

**MID-KINGS RIVER GROUNDWATER SUSTAINABILITY AGENCY
JOINT POWERS AUTHORITY
REGULAR MEETING MINUTES
TUESDAY, JULY 9, 2019**

Chair McCutcheon called the regular meeting to order at approximately 1:00 p.m.

DIRECTORS PRESENT: Art Brieno; Barry McCutcheon, Chair; Michael Murray, Vice-Chair;

DIRECTORS ABSENT: Steven P. Dias

OTHERS PRESENT: Dennis Mills, GM and Board Secretary
Ray Carlson, Legal Counsel John Gailey, Delta View WA
Julianne Phillips, Kings Co. Shawn Corley, Lakeside IWD
John Doyel, Hanford Mike Olmos, Hanford
Jim Maciel, Armona CSD

ESTABLISH QUORUM

It was determined that a quorum was present at the meeting.

CONFLICT OF INTEREST

None.

PUBLIC COMMENT PERIOD

None.

APPROVAL OF MINUTES OF JUNE 19, 2019 MEETING

Chair McCutcheon asked if there was a motion regarding the minutes circulated in this month's Board packets. Attorney Carlson noted a minor edit on the first page of the minutes. Director Brieno made a motion to approve the June 19, 2019 meeting minutes including the noted correction. Vice-Chair Murray seconded the motion and the Board unanimously approved the meeting minutes of June 19, 2019. The vote for all of the Directors was as follows:

AYES: Art Brieno, Barry McCutcheon, Michael Murray

NOES: None

ABSTAINED: None

ABSENT: Steven P. Dias

COMMUNICATIONS

None

GSP DEVELOPMENT

GSP Development Budget Update

Manager Mills reported that the current Union Bank Account Balance was \$228,168.99 with \$186,184.26 of GSP Development funds available and \$41,984.73 in Mid-Kings River (MKR) GSA funds available. It was reported that Reimbursement Request #3 was received on June 25 from DWR for \$229,582.49. Progress Report and Reimbursement Request #4 was under development and would be submitted to DWR as soon as possible.

Manager Mills reported that he had received a letter from Wood, the GSP Development consultant. The letter stated that project expenses through the end of June 2019 were roughly \$1,327,900. It projected that expenses past the current \$1.5 million budget might be as much as \$500,000. The drivers on the budget overage were groundwater model development, which included a lot of work on the water balance which was beyond what was originally envisioned, Basin Setting chapter development, which included a lot of education of the parties, and responding to comments from five very different parties for each GSP chapter. Manager Mills asked Wood to review their invoices and identify any work that wasn't productive or was undertaken prior to authorization. They came back with a write-off of \$15,000. In reviewing the effort, Manager Mills relayed that he could see issues retrospectively that could have been done more efficiently, but generally the costs appeared to be in line with the caliber of staff that had undertaken the work and the amount of effort put in. Manager Mills relayed that in his eyes something to remember was that the budget was an estimate in early 2018 that was developed not really understanding what work was necessary, because the GSPs were new. It was the hope in the beginning that the grant funds would be enough to cover the needed efforts, but they were not. Manager Mills' recommendation to Wood was to request authorization of \$250,000 above current budget, which gives the consultant and the GSAs a target to try to keep costs down on the remaining effort. The net effect of the \$250,000 budget increase would be that half of the "seed funding" would not be returned to the GSAs.

Manager Mills also reported that the DWR GSP Development grant has a progressive 10% retention, so when the \$1.5 million budget is reached, the MKR GSA will only be eligible for \$1.35 million in reimbursement. The final \$150,000 will be reimbursed after the GSP is submitted to DWR. If Wood is able to stay within the \$1.75 million budget, then the \$500,000 "seed funding" should bridge the amount of consultant invoices. However, if the budget goes past up to \$2 million, then an additional round of "seed funding" will be needed, or we will need to ask Wood to wait for payment until the DWR retention is returned to MKR.

