to receive the work products of the Project.

6. QUALIFICATION OF CONTRACTOR

The Contractor warrants and represents that it and all employees, agents, and subcontractors are qualified to perform the services described in this Agreement and in compliance with all applicable state and federal laws, policies, practices and procedures.

7. SUBCONTRACTORS

7.1 Contractor shall not otherwise transfer any rights, duties and/or obligations under this Agreement without prior written consent of the Clients. The duties and obligations of the Contractor shall not terminate or transfer upon the use of any subcontractor. The Clients acknowledges and agrees that to fully perform under this Agreement, the Contractor may use subcontractors for certain services. The Contractor will oversee all subcontractors' efforts and the Clients will not be liable or responsible for any actions of any subcontractor.

7.2 This Agreement is between AGF and the Clients and nothing herein is intended to create any third-party benefit to subcontractors. The Contractor shall ensure that all financial obligations are met between the Contractor and subcontractor and shall ensure there are no liens upon the Clients or its property arising from subcontractor's actions or deliverables. Privity of contract only exists between the Clients and the Contractor. Separate privity of contract exists between the Contractor and subcontractor. These are mutually exclusive relationships; accordingly, there is no privity of contract between the Clients and the subcontractors.

8. GOVERNING LAW

This Agreement shall be governed, construed and interpreted by the laws of the State of California, excluding any choice of law rules that would otherwise require the application of laws of any other jurisdiction. AGF irrevocably submits to the jurisdiction of the courts of the State of California including the federal court and waives any objection that it may have to either the jurisdiction, venue, or inconvenient forum of such courts.

9. INDEMNITY

9.1 To the fullest extent permitted by law, each Party (the "Indemnitor") shall indemnify, defend, and hold harmless the other Party and its board members, officials, directors, officers, members, managers, agents, and employees (each an

“Indemnified Party”) from and against all claims, damages, losses, fines, assessments, and expenses, including, but not limited to, attorneys’ fees (collectively, “Losses”), arising out of or resulting from: (a) a breach of this Agreement by the Indemnitor; (b) the unlawful acts of the Indemnitor or the Indemnitor’s subcontractors; or (c) the negligent or intentional acts or omissions of the Indemnitor or the Indemnitor’s subcontractors, provided that, in no event shall an Indemnitor be required to indemnify, defend, or hold harmless an Indemnified Party for Losses to the extent such Losses are caused by the negligent or intentional acts or omissions of the Indemnified Party.

- 9.2 If any claim covered by this indemnity is asserted by a third party, the Indemnified Party shall promptly give the Indemnitor notice of the claim and give the Indemnitor an opportunity to defend or settle the claim with counsel of its choice and at its expense, and the Indemnified Party shall extend its full cooperation in connection with the defense, subject to reimbursement for actual out-of-pocket expenses incurred by the Indemnified Party as the result of a request by the Indemnitor. If the Indemnitor fails to defend a claim within a reasonable time, the Indemnified Party shall be entitled to assume the defense and the Indemnitor shall be bound by the results obtained by the Indemnified Party with respect to the claim, and the Indemnitor shall be liable to the Indemnified Party for its expenses incurred in the defense, including, without limitation, reasonable attorney's fees and any settlement payments.

10. INSURANCE

At all times during the term of this Agreement, Contractor shall carry and maintain at its own expense, work insurance protection of the kinds and the minimum amounts set forth below: Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or sub-contractors.

Coverage - Coverage shall be at least as broad as the following:

- 10.1 Commercial General Liability (CGL) - Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least \$2,000,000 per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to Clients or the general aggregate limit shall be twice the required occurrence limit.

- 10.2 Automobile Liability (if necessary) – Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) or if Contractor has no owned autos, Symbol 8 (hired) and 9 (non-owned) with limit of \$1,000,000 for bodily injury and property damage each accident.
- 10.3 Professional Liability – Insurance appropriate to the Contractor’s profession, with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

If Claims Made Policies:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the Clients require and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Clients.

- 10.4 Other Required Provisions - The general liability policy must contain, or be endorsed to contain, the following provisions:
- A. Additional Insured Status: Clients, their directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 10 01), with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations.
 - B. Primary Coverage: For any claims related to this project, the Contractor’s insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to the Clients, their directors, officers, employees and authorized volunteers. Any insurance or self-insurance maintained by the Clients, their directors, officers, employees and authorized volunteers shall be excess of the Contractor’s insurance and shall not contribute with it.
- 10.5 Notice of Cancellation – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Clients.

- 10.6 Self-Insured Retentions - Self-insured retentions must be declared to and approved by the Clients. The Clients may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Clients. .
- 10.7 Acceptability of Insurers - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or as otherwise approved by Clients.
- 10.8 Verification of Coverage – Contractor shall furnish the Clients with certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Clients before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor’s obligation to provide them. The Clients reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages.
- 10.9 Sub-Contractors – Contractor shall require and verify that all sub-contractor maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that Clients its directors, officers, employees, and authorized volunteers are an additional insured are an additional insured on Commercial General Liability Coverage.
- 10.10 Other Endorsements – Each of the forgoing policies of insurance shall include an extra-territorial endorsement to explicitly provide that the coverage extends to the areas where the Survey or services are performed hereunder.
- 10.11 Statutory Law – The Parties specifically recognize that certain federal or state statutory or case law may obligate or require modification to Paragraph 10 INSURANCE and Paragraph 9 INDEMNITY and that future changes in the law and interpretations of the law during the term of this Agreement may affect the validity or scope of those Paragraphs. Therefore, the Parties specifically agree that, if any provision of Paragraphs 10 or 9 is determined to be unenforceable or in contravention of any applicable law, such provision shall be deemed modified to the minimum extent required to bring such provision into compliance with said applicable law.

11. FORCE MAJEURE

Any delay or failure in the performance by either Party here under shall be excused if and to the extent caused by the occurrence of a Force Majeure. For purposes of this Agreement, Force Majeure shall mean a cause or event that is not reasonably foreseeable or otherwise caused by or under the control of the Party claiming Force Majeure, including acts of God, fires, floods, explosions, riots, wars, hurricane, sabotage, terrorism, vandalism, accident, restraint of government, governmental acts, injunctions, labor strikes that prevent Contractor from performing, and other like events that are beyond the reasonable anticipation and control of the Party affected thereby,

despite such Party's reasonable efforts to prevent, avoid, delay, or mitigate the effect of such acts, events or occurrences, and which events or the effects thereof are not attributable to a Party's failure to perform its obligations under this Contract.

12. DISPUTE RESOLUTION

Notwithstanding the provisions of Paragraph 4.2 above, before a Party may bring suit in any court concerning any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, such Party must first seek in good faith to resolve the dispute through negotiation or other form of nonbinding alternate dispute resolution mutually acceptable to the Parties.

13. ACCESS TO RECORDS

The Contractor shall be granted reasonable access to the Clients' records as may be necessary to complete the scope of work.

14. CONFIDENTIALITY

14.1 AGF shall use its reasonable best efforts to keep confidential (a) data acquired from the Survey and Data Report to be conducted pursuant to this Agreement, (b) information relating to the location of the survey and the type of work performed, and (c) information supplied by the Clients, which is not otherwise proprietary to AGF, and which is identified in writing by the Clients to AGF as being confidential. AGF shall not divulge to anyone other than its employees, subcontractors, and agents, and the Clients' representative, employees and agents, such confidential data or information unless previously authorized by the Clients in writing. AGF will require the same degree of confidentiality from its subcontractors.

14.2 Likewise, the Clients shall observe the above confidentiality obligation, insofar as it has access to and knowledge of the equipment, instruments, programs, and procedures of the operation hereof, which are the property of and proprietary to AGF.

14.3 The foregoing obligation of confidentiality shall survive the termination of this Agreement but it shall not apply to information which (a) was or shall have been in the possession of the receiving Party prior to disclosure by the other Party, or (b) is acquired by the receiving Party from others who have no direct or indirect confidential commitment to the other Party with respect to same, or (c) are or become part of the public domain without the fault or participation of the receiving Party, or (d) as required by law.

15. CONFLICT OF INTEREST

The Contractor warrants that he/she has no interest presently and shall not acquire any interest, direct or indirect, which would conflict in any manner with the performance of the services required under this Agreement.

16. SEVERABILITY OF TERMS

Should any provision of this Agreement be deemed invalid or unenforceable, that provision shall be deemed to be deleted from this Agreement and all remaining provisions shall remain in full force and effect.

17. CLIENTS REPRESENTATIVES

17.1 The Clients designate the Mid-Kaweah GSA, phone: (559) 686-2166, Email address: jph@midkaweah.org as its Representative, to whom AGF's representative may deliver reports and other information and from whom AGF representative will receive instructions, provided such instructions are in accordance with the terms of this Agreement. AGF shall be entitled to rely on the apparent authority of such the Client Representative on the Clients' behalf to inspect such operations and give instructions to AGF. Such instructions shall be related to the Project.

17.2 The Clients' Representative and other Client staff may be present during the field phase to monitor the Survey but shall not have any authority to interfere with the actual logistical aspects of the acquisition or analysis of the data.

17.3 All expenses related to the presence of any the Clients Representative shall be paid by the Clients.

18. OWNERSHIP OF DATA

Upon AGF's receipt of the final payment, all information, documents, and data pertaining to the Survey and Data Report shall become the sole property of the Clients and shall be delivered to the Clients at the conclusion of the analysis. Subject to Paragraph 14 (Confidentiality), AGF reserves the right, but not the obligation to maintain a digital backup of the data from the Project for archival purposes.

19. LAWS, RULES, AND LICENCES

AGF shall comply with all provisions of applicable law including, federal, state, and municipal laws, ordinances, rules and regulations relating to the performance of the Project. AGF warrants that it is duly licensed and authorized to undertake the Project as outlined in this Agreement, if required by State, Federal or local laws, or that it will be so licensed and authorized prior to commencement thereof.

20. MECHANIC'S OR OTHER LIENS

AGF shall promptly pay all costs and charges incurred by it in connection with this Agreement and shall not suffer nor permit any Mechanic's lien or other liens attached to any property of the Clients.

21. ECOLOGY AND SANITATION

During the course of the Survey, AGF shall keep the site of any Survey and camp areas free from accumulations of waste materials, rubbish or garbage. Upon completion of the Survey, AGF shall remove all tools, surplus materials, rubbish and garbage belonging to AGF, and leave the working area and campsite in a condition comparable to the condition of the site at the start of the Survey.

22. ENFORCEMENT OF DISCIPLINE

AGF shall at all times enforce discipline and maintain good order among its employees and subcontractors, and shall not retain on the job any person not skilled in the task assigned to that person. AGF shall forthwith remove from the Survey any employee of AGF or a subcontractor who is unacceptable, for good cause, to the Clients.

23. NOTICE

All notices, demands and consents required or permitted to be given under this Agreement shall be in writing and may be delivered personally, transmitted by facsimile or e-mail, or may be forwarded by first class prepaid certified mail, return receipt requested, to the addresses set forth below. Any notice shall be deemed given and received on the next business day after personal delivery or facsimile transmission or email, or if mailed, on the expiration of three (3) days after it is post marked, addressed as follows:

CLIENT REPRESENTATIVES:

Mid-Kaweah Groundwater Sustainability Agency
144 S. L Street Suite N
Tulare, CA 93274

Attention: J. Paul Hendrix
Manager
Phone: (559) 686-2166
Email address:
jph@midkaweah.org

CONTRACTOR:

AQUA GEO FRAMEWORKS, LLC
130360 County Road D
Mitchell, NE 69357-2508

Attention: James C. Cannia
Member Principal Geologist
Phone: (308) 641-2635
Email address:
jcannia@aquageoframeworks.com

24. WAIVER

The rights herein given to either Party may be exercised from time to time, singularly or in combination, and the waiver of one or more of such rights shall not be deemed to be a waiver of such right in the future or of any one or more of the other rights that the exercising Party may have. No waiver of any breach of a term, provision, or condition of this Agreement by one Party shall be deemed to have been made by the other Party unless such waiver is expressed in writing and signed by an authorized representative of such Party and failure of either Party to insist upon the strict performance of any term, provision, or condition of this Agreement or to exercise any option herein given shall not be construed as a waiver or relinquishment in the future of the same or any other term, provision, condition or option.

25. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the Parties and supersedes and replaces any oral or written communication previously made between the Parties relating to the subject matter hereof. This Agreement shall not be amended except by written instrument executed by the duly authorized representatives of both parties.

26. ASSIGNMENT

Neither the Contractor nor the Clients shall assign, subcontract, pledge, mortgage or otherwise encumber any of its rights hereunder without the prior written consent of the other Party.

27. DISCLAIMER

AGF shall conduct this project using the current standards of the geophysical industry and used in-house quality control standards to produce the geophysical survey and products. The geophysical methods and procedures described in the final report are applicable to the

particular project objectives, and these methods have been successfully applied by AGF to investigations and projects of similar size and nature. However, field or subsurface conditions may differ from those anticipated, and the resultant data may not achieve the project objectives. AGF's services are performed consistent with the professional skill and care ordinarily provided by professional geophysicists under the same or similar circumstances. No other warranty or representation, either expressed or implied, is made by AGF in connection with its services unless in writing and signed by an authorized representative of AGF.

IN WITNESS WHEREOF, the Parties to this Agreement have caused it to be executed by their duly authorized representatives as of June ___, 2018.

AQUA GEO FRAMEWORKS, LLC:

By: _____

James C. Cannia P.G., Member Principal Geologist

CLIENTS:

East Kaweah GSA

By: _____

Greater Kaweah GSA

By: _____

Mid-Kaweah GSA

By: _____

Mid-Kaweah GSA

Agenda Item Report

August 9, 2018

Agenda Item 4.j.i: Amended Kaweah Sub-Basin MOU

Report Author: Paul Hendrix

Staff Recommendation:

It is recommended that the Board approve the execution of the first amendment to the “Memorandum of Understanding for Cooperation and Coordination of the Kaweah Sub-Basin.”

Background Discussion:

The subject MOU was approved by the three sub-basin GSAs last November. It defines the process by which they will conduct and pay for the analyses necessary to prepare a Coordination Agreement as required by SGMA. As part of that process two committees were established by the MOU, namely the Management Team Committee and the Technical Advisory Committee (TAC). Since that time, and as reported at the Mid-Kaweah June board meeting, the three GSAs have concluded that the TAC meetings and activities had become somewhat redundant with those of the Management Team, and that such technical matters were better dealt with by each GSA through their own committee activities. As a result, the MOU has been revised to omit the TAC as shown in Section 5 thereof. Both the East Kaweah and Greater Kaweah GSAs have since approved this amendment to the MOU.

Recommended Motion:

I move to approve the execution of the first amendment to the “Memorandum of Understanding for Cooperation and Coordination of the Kaweah Sub-Basin” by the appropriate Mid-Kaweah GSA representatives.

Attachment:

Amended Kaweah Sub-Basin MOU

**MEMORANDUM OF UNDERSTANDING
FOR COOPERATION AND COORDINATION
OF THE KAWEAH SUBBASIN**

THIS MEMORANDUM OF UNDERSTANDING (“Coordination MOU”) is entered into this 1st day of November, 2017, by and between the Mid-Kaweah Groundwater Sustainability Agency (“MKGSA”), Greater Kaweah Groundwater Sustainability Agency (“GKGSA”), and East Kaweah Groundwater Sustainability Agency (“EKGSA”) (individually also referred to as “Party” or “GSA” and collectively referred to as “Parties”).

RECITALS

WHEREAS, the Parties are all located within the Tulare Lake Hydrologic Region, San Joaquin Valley Groundwater Basin, Kaweah Subbasin, a groundwater Subbasin recognized by the California Department of Water Resources (“DWR”) Bulletin 118 (2003) as Groundwater Basin Number 5-22.11;

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

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

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

WHEREAS, pursuant to Water Code §10727.6 and Code of Regulations §357.4, a Coordination Agreement must be prepared if multiple GSPs will be implemented within a basin which requires the Parties to ensure that the GSPs utilize the same data and methodologies within the basin for the following items: (a) groundwater elevation data; (b) groundwater extraction data; (c) surface water supply; (d) total water use; (e) change in groundwater storage; (f) water budget; and (g) sustainable yield;

WHEREAS, the Parties acknowledge that multiple GSAs were formed within the Kaweah Subbasin and the Parties presently intend to develop and implement multiple GSPs;

WHEREAS, the Parties acknowledge that the data analysis and other technical information required for a Coordination Agreement in the Kaweah Subbasin have not been completely collected and the Parties agree that under this Coordination MOU they will cooperate with the data collection and related efforts necessary for preparation of a Coordination Agreement;

WHEREAS, the purpose of this Coordination MOU is to provide for a cooperative means of gathering this information and establishing processes required for the preparation of a Coordination Agreement that will serve to coordinate development and implementation of multiple GSPs by the GSAs, and to provide a framework among the Parties to collectively manage the Kaweah Subbasin in accordance with the requirements of SGMA.

