

MID-KAWEAH GROUNDWATER SUSTAINABILITY AGENCY BOARD

SUMMARY MINUTES

August 13, 2019 – 3:00 p.m.

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

MEMBERS PRESENT: Dennis Mederos, David Martin, Steve Nelsen, David Bixler, Howard Stroman, Greg Collins

STAFF PRESENT: Paul Hendrix, Valerie Kincaid, Aaron Fukuda, Randy Groom, Leslie Caviglia, Kathi Artis, Rob Hunt, Trisha Whitfield, Andrew Bettencourt, Roxanne Yoder, Blake Wilbur (Chair, Advisory Committee)

1. CALL TO ORDER REGULAR SESSION:

Chair Mederos opened the meeting at 3:01 p.m.

2. PUBLIC COMMENT:

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

3. GENERAL BUSINESS

a. Approval of Minutes of Regular Meeting on July 9, 2019

It was moved by Director Nelsen, seconded by Director Stroman and carried 6 to 0, to approve the minutes of July 9, 2019, as presented.

b. Financial Report

i. Financial Statements – Year-to-Date

K. Artis provided an overview of the financial statements for the Board's review and consideration. She pointed out highlights on the balance sheet, profit & loss statement, and listing of transactions. It was moved by Director Nelsen, seconded by Director Bixler and unanimously carried, to approve the report as submitted.

c. Review of Policy and Appointments to Advisory Committee

P. Hendrix provided a report regarding historical appointments to the Advisory Committee for the Board's review and consideration. It was moved by Vice Chair Martin, seconded by Director Collins and unanimously carried, to approve the item as presented, i.e., reappointing the six Committee members, whose terms have expired, to serve to the end of 2019. Additionally, staff will return to the Board at the beginning of 2020 with an item to address staggered terms to eliminate a significant portion of the Committee's members from terming out at one time.

d. GSP – Status and Schedule

i. Public Draft and Comment Period

P. Hendrix stated that the public review draft was announced and made available on July 31st, and that the comment period ends on September 16th. He further noted that Tulare ID staff will be assisting with collection and organization of comments as they are submitted. Director Collins asked when Board member comments may be acknowledged, and Chair Mederos indicated that such comments are to be addressed later on the agenda.

ii. GEI Task Order

P. Hendrix explained the need for an additional task order with GEI to cover costs expended to complete the GSP public draft. He added that a nominal additional cost will be incurred for continued interface and work by GEI during the public comment period. He noted too that, once comments have all been received and considered, more time by GEI would likely be needed to produce a final draft GSP for adoption by the end of the year. It was moved by Director Collins, seconded by Director Nelsen and unanimously carried, to authorize the Manager to execute Task Order MKGSA-04.2019 in an amount not to exceed \$35,000, as requested, to cover GEI's estimated costs through the GSP public comment period.

iii. Approval of Notice of Intent to Adopt GSP

P. Hendrix stated that a Notice of Intent to adopt a GSP needs to be provided to any county or city residing within the area being managed by said GSP. The notice is to be provided at least 90 days prior to the public hearing regarding GSP adoption. Mr. Hendrix recommended that the Calif. Water Service Company also be so notified, given their role as the water provider for Visalia. It was moved by Director Stroman, seconded by Director Bixler and unanimously carried to provide a Notice of Intent to adopt the GSP to Tulare County, the cities of Visalia and Tulare, and to the Calif. Water Service Company as presented.

iv. Board Discussion re Public Draft

Chair Mederos asked each board member to express any comments or concerns regarding the draft GSP. Director Collins expressed his concern that the GSP does not offer sufficient urgency in its implementation of projects and other actions to curb overdraft. Director Stroman indicated his review is still underway. Director Bixler noted that the GSP is a good start and allows for the advancement of recharge projects. Director Nelsen also felt the GSP was a good start and would meet the state's requirements. Director Martin emphasized that the document is only a plan and not a specific project and as such is the first step in the long process of GSP implementation. Director Mederos commented that SGMA's goal is to achieve sustainability by 2040, and that future use of groundwater should be tied to surface water management to achieve sustainability. Board and staff discussion continued regarding the GSP and its implications for the future of each GSA Member and for neighboring GSA regions.

e. Kaweah Subbasin Coordination

i. Coordinated Sustainability Goal, Undesirable Results

P. Hendrix and V. Kincaid summarized the discussions among the local GSAs to finalize the descriptions of undesirable results. Board discussion ensued regarding the potential for cooperative projects to achieve sustainability for the entire Subbasin and its interconnected GSAs.

ii. GSP Public Drafts – Anticipated Availability

Mr. Hendrix indicated that draft GSPs of GSAs within the southern San Joaquin valley have been emerging, with may to be publically available in August. He noted that the East and Greater GSA draft GSPs should be out late this month or in September.

iii. GEI Task Order Amendment

Mr. Hendrix reviewed the unanticipated efforts incurred by GEI and its sub-consultants in finishing the Basin Setting document and that an amount of \$350,000 was agreed to by GEI and its three GSA clients to pay for this overage. It was moved by Director Nelsen, seconded by Vice Chair Martin and unanimously carried, to authorize the Manager to execute Task Order KSB-05.2018, Amendment No. 2 in the amount of \$350,000 as requested, one third of which to be contributed by the Mid-Kaweah GSA.

f. Advisory Committee – Activity Report

i. Example Outreach Communications – GSP Content

B. Wilbur indicated that the Committee will be meeting to review public comments submitted on the draft GSP. Further public outreach presentations will occur as well with the focus now on the content of the GSP. Director Stroman inquired as to Mr. Wilbur's impressions of the document, to which Mr. Wilbur replied that he is satisfied that it will adequately protect agricultural interests in the GSA area. Discussion then ensued among board members and Mr. Wilbur regarding the San Joaquin Valley's role in food production and water resources needed to maintain this role.

4. BOARD/STAFF UPDATES, FUTURE AGENDA ITEMS OR OTHER TOPICS OF INTEREST

T. Whitfield commented that the Tulare BPU will be provided an overview of the GSP at its upcoming meeting. She added that the document's release and comment period will be placed in an announcement to be included with city utility billings to residents and businesses. It was noted that Visalia will be doing the same as part of its utility service billings.

5. CLOSED SESSION

Chair Mederos adjourned to closed-session discussions as confirmed by General Counsel V. Kincaid at 4:17 p.m.

6. RECONVENE FROM CLOSED SESSION

Chair Mederos reconvened from closed session at 4:26 p.m. V. Kincaid advised that by a unanimous vote the Board approved for execution an Amendment to the Master Services Agreement and Release of Claims Agreement, both with GEI Consultants.

7. **ADJOURNMENT** Next Regular Meeting – September 10, 2019
Chair Mederos adjourned the meeting at 4:26 p.m.

Groundwater Sustainability Agency
Board Chair

Attest:

Groundwater Sustainability Agency
Board Secretary

Mid-Kaweah GSA
Agenda Item Report

September 10, 2019

Agenda Item Wording: Fiscal – Financial Statements Year To Date

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 31, 2019

Profit & Loss Statement for period July 1, 2019 through August 31, 2019

Transaction Detail by Account for checking and money market accounts for period August 1, 2019 through August 31, 2019

Mid-Kaweah Groundwater Sustainability Agency
Balance Sheet
As of August 31, 2019

	Aug 31, 19
ASSETS	
Current Assets	
Checking/Savings	
Checking	2,550.42
Money Market	429,240.80
Total Checking/Savings	431,791.22
Total Current Assets	431,791.22
TOTAL ASSETS	431,791.22
LIABILITIES & EQUITY	
Equity	
Retained Earnings	60,101.58
Net Income	371,689.64
Total Equity	431,791.22
TOTAL LIABILITIES & EQUITY	431,791.22

Mid-Kaweah Groundwater Sustainability Agency

Profit & Loss

July 1, 2019 through August 31, 2019

	July 1, 2019 - August 31, 2019	2019-2020 Budget	Variance
Ordinary Income/Expense			
Income			
Call For Funds			
Administration	0.00	TBD	
GEI Planning	0.00		-
Total Call For Funds	0.00	-	-
Prop 1 GSP Grant	839,231.84	607,600	231,632
Prop 1 GSP Grant Disbursements	-217,418.00		(217,418)
Reimbursed Expenses			
Aqua Geo Frameworks - SkyTEM	0.00		-
Kaweah Sub Basin Expenses	0.00		-
DWR Tech Services Application	0.00		-
Total Reimbursed Expenses	621,813.84	607,600.00	14,213.84
Total Income	621,813.84	607,600	14,214
Expense			
Audit Expense	0.00	3,900	(3,900)
Conference & Meetings	0.00		-
Consulting Fees			
Consulting Fees-GEI	0.00		-
GEI Fees - Grant Applic 01-201	0.00		-
GEI Fees - MKGSA - 02.2017			
GSP	76,178.54	763,200	(687,021)
Sub-Basin Coordination	112,277.16		112,277
Total GEI Fees - MKGSA - 02.2017	188,455.70	763,200	(574,744)
Total Consulting Fees	188,455.70	763,200	(574,744)
Flight Lines	0.00	-	-
Insurance	0.00	2,250	(2,250)
Legal	22,310.00	50,000	(27,690)
Membership Dues	0.00		-
Office Expense	663.23	100	563
Payroll, Benefits and Travel Expenses	37,856.18	246,000	(208,144)
Rent	1,000.00	5,500	(4,500)
Total Expense	250,285.11	1,070,950	(820,665)
Net Ordinary Loss	371,528.73	(463,350)	834,879
Other Income/Expense			
Other Income			
Interest Income	160.91	200	(39)
Total Other Income	160.91	200	(39)
Net Other Income	160.91	200	(39)
Net Loss	371,689.64	(463,150)	834,840

Mid-Kaweah Groundwater Sustainability Agency
Transactions by Account

As of August 31, 2019

Type	Date	Num	Name	Description	Account	Amount
Checking						
Check	08/15/2019	1135	GEI Consultants	May - July invoices	GSP and Sub-Basin Expenses	(188,455.70)
Check	08/15/2019	1136	O'Laughlin & Paris LLP	Legal fees July 2019	Legal	(13,055.00)
Check	08/15/2019	1137	Capital One	Travel expenses	Travel	(8.75)
				Adobe AcroPro	Office Expenses	(24.99)
				Copies of GSP	Office Expenses	(282.43)
Check	08/15/2019	1138	Allamo Properties	Rent September and October 2019	Rent	(500.00)
Transfer	08/19/2019			Funds Transfer	Money Market	200,000.00
Check	08/24/2019			Service Charge	Office Expense	(6.79)
Total Checking						(2,333.66)
Money Market						
Transfer	08/19/2019			Funds Transfer	Checking	(200,000.00)
Deposit	08/31/2019			Interest	Interest Income	105.78
Total Money Market						(199,894.22)
						(202,227.88)

Mid-Kaweah GSA
Agenda Item Report

September 5, 2019

Agenda Item 3.f: Letter from Friant WA re Subsidence Concerns

Report Author: Paul Hendrix

Background:

Back in late May the GSA received a letter (attached) from the Friant Water Authority calling attention to the subsidence problems along the Friant-Kern Canal and resulting loss of conveyance capacity as a result. Other GSAs within the Friant service area have received a similar letter, in which the Friant WA asks that these GSAs identify subsidence in the Canal as a SGMA-defined “undesirable result,” and further expresses a degree of urgency for GSAs to curb the groundwater overdraft now occurring given its role in inducing land subsidence. The letter requests that the Friant WA be added to the Mid-Kaweah GSA’s Interested Party list for future notifications related to the GSP and activities of the GSA.

Aaron Fukuda, General Manager of Tulare ID, will give a presentation of this subsidence issue, its implications on water management in the region, and efforts to deal with the problem at the September 10th board meeting.

Attachment:

Notification Letter from Friant Water Authority



Chris Tantau
Kaweah Delta W.C.D.
Chairman of the Board
Jim Erickson
Madera I.D.
Vice Chairman
Cliff Loeffler
Lindsay-Strathmore I.D.
Secretary/Treasurer

Edwin Camp
Arvin-Edison W.S.D.
Kole Upton
Chowchilla W.D.

Tim Orman
City of Fresno
George Porter
Fresno I.D.

Loren Booth
Hills Valley I.D.
Michael Brownfield
Lindmore I.D.

Kent H. Stephens
Kern-Tulare W.D.

Harvey A. Bailey
Orange Cove I.D.

Eric Borba
Porterville I.D.

Steven G. Kislring
Saucelito I.D.

Edwin L. Wheaton
Terra Bella I.D.

Rick Borges
Tulare I.D.

Jason R. Phillips
Chief Executive Officer

Douglas A. DeFlich
Chief Operating Officer

854 N. Harvard Ave.
Lindsay, CA 93247

1121 L St., Ste. 610
Sacramento, CA 95814

(559) 562-6305

friantwater.org

May 28, 2019

Mr. Paul Hendrix
Mid Kaweah GSA
144 S. L Street, Ste N
Tulare, CA 93274

RE: Notice of Requirement that Groundwater Sustainability Plan Identify the Effects of Subsidence on the Friant-Kern Canal Due to Groundwater Pumping as an "Undesirable Result" and to Implement Measures to Avoid and Address such Undesirable Result

Dear Mr. Hendrix:

I write at the direction of the Board of Directors of the Friant Water Authority regarding your agency's efforts to develop a groundwater sustainability plan (GSP) for your basin as mandated by California's landmark law – the Sustainable Groundwater Management Act (SGMA). As the operator of the Friant-Kern Canal on behalf of the United States Bureau of Reclamation, which facility conveys surface water to municipal and/or agricultural users in your basin and provides opportunities for groundwater recharge, SGMA requires that your agency consider the interests of FWA in formulating your GSP. (Water Code § 10723.2.)

As a preliminary matter, to the extent that your agency has not already done so, I request that FWA be added to your list of "interested persons" and that we receive notice of your board meetings, the release of the draft GSP for public comment, and any public hearings prior to the adoption of the GSP. Our contact information for such notice is at the end of this letter.

FWA, many of whose member agencies are also members of groundwater sustainability agencies (GSAs), acknowledges the challenges that SGMA presents in terms of developing a GSP that halts overdraft and brings your basin into a balanced level of pumping and recharge. Nevertheless, as plans move forward in our region, the preliminary studies and data being developed by GSAs confirm that overdraft in basins through which the Friant-Kern Canal crosses has been the primary source of land subsidence, which in turn has caused the Canal to subside more than 12 feet in certain areas – including several feet in just the past few years alone. As a result, the Canal, because of its "gravity" design, has had its conveyance capacity reduced to 40% of its original capacity (from 4,000 to 1,650 cubic-feet per second). The constriction in the Canal caused by subsidence now precludes the delivery of up to several hundred thousand acre-feet of water to Friant Division Contractors below the constrictions in wetter years, which in turn, among other things, threatens the

continued viability of tens of thousands of acres of Central Valley farmland served by our contractors.

Under SGMA, your agency's GSP must include a description of "undesirable results" applicable to the basin, which must include the following:

(1) The cause of groundwater conditions occurring throughout the basin that would lead to or has led to undesirable results based on information described in the basin setting, and other data or models as appropriate.

(2) The criteria used to define when and where the effects of the groundwater conditions cause undesirable results for each applicable sustainability indicator. The criteria shall be based on a quantitative description of the combination of minimum threshold exceedances that cause significant and unreasonable effects in the basin.

(3) Potential effects on the beneficial uses and users of groundwater, on land uses and property interests, and other potential effects that may occur or are occurring from undesirable results.
(23 California Code of Regulations (CCR) § 354.26.)

FWA understands that defining the conditions that are considered significant and unreasonable undesirable results is a difficult task, and that stakeholder input is critical in this process. As such, we respectfully request the opportunity to meet with your staff and other technical advisors and consultants to discuss what subsidence conditions FWA might consider to be significant and unreasonable, and to collaboratively discuss opportunities that might satisfactorily mitigate future anticipated subsidence.

As your agency may be aware, the FWA Board recently gave preliminary direction to study, develop plans, and pursue permitting for a portion of an overall project referred to as the Friant-Kern Canal Capacity Correction Project that is intended to restore the capacity of Canal that has been lost due to subsidence by developing new parallel canal segments in the areas of the Canal most impacted. FWA's engineering consultant, Stantec, currently estimates the costs of the Project are in the range of \$195 million to \$429 million. This estimate does not, at present, include detailed design or construction work to address potential future subsidence of the Canal.

While SGMA may permit for a period of up to 20 years to bring a basin into balance, we firmly believe that the continuation of subsidence at the rates historically experienced, particularly if unmitigated, is unacceptable and look forward to identifying feasible solutions that allow your agency to meet its sustainability goal while avoiding or mitigating undesirable subsidence impacts on the Friant-Kern Canal.

On behalf of FWA, I appreciate your agency's consideration of these initial comments and we look forward to continued dialogue and participation as a stakeholder as the GSP is developed.

Sincerely



Jason Philips,
Chief Executive Officer

Contact information for GSA Notices:

Friant Water Authority
854 N. Harvard Ave.
Lindsay, CA 93247
Attention: Douglas DeFlitch, Chief Operating Officer
gsa@friantwater.org

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