Manager Mills reported that the 2017 Interim Operating Agreement requires that decisions with a budget impact of greater than \$100,000 be made unanimously. Related to the South Fork Kings (SFK) GSA, Manager Mills relayed that they have a very tight budget and have communicated that the increase will create difficulties. Their Board Chairman is Supervisor Neves and the SFK manager relayed that he doesn't like budget increases. I offered to present the matter to their Board if that was helpful. The SFK Manager also relayed that she had a difficult time getting her comments included in Plan Area document and wanted more complete GSP chapters for review. Related to the Tri-County Water Authority (TCWA) GSA,

Manager Mills relayed that this is going to cause them to reprioritize things in their budget, but they planned for potentially not getting the “seed funding” back. The TCWA manager is generally happy with the work that Wood has done.

Tulare Lake Subbasin Grant Application and 2020 Annual Report

Manager Mills reported that a Round 3 SGM Grant application had been circulated this summer. Based on the anticipated timeline it appears the window to apply for the funding might be in September which creates the need to have a consultant ready to prepare the grant application. Manager Mills has been in contact with Joe Hopkins, who developed the GSP Development grant application in 2017, and he has estimated the budget for the effort would be roughly \$25,000.

Manager Mills requested a proposal to develop the Tulare Lake Subbasin 2020 Annual Report. Wood and Provost & Pritchard discussed the effort and it seems more aligned with Provost and Pritchard staff, so they developed a proposal with an estimated budget of \$57,000. The hope is to have approval on the proposal in August. The effort plans to approach the GSAs for information in October. The proposal is to the MKR GSA and it is planned to discuss how to proceed with the other GSA parties over the next month.

Update from recent Tulare Lake GSA Parties Meetings

Manager Mills reported on the meeting on June 27. He reported that review materials for Draft GSP will be digital and paper copies. Digital copies will be made available on flash drives and through links on GSA websites. Public Hearing Notices are planned to be circulated through local papers, on GSA websites and to Interested Party lists for each GSA. Related to monitoring and Sustainable Management Criteria, groundwater levels are planned to be monitored in “Spring and Fall”. There was discussion of syncing all of the measurement times, but the issue is that the El Rico GSA measures in April rather than February. For subsidence, water levels would be measured in the summer during the assumed low point and land surface surveys would be conducted in the fall. Water quality representative monitoring sites will be different than the sites for Water Level, Storage Change and Subsidence. Finally there was a discussion of the needed GSP Development Budget increase.

Draft MKR GSA Projects List Developed by Staff

Manager Mills reported that Project forms were being developed for GSA efforts. He showed an example of a form that had recently been developed for a similar Greater Kaweah GSA effort and reported that this would be discussed more fully in a future meeting.

Draft Project and Management Actions Chapter and Comments

Manager Mills gave a brief review of the comments developed for the Draft Project and Management Actions Chapter of the GSP.

GSA Funding and Prop 218 Related Consultant Services

Manager Mills reported that he had received a formal proposal from Provost & Pritchard for Prop 218 Consultant Services. The estimated budget for the effort ranged from \$49,000 to \$56,000 depending on services rendered. He relayed that the hope was to get the consultant

started in July so that the Proposition 218 election could be accomplished in February 2020. Manager Mills also relayed that the proposal needed to be reviewed by Attorney Carlson. Vice-President Murray made a motion to approve the submitted Provost & Pritchard proposal for Prop 218 Consultant Services pending review by staff and Attorney Carlson. Director Brieno seconded the motion and the Board unanimously approved the Provost & Pritchard proposal for Prop 218 Consultant services pending review by staff and Attorney Carlson. The vote for all of the Directors was as follows:

AYES: Art Brieno, Barry McCutcheon, Michael Murray

NOES: None

ABSTAINED: None

ABSENT: Steven P. Dias

Revised Monitoring Network Chapter Review – In Progress

None

UPDATE ON ONGOING EFFORTS

None

SET NEXT MEETING DATE

The regular August Board of Directors meeting was set for August 13, 2019 at 1 p.m.

CLOSED SESSION

This item was tabled until the next meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 3:50 p.m.

Respectfully submitted,

Dennis Mills
MKR MIN 190709