NOW, THEREFORE, it is mutually understood and agreed as follows:

SECTION 1: DEFINITIONS

- 1.1. “Kaweah Subbasin” or “Kaweah Basin” refers to that Subbasin identified and described in California Department of Water Resources California’s Groundwater Bulletin 118 as part of the Tulare Lake Hydrologic Region, San Joaquin Valley Groundwater Basin, Kaweah Subbasin, also identified as Groundwater Basin Number 5-22.11 as delineated in **Exhibit A**.
- 1.2. “Groundwater Sustainability Plan” or “GSP” means a plan of a GSA proposed or adopted under SGMA as defined in Water Code § 10721(k).
- 1.3. “Coordination Agreement” shall be the agreement to ensure coordination of the data and methodologies used in all GSPs within the Kaweah Basin for the following assumptions: (a) groundwater elevation data; (b) groundwater extraction data; (c) surface water supply; (d) total water use; (e) change in groundwater storage; (f) water budget; (g) sustainable yield, all as mandated by SGMA and as defined by Water Code § 10727.6 and California Code of Regulations §357.4.
- 1.4. “SGMA” refers to the Sustainable Groundwater Management Act, codified at Part 2.74 of the California Water Code, and any related statutes and regulations.

SECTION 2: PURPOSE AND GOALS

- 2.1. The purpose of this Coordination MOU is to:
 - 2.1.1. Set forth the Parties mutual agreement to prepare and enter into a Coordination Agreement.
 - 2.1.2. Provide for the acquisition of the data and analyses required for the Coordination Agreement.
 - 2.1.3. Set forth a structure for communication and recommendation procedures between the Parties for preparation and finalization of a Coordination Agreement.

SECTION 3: CONSULTANT

- 3.1. *Consultant*. The Parties agree that it will be necessary for certain consultants to be engaged to prepare various data and technical analysis required for the Coordination

Agreement and possibly other Kaweah Subbasin SGMA compliance needs that the Parties deem valuable to handle collectively.

- 3.2. *Contracting.* The Parties agree that each GSA shall be a party to any agreement with a consultant for required work to be conducted in furtherance of the Coordination Agreement. The Parties agree further that the MKGSA shall be the fiscal administrator for purposes of billing, payment and related contract administration for any agreement the Parties enter into with a consultant for required work to be conducted in furtherance of the Coordination Agreement. The foregoing requirements shall in no way preclude any Party from retaining their own consultants to assist their GSA for purposes of complying with SGMA.

SECTION 4: COST SHARING

- 4.1. *Cost Sharing of Consultant.* The Parties agree to share equally in costs of any consultants retained for purposes of fulfilling any recommendations under this Agreement. The Parties understand that each individual GSA may retain the same consultants for GSA-specific work, and costs for consultant work only applicable to an individual GSA shall not be shared by the Parties collectively.
- 4.2. *Grant Funds.* The Parties entered into a Letter of Intent (“LOI”), which is incorporated by reference to this Coordination MOU and attached hereto as **Exhibit B**. The LOI outlines the cost sharing provisions agreed to for purposes of applying for Prop 1 Funding GSPs and other Projects, as well as the division of any potential awards, of which funds will go towards this Coordination Agreement and the Parties individual GSP preparation.
- 4.3. *Other Costs.* The Parties acknowledge that other costs may arise in the future to fulfill the terms of the Coordination Agreement and this Coordination MOU. All additional costs must be approved by each GSA, in a proportion to be decided at such time.

SECTION 5: COMMITTEES

- 5.1. *Formation of Joint-Committees.* The Parties agree that communication between the GSAs is necessary to accomplish the goals of this Coordination MOU. To that end, the Parties shall form the Management Team Committee and, All committee meetings shall be subject to the Ralph M. Brown Act, and the committee shall be responsible for determining an appropriate process to ensure compliance.

Deleted: following joint-committees: the

Deleted: the Subbasin Technical Advisory Committee

Deleted: s

- 5.2. *Management Team Committee.*

5.2.1. *Purpose and Responsibilities.* The Management Team shall make recommendations regarding the Coordination Agreement and other Kaweah Subbasin related SGMA related compliance issues to each GSA. The Management Team shall meet as necessary.

5.2.2. *Membership.* Each GSA shall appoint three (3) representatives to the Management Team Committee. Each GSA's respective representatives shall serve at the pleasure of his or her appointing GSA.

5.2.3. Each GSA will be entitled to one (1) vote on the Management Team Committee. The process for declaring such vote must be determined by each respective GSA. Recommendations to the GSAs shall be made by the Management Team Committee only upon the unanimous vote of the Management Team Committee. Should unanimity not be reached, the votes shall be reported to each GSA's Board of Directors for further direction.

5.3. *Adoption of Committee Recommendations.* Recommendations approved by unanimous consent of the Management Team Committee shall be reported to each GSA Board, with the process and manner for GSA approval left to the discretion of each GSA. If a GSA fails to approve a recommendation of the Management Team Committee, the Management Team Committee shall reconvene and endeavor to develop an alternative recommendation that may resolve any issues which resulted in the failure to approve. If the Management Team Committee is unable to develop an alternative recommendation, or if a GSA fails to approve the Management Team Committee's alternative recommendation, the Parties shall evaluate whether to enter into the dispute resolution process outlined in Section 5.6.

5.4. *Failure of Management Team Committee to Reach Consensus.* The Parties acknowledge that at times consensus may not be reached amongst the Management Team Committee. All matters in which consensus of the Management Team Committee cannot be reached shall be reported to the GSA Boards of Directors. The Management Team Committee shall reconvene after the unresolved issue has been reported to the GSA Boards of Directors. If the Management Team Committee is still unable to reach consensus, the Parties shall evaluate whether to enter into the dispute resolution process outlined in Section 5.6.

5.5. *Dispute Resolution.* Any GSA may choose to initiate a dispute resolution process by serving written notice to the remaining GSAs of the following: (1) identification of the conflict; (2) description of how the conflict may negatively impact the sustainability of the Kaweah Subbasin; and (3) a proposal for one or more resolutions. The Parties agree to designate representatives to meet and confer with each other within thirty (30) days of the date such notice is given and said representatives shall then meet within a reasonable time to address all issues identified in the notice. Should the representatives be unable to reach a resolution within ninety (90) days of the written notice, the Parties shall enter into informal mediation in front of a mutually agreeable mediator.

Deleted: 5.3.

Deleted: Subbasin Technical Advisory Committee.

Deleted: 5.3.1.

Deleted: Purpose and Responsibilities. The Subbasin TAC shall make technical recommendations regarding the Coordination Agreement and other Kaweah Subbasin related SGMA compliance issues to the Management Team. The Subbasin TAC shall meet as necessary.

Deleted: 5.3.2.

Deleted: Membership. Each GSA shall appoint two (2) representatives to the Subbasin TAC. Each GSA's respective representatives shall serve at the pleasure of his or her appointing GSA.

Deleted: 5.4.

Deleted: 5.5.

Deleted: 5.6.

SECTION 6: GENERAL PROVISIONS

- 6.1. *Term.* This Coordination MOU shall become effective on the date first written above and shall remain so until the Coordination Agreement becomes effective.
- 6.2. *Third Party Beneficiaries.* This MOU shall not create any right of interest in any non-Party or in any member of the public as a third party beneficiary.
- 6.3. *Construction and Interpretation.* This MOU was finalized through negotiations of the Parties. Each Party has had a full and fair opportunity to review and revise the terms herein. As a result, the normal rules of construction that any ambiguities are to be interpreted against the draft Party shall not apply in the construction or interpretation of this MOU.
- 6.4. *Good Faith.* Each Party shall use its best efforts and work in good faith for the expeditious completion of the purposes and goals of this Coordination MOU and the satisfactory performance of its terms.
- 6.5. *Execution.* This Coordination MOU may be executed in counterparts and the signed counterparts shall constitute a single instrument. The signatories to this Coordination MOU represent that they have the authority to sign this Coordination MOU and to bind the Party for whom they are signing.
- 6.6. *Amendment.* This MOU may be amended or modified in writing and executed by each of the Parties.
- 6.7. *Notices.* All notices, requests, demands or other communications required or permitted under this MOU shall be in writing unless provided otherwise in this MOU, and shall be deemed to have been duly given and received on: (i) the date of service if personally served or served by electronic mail or facsimile transmission on the Party to whom notice is to be given at the address(es) below; (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service; or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered certified as follows:

TO:
Paul Hendrix
Mid-Kaweah Groundwater Sustainability Agency
6826 Avenue 240
Tulare, CA 93274
jph@tulareid.org

TO:
Mark Larsen, Secretary
Greater Kaweah Groundwater Sustainability Agency
2975 N. Farmersville Blvd.
Farmersville, CA 93223
mlarsen@kdwcd.com

TO:
Mike Hagman, Executive Director
East Kaweah Groundwater Sustainability Agency
315 E. Lindmore St.
Lindsay, CA 93247
mhagman@lindmoreid.com

IN WITNESS WHEREOF, the Parties have entered into this MOU as of the date executed below.

MKGSA:

By: _____
Chairman Steve Nelsen Date

By: _____
Secretary Roxanne Yoder Date

GKGSA:

By: _____
Chairman Don Mills Date

By: _____
Secretary Mark Larsen Date

EKGSA:

By: _____
Chairman Edward Milanesio Date

By: _____
Secretary Michael D. Hagman Date

Mid-Kaweah GSA
Agenda Item Report

August 10, 2018

Agenda Item 4.k.i: Sustainability Plan Statement of Cooperation

Report Author: Paul Hendrix

Staff Recommendation:

It is recommended that the Board adopt a generalized policy that embodies the objectives of each Member of the Mid-Kaweah GSA in achieving compliance with SGMA and establishes a broad negotiating framework for the GSA to engage with stakeholders and other GSAs in the region.

Background Discussion:

The Management Committee has been discussing the complexities of coordination among three GSAs in the Kaweah Sub-Basin and how these technical and policy issues can impact each of the Mid-Kaweah Members. The Committee recognizes that a common platform that acknowledges the needs of each Member in going forward with further discussions with other GSAs in regards to sub-basin sustainability and GSA responsibilities, water budgets, and other coordination issues is urgently needed. Absent this common understanding, this GSA cannot engage in an effective manner and speak for its Members as we try and negotiate a sub-basin Coordination Agreement, a necessary element to be completed by January 2020 along with a GSP. The attached cooperative statement reflects this understanding among the Mid-Kaweah Members.

Recommended Motion: I move to adopt the proposed “Sustainability Plan Statement of Cooperation” on behalf of the Mid-Kaweah GSA.

Attachment:

Proposed Sustainability Plan Statement of Cooperation



Proposed Sustainability Plan Statement of Cooperation

Objectives: In compliance with SGMA, the Mid-Kaweah GSA Members will strive to (a) identify strategies to avoid agricultural land retirement, (b) create opportunities for city Members to satisfy water demands in UWMPs and in General Plan/RHNA obligations, and (c) define responsibilities for Projects & Management Actions in their GSP.

In furtherance of these Objectives, the Members will support a Kaweah Sub-Basin and internal Management Area water budget apportionment, as well as Sustainable Management Criteria and associated Projects and Management Actions for its GSP, to provide the most opportune ability to both realize the urban General Plan growth projections of the cities of Visalia and Tulare and ensure the sustainability of agricultural production acreage and supporting communities within the Tulare Irrigation District. Notwithstanding their differing water rights, supplies and apportionment of the Kaweah Sub-Basin water budget as among the East, Greater and Mid-Kaweah GSAs, the Members are committed to shape and distribute this water budget in a fashion to achieve these Objectives.

Mid-Kaweah GSA

Agenda Item Report

August 9, 2018

Agenda Item 4.I.i: Communications and Engagement Plan

Report Author: Paul Hendrix

Staff Recommendation:

It is recommended that the Board approve, as a public outreach guidance document, the attached Communications and Engagement Plan.

Background Discussion:

SGMA is replete with references to public engagement in GSA activities, development of GSPs, and GSP review and implementation. The Advisory Committee has reviewed and provided input and comments as reflected in the attached Plan. It is recognized that this Plan is intended to serve as a high-level guidance document for Mid-Kaweah outreach strategies, and that it will likely evolve over time as SGMA implementation proceeds. The Plan makes reference to outreach at the sub-basin level in concert with the East and Greater Kaweah GSAs, as well as coordination with local NGO organizations engaged in grant-funded outreach to Disadvantaged Communities.

At the June GSA meeting, it was noted during public comment that a complete review by some committee representatives of the document had not occurred. These comments have since been provided comments to the document and these were discussed and considered for inclusion by the Advisory Committee.

Recommended Motion:

I move to approve the initial Mid-Kaweah GSA Communications and Engagement Plan as presented.

Attachment:

Communications and Engagement Plan (by separate E-mail)