

MID-KAWEAH GROUNDWATER SUSTAINABILITY AGENCY BOARD

SUMMARY MINUTES

September 8, 2020 – 3:00 p.m.

Conducted via Teleconference
Per Executive Order N-29-20

MEMBERS PRESENT: Dennis Mederos, Dave Martin, Steve Nelsen, David Bixler, G. Collins, Chris Harrell^(Alt)

STAFF PRESENT: Aaron Fukuda, Valerie Kincaid, Kathy Artis, Rob Hunt, Trisha Whitfield, Randy Groom, Leslie Caviglia, Andrew Munn, Roxanne Yoder

OTHERS PRESENT: Blake Wilbur (MKGSA Advisory Comm. Chair), Tim Leo (Montgomery & Associates), Derrik Williams (Montgomery & Associates), Rick Bergin, Stacie Ann Silva, Blanca Escobedo, Geoff Vander Heuvel, Matt Klinchuch, Blake Wilbur, Amanda Peisch-Derby, Paul Adams, Sarah Rutheford (Provost & Pritchard), Hylon Kaufmann (Ranch Systems)

1. CALL TO ORDER

Chair Mederos opened the meeting at 3:04 p.m.

- 2. PUBLIC COMMENT** – The public may comment on any subject within the jurisdiction of the Board, including items on the agenda. Speakers will be allowed three minutes unless otherwise extended by the Board Chair. The Board cannot legally discuss or take official action on items presented under 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 August 11, 2020

It was moved by Director Nelsen, seconded by Director Bixler, and unanimously carried to approve the minutes as presented.

- b. Financial Reports*

- i. Financial Statements – Year-to-Date

K. Artis provided the report for the Board's review and consideration. She pointed out highlights in the balance sheet, profit and loss statement, and list of recent transactions. Following the report, it was moved by Director Collins, seconded by Director Nelsen, and unanimously carried to accept the report as presented.

- c. Legal Counsel Report
V. Kincaid advised that she had no update.
- d. MKGSA Advisory Committee Membership Update
A. Fukuda provided an update for the Board's review and consideration. He advised that applications are being sought for three vacancies and that those applications are due September 30. The applications will be reviewed by the Management Committee with a recommendation to the Board in October. He noted that the seat previously held by Soapy Mulholland will be assumed by Cam Tredennick, Sequoia Riverlands Trust Executive Director; furthermore, Ms. Mulholland will continue to participate in an oversight capacity and Mr. Tredennick will serve as voting member of the committee.
- e. MKGSA GSP Review Status
 - i. Public Comments on GSP
 - ii. Letter – Responses to Comments
A. Fukuda briefly introduced the item and Derrik Williams, Montgomery & Associates, who provided an update to the Board on the MKGSA responses to the GSP.

Following the presentation, it was moved by Director Nelsen, seconded by Director Bixler and unanimously carried to approve the letter as presented authorizing Board Chair Mederos to execute same.

- f. MKGSA GSP Implementation Workplan
Tim Leo, Montgomery & Associates provided a report for the Board's review and consideration. He advised that the two-year Workplan consists of seven priority activities meant to be implemented by 2022 and six extended workplan activities that are intended to be initiated during the first five to ten years of the GSP Implementation.

Following the presentation it was moved by Vice Chair Dave Martin, seconded by Director Nelsen and carried by Director Martin, Director Nelson, Director Harrell, Director Mederos, and Director Bixler to approve the Implementation Workplan as presented. Director Nelson cast the only no vote.

- g. MKGSA Consultants
A. Fukuda provided a brief update on the MKGSA Consultants, Montgomery & Associates, Provost & Pritchard and Stantec, for the Board's review and consideration.

- h. Kaweah Subbasin Coordination
 - i. Kaweah Subbasin Managers Report
 - ii. Prop 68 Grant
 - iii. RCIS Program
 - iv. Water Marketing Strategy Grant
 - v. Stanford SkyTEM
 - A. Fukuda provided a report for the Board’s review and consideration; highlighting the CVSALTS program, EKGSA approved Engineering Report and the GKGSA Prop 218 process, UC Riverside Modeling, Prop 68 Grant Components & RCIS Program. No update with regard to SkyTEM.
 - i. CVSALTS Presentation
 - A. Fukuda introduced the item and Sarah Rutheford (Provost & Pritchard) who provided a PowerPoint presentation on the Kaweah Subbasin Nitrate Management Zone.
- 4. STAFF UPDATE, DISCUSSION AND RECEIVE DIRECTION, IF NECESSARY, REGARDING COVID-19**
- 5. BOARD/STAFF UPDATES, FUTURE AGENDA ITEMS OR OTHER TOPICS OF INTEREST**
- 6. CLOSED SESSION**
Chair Mederos adjourned to closed session for the items as noted at 4:44p.m.
- a. Gov’t Code §54956.9 – Anticipated Litigation: One Case
 - b. Gov’t Code §54957 – discuss employment of General Manager
- 7. ADJOURNMENT** Next Regular Meeting – October 13, 2020
Chair Mederos reconvened at 5:13 p.m., advised there were no reportable action as to item “a” and as to item “b” the Management Committee was directed to move for with the General Management Recruitment and adjourned the meeting at 5:13 p.m.

Groundwater Sustainability Agency
Board Chair

Attest:

Groundwater Sustainability Agency
Board Secretary

Mid-Kaweah GSA

Agenda Item Report

October 13, 2020

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 October 5, 2020

Profit & Loss Statement for period July 1, 2020 through October 5, 2020

Transaction Detail by Account for checking and money market accounts for period September 1, 2020 through October 5, 2020

Mid-Kaweah Groundwater Sustainability Agency

Balance Sheet

10/05/20

As of October 5, 2020

Accrual Basis

| | Oct 5, 20 |
|---------------------------------------|-------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Checking | 255.00 |
| Money Market | 116,544.37 |
| Total Checking/Savings | 116,799.37 |
| Accounts Receivable | |
| Accounts Receivable | 152,072.62 |
| Total Accounts Receivable | 152,072.62 |
| Total Current Assets | 268,871.99 |
| TOTAL ASSETS | 268,871.99 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable | 192,229.36 |
| Total Accounts Payable | 192,229.36 |
| Total Current Liabilities | 192,229.36 |
| Total Liabilities | 192,229.36 |
| Equity | |
| Prior Period Adjustment | 561,910.52 |
| Retained Earnings | -449,680.38 |
| Net Income | -35,587.51 |
| Total Equity | 76,642.63 |
| TOTAL LIABILITIES & EQUITY | 268,871.99 |

Mid-Kaweah Groundwater Sustainability Agency

Profit & Loss

July 1, 2020 through October 5, 2020

| | July 1, 2020 - October 5, 2020 | 2020-2021 Budget | Variance |
|--|-----------------------------------|------------------|--------------|
| Ordinary Income/Expense | | | |
| Income | | | |
| Call For Funds | - | 338,594.00 | (338,594.00) |
| Prop 1 GSP Grant | - | 150,000.00 | (150,000.00) |
| Reimbursed Expenses | | | |
| Kaweah Sub Basin Expenses | 9,434.82 | | 9,434.82 |
| Total Reimbursed Expenses | 9,434.82 | 150,000.00 | (140,565.18) |
| Total Income | - | 488,594.00 | (488,594.00) |
| Expense | | | |
| Net Reimbursements To/From Other GSAs | - | 279,000.00 | (279,000.00) |
| Audit Expense | - | 4,100.00 | (4,100.00) |
| Consulting Fees | | | |
| Montgomery & Associates | 13,130.00 | 200,000.00 | (186,870.00) |
| Consulting Fees-GEI-Sub-Basin Coordination | 14,152.22 | - | 14,152.22 |
| Total Consulting Fees | 27,282.22 | 200,000.00 | (172,717.78) |
| Insurance | 1,429.63 | 5,000.00 | (3,570.37) |
| Legal | 1,680.00 | 50,000.00 | (48,320.00) |
| Membership Dues | 5,585.00 | - | 5,585.00 |
| Office Expense | 103.45 | 2,700.00 | (2,596.55) |
| Payroll, Benefits and Travel Expenses | 9,000.20 | 165,000.00 | (155,999.80) |
| Total Expense | 45,080.50 | 705,800.00 | (660,719.50) |
| Net Ordinary Income/(Loss) | (35,645.68) | (217,206.00) | 172,125.50 |
| Other Income/Expense | | | |
| Other Income | | | |
| Interest Income | 58.17 | 300.00 | (241.83) |
| Total Other Income | 58.17 | 300.00 | (241.83) |
| Net Other Income | 58.17 | 300.00 | (241.83) |
| Net Income/(Loss) | (35,587.51) | (216,906.00) | 171,883.67 |

Mid-Kaweah Groundwater Sustainability Agency

Transactions by Account

As of October 5, 2020

| Type | Date | Num | Name | Description | Account | Receipts | Disbursements |
|---------------------|------------|------|----------------------------|------------------------------|------------------|------------------|--------------------|
| Checking | | | | | | | |
| Check | 08/24/2020 | | | Service Charge | Office Expense | | (4.67) |
| Transfer | 09/03/2020 | | | Funds Transfer | Money Market | 5,000.00 | |
| Check | 09/04/2020 | 1197 | O'Laughlin & Paris LLP | Invoice #1179 | Legal | | (840.00) |
| Check | 09/04/2020 | 1198 | Tulare Irrigation District | August 2020 Payroll Expenses | Payroll Expenses | | (4,620.16) |
| | | | Tulare Irrigation District | Quick Books program | Office Expense | | (75.00) |
| Check | 09/23/2020 | | | Service Charge | Office Expense | | (10.62) |
| Check | 10/05/2020 | 1199 | ACWA | 2021 Annual Agency Dues | Membership Dues | | (5,585.00) |
| Check | 10/05/2020 | 1200 | GEI Consultants | Invoice #3077866 & #3078305 | Consulting Fees | | (3,108.93) |
| Check | 10/05/2020 | 1201 | Montgomery & Associates | Invoice #9603-20-4 | Consulting Fees | | (6,760.00) |
| Check | 10/05/2020 | 1202 | ACWA JPIA | Member #M031 | Insurance | | (1,429.63) |
| Transfer | 10/05/2020 | | | Funds Transfer | Money Market | 17,000.00 | |
| Total Checking | | | | | | 22,000.00 | (22,434.01) |
| Money Market | | | | | | | |
| Deposit | 08/25/2020 | | AT&T | Refund of overpayment | Interest Income | 3.02 | |
| Deposit | 08/31/2020 | | | Interest | Interest Income | 19.62 | |
| Transfer | 09/03/2020 | | | Funds Transfer | Checking | | (5,000.00) |
| Deposit | 09/17/2020 | | | Deposit | -SPLIT- | 14,237.12 | |
| Deposit | 09/30/2020 | | | Interest | Interest Income | 15.33 | |
| Transfer | 10/05/2020 | | | Funds Transfer | Checking | | (17,000.00) |
| Total Money Market | | | | | | 14,275.09 | (22,000.00) |
| | | | | | | 36,275.09 | (44,434.01) |
| | | | | | Net Cash | | (8,158.92) |

Mid-Kaweah GSA
Agenda Item Report

October 6, 2020

Agenda Item 3.b.ii.: MKGSA Representation Letter

Staff Recommendation:

MKGSA recommends that the MKGSA Board authorize the Board Chairman to sign the MKGSA Representation Letter.

Background:

The MKGSA has hired Cuttone and Masrto to perform an audit of the MKGSA Financials per the engagement letter signed on August 3, 2020. To complete the audit, the MKGSA is required to submit the attached Representation Letter.

The Representation Letter provides a list of thirty-three (33) representations made by the MKGSA.

Recommended Motion:

I move to approve authorizing the MGKSA Board Chairman to sign the attached Representation Letter on behalf of the MKGSA and submit it to Cuttone and Mastro.

Attachment:

Representation Letter



September 29, 2020

Cuttone & Mastro CPA's
7543 North Ingram, Suite 102
Fresno, CA 93711

This representation letter is provided in connection with your audit of the financial statements of Mid-Kaweah Groundwater Sustainability Agency, which comprise the statement of net position and governmental fund balance sheet of Mid-Kaweah Groundwater Sustainability Agency (the Authority) as of June 30, 2020, and the related statement of activities and governmental fund statement of revenue, expenditures and changes in fund balances and changes in net position for the year then ended, and the related notes to the financial statements., for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 29, 2020, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 3, 2020.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which Mid-Kaweah Groundwater Sustainability Agency is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 17) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) We have made available to you all financial records and related data.
- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) Mid-Kaweah Groundwater Sustainability Agency has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 23) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

- 24) As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 25) Mid-Kaweah Groundwater Sustainability Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 26) Mid-Kaweah Groundwater Sustainability Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 27) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 29) The financial statements properly classify all funds and activities.
- 30) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 31) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 32) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 33) Deposits are properly classified as to risk and are properly disclosed.

Signature: _____ Signature: _____

Title: President Title: Treasurer

Mid-Kaweah GSA

Agenda Item Report

September 2, 2020

Agenda Item 3.d.i: MKGSA Advisory Committee Membership Appointments

Staff Recommendation:

The MKGSA Management Committee recommends that the MKGSA Board approves the appointment of Cam Tredennick, Eric Correia, and Geoff Vanden Heuvel to the MKGSA Advisory Committee. The MKGSA Management Committee also recommends the Interim General Manager work with others to identify a homeowner/landowner that lives within a DAC located within the MKGSA.

Background:

The MKGSA Advisory Committee is in need of identifying three (3) new members to fill vacant or soon to be vacant seats on the Advisory Committee. Please see the attached Advisory Committee Term Summary for a list of the current members and their respective terms. The MKGSA Management Committee was tasked with soliciting Advisory Committee members to replace Ed Henry, James Nichols, and to fill the vacant Disadvantaged Community (DAC) seat. The MKGSA Management Committee released a Press Release and Application (both in English and Spanish) in early September. Applications were due by September 30, 2020 at 5:00 PM. Applications were received from:

- David Cardoza – A custom farmer in the greater Tulare area
- Eric Correia – landowner and farmer in Tulare Irrigation District
- Geoff Vanden Heuvel – homeowner in the City of Tulare and experience with dairies
- Irlanda Arismendi – Visalia resident, experienced in working with DACs
- Maria Luisa Munoz – Visalia resident, experienced in working with DACs

In reviewing the applications, it was discovered that David Cardoza does not own land within the MKGSA. In discussion with Mr. Cardoza, he agreed not to seek a seat on the Advisory Committee.

We have also coordinated with Soapy Mullholand and the Sequoia Riverlands Trust (SRT) regarding Ms. Mullholand's retirement from SRT. Ms. Mullholand held a seat on the Advisory Committee as the Executive Director of SRT and represented the environmental beneficial users of the MKGSA. In discussions with SRT, they would like to have their new Executive Director, Cam Tredennick assume the seat Ms. Mullholand holds and finish her term on the Advisory Committee. Attached is a letter from Mr. Tredennick requesting this change.

In reviewing the two applicants for the DAC position, Ms. Arismendi and Ms. Munoz, it was discovered that while both applicants had experience working with DACs, they did not live in a DAC, but lived in Visalia. The MKGSA intended to hold the seat for a representative that lived in a DAC, as it was initially held by a homeowner from Okieville. In discussions with Self Help

Enterprises, it was agreed that with some work and outreach, we would try to find a representative that lived in a DAC located within the MKGSA.

The MKGSA Management committee reviewed the applications on October 5, 2020 and recommended the following for consideration and approval by the MKGSA Board:

- Eric Correia will be appointed to fill the position vacated by James Nichols.
- Geoff Vanden Heuvel will be appointed to fill the position vacated by Ed Henry.
- Cam Tredennick will be appointed to fill the position held by Soapy Mullholland, and Ms. Mullholland will be removed from the Advisory Committee.
- Defer the decision to place a representative in the vacant DAC seat and allow the Interim General Manager and Self Help Enterprises to seek an applicant that lives within a DAC. If an applicant is not found, the MKGSA would consider the two applicants that have already applied.

Recommended Motion:

I recommend that the MKGSA Board adopt the recommendations made by the MKGSA Management Committee, as stated above.

Attachment:

Advisory Committee Term Summary
Sequoia Riverlands Trust Letter



Mid Kaweah GSA

Advisory Committee Term Summary

Group I
One-Year Term
(12/31/2020)

- Mark Boyes (At Large, Agriculture)
- Richard Garcia (Environmental)
- Jimmy Nichols (Agriculture)

Group II
Two-Year Term
(12/31/2021)

- Blake Wilbur (Agriculture)
- Soapy Mulholland (Environmental)
- Eric Furtado (At Large, Cal. Water Service)
- Jessi Snyder (Disadvantaged Community)

Group III
Three-Year Term
(12/31/2022)

- Ed Henry (At Large, Tulare)
- Lee Johnson (At Large, Visalia)
- Mike Lane (At Large, Visalia)
- Vacant Seat (Disadvantaged Community)



October 7, 2020

To: Aaron Fukuda, General Manager, Tulare Irrigation District

From: Cam Tredennick, Executive Director

Dear Aaron,

As the Executive Director of Sequoia Riverlands Trust, I am writing to request that the Mid-Kaweah GSA Board appoint me to the MKGSA Advisory Committee. I will replace Soapy Mulholland, SRT's Past President, but she will continue to work closely with us as a consultant to SRT.

I very much look forward to working with you and all others involved with the successful implementation of the GSP.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cam Tredennick", is written over the printed name. The signature is fluid and cursive, with a large initial "C" and "T".

Cam Tredennick

Mid-Kaweah GSA

Agenda Item Report

October 8, 2020

Agenda Item 3.g.i.1.: Provost & Pritchard Task Order 2 – Water Accounting Framework Analysis for Kaweah Subbasin GSAs

Staff Recommendation:

It is recommended that the MKGSA Board approve the Provost & Pritchard Task Order 2 – Water Accounting Framework Analysis for Kaweah Subbasin GSAs.

Background:

The Groundwater Sustainability Agencies (GSAs) in the Kaweah Subbasin no longer have a contract with GEI to pursue work in furtherance of the implementation of the various Groundwater Sustainability Plans (GSPs) in the subbasin. One of the critical implementation elements identified by the East Kaweah, Mid-Kaweah, and Greater Kaweah GSA is the development of a refined water budget process that will inform and result in the Water Allocation Framework. In early 2020 the three GSAs opted to utilize Provost and Pritchard (P&P) to produce the required Annual Plan for the Kaweah Subbasin. During this process, P&P and the GSAs discovered the need to work on the process and data collection needed to inform the water budget.

The three GSA managers requested that P&P prepare a scope of work and budget to assist the Kaweah Subbasin with establishing a system for annually determining our water budget within the Kaweah Subbasin and the subsequent calculations necessary to implement the Water Allocation Framework. Attached is Task Order 2 – Water Accounting Framework for Kaweah Subbasin GSAs (Proposal). In this Proposal, P&P intends to facilitate meetings with local surface water managers to establish a tracking, accounting, and reporting system for the Kaweah Subbasin. P&P will collect data from the various water managers and update the Kaweah Subbasin water budget and Water Allocation Framework.

The Proposal is a Time and Materials contract with a budget of \$65,000. These costs will be split with the other two GSAs; therefore, the MKGSA will be responsible for approximately \$22,000. The Greater Kaweah GSA has already approved this Proposal.

Recommended Motion:

I recommend that the MKGSA Board approve the Interim General Manager to sign the Provost & Pritchard Task Order 2 – Water Accounting Framework Analysis for Kaweah Subbasin GSAs.

Attachment:

Provost & Pritchard Task Order 2 – Water Accounting Framework Analysis for Kaweah Subbasin GSAs

July 21, 2020

Mike Hagman

East Kaweah Groundwater Sustainability Agency
315 E. Lindmore Street
Lindsay, CA 93247

Eric Osterling

Greater Kaweah Groundwater Sustainability Agency
2975 Farmersville Road
Farmersville, CA 93223

Aaron Fukuda

Mid-Kaweah Groundwater Sustainability Agency
6826 Avenue 240
Tulare, CA 93274

RE: Proposal for Task Order 2 – Water Accounting Framework Analysis for Kaweah Subbasin GSAs, Tulare and Kings County, California

Dear Mr. Hagman, Mr. Osterling, and Mr. Fukuda:

Thank you for the opportunity to submit this proposal to provide our services to assist the Kaweah Subbasin Groundwater Sustainability Agencies (**GSAs**) analyze and work through its Water Accounting. This proposal discusses our understanding of the project, recommends a scope of services together with associated fees, deliverables and approximate schedules, sets forth our assumptions and discusses other services that may be of interest as the project proceeds.

Project Understanding

We understand that the Kaweah Subbasin GSAs are looking to reevaluate their current water accounting structure and Water Accounting Framework (**WAF**) generated through development of their Groundwater Sustainability Plans (**GSP**) and Coordination Agreement. Provost & Pritchard has been requested to assist through this evaluation process and analysis. The outcome of this effort is to have a clear framework for tracking and accounting the surface water of the Kaweah Subbasin. This better understand and framework will aim to assist in data management and required reporting for the Kaweah GSAs.

Scope of Services

Our proposed scope of work is segregated into several phases, described below.

Phase COM: (Meetings & Communications)

The scope under this phase is anticipated to include the following:

1. Attend and facilitate two (2) “Water Workshops” with key water purveyors of the Subbasin to develop a framework and organization for tracking, accounting, and reporting surface water in the Subbasin.

2. Monthly project coordination, scheduling, and updates.

Phase WAF: (Water Accounting Framework Analysis)

The scope under this phase is anticipated to include the following:

1. Analysis of the existing water data organization for discussing the advantages and challenges of this organization to improve or build upon.
2. Development of a water data organization framework stemming from the proposed “Water Workshops” with Kaweah Subbasin water purveyors.
3. The Deliverable is intended to be a new water accounting structure to facilitate water management and reporting for the Kaweah Subbasin GSAs. This framework may assist development of a new Data Management System (**DMS**) to be developed in the next year.

Professional Fees (Time & Materials)

Provost & Pritchard will perform the services in this Task Order on a time and materials basis, in accordance with our Standard Fee Schedule in effect at the time services are rendered. For budgeting purposes, our preliminary estimate over the next 8 months, is laid out in the table below. These fees will be invoiced monthly as they are accrued. Reimbursable expenses will be invoiced in addition to professional fees and are included in the estimated ranges above. If it appears we will need to exceed this budget, we will notify you in writing, and will provide a revised estimate. We will not continue work beyond the initial budget without additional authorization.

| Proposed Fee – Task Order 2 | |
|-----------------------------|-----------------|
| Phase | Estimated Fee |
| Phase COM | \$15,000 |
| Phase WAF | \$50,000 |
| Total Estimated Fee: | \$65,000 |

Schedule

Our understanding is that this will be an iterative process coordinating with the Subbasin GSAs. The proposed schedule is to work through this Water Accounting Framework analysis over the next eight (8) months. This timeline would coincide with development of the Annual Report for Water Year 2020 due on April 1, 2021.

Assumptions

- The proposed “Water Workshops” are estimated to be six to eight (6-8) hour events to go through several details of surface water within the Kaweah Subbasin including, but not limited to the type of water, key decision-making processes, transfer tracking, and delivery locations. It is assumed the GSA Managers will be assist in selecting which representatives should be present from their GSA.
- The intended deliverable is to be “Cloud-based” in order to allow GSA Managers and Representatives the ability to upload and download data for the benefit of the GSAs and Subbasin.

Terms & Conditions

Contracting will be associated with the Kaweah Subbasin Master Services Agreement. If this proposal is acceptable, please sign below and return to our office, electronic is acceptable. This document will serve as our Notice to Proceed. This proposal is valid for 30 days from the date of this proposal.

Respectfully,

Provost & Pritchard Consulting Group

Matt Klinchuch, RCE 83357
Senior Engineer

Donald Ikemiya, RCE 56630
Vice President

Terms and Conditions Accepted

By **East Kaweah Groundwater Sustainability Agency**

Signature

Printed Name

Title

Date

Terms and Conditions Accepted

By **Greater Kaweah Groundwater Sustainability Agency**

Signature

Printed Name

Title

Date

Terms and Conditions Accepted

By **Mid- Kaweah Groundwater Sustainability Agency**

Signature

Printed Name

Title

Date

Mid-Kaweah GSA

Agenda Item Report

October 8, 2020

Agenda Item 3.g.iv.2.: Consider and Recommend MKGSA Committee Member

Staff Recommendation:

It is recommended that the MKGSA Board appoint a member from the Board of Directors to participate in the Water Marketing Strategy efforts lead by the Tulare Irrigation District.

Background:

One of the water management actions that has been contemplated in the Kaweah Subbasin is the utilization of a water market to allow landowners to trade or sell groundwater pumping credits within a structured format. In 2019, the Tulare Irrigation District applied and was awarded a U.S. Bureau of Reclamation grant to develop a Water Marketing Strategy. The goal is to create the fundamental rules and guidelines for a water market in the Kaweah Subbasin that can be considered for implementation in 2025. To do this, Tulare ID intends to establish a Water Marketing Strategy Committee (Committee), an 11-member committee representing the various beneficial groundwater users in the subbasin.

To begin establishing the Committee, Tulare ID is seeking committee members from the three Groundwater Sustainability Agencies (GSAs), as described in the attached letter submitted to the MKGSA. Tulare ID will assign a representative to the Committee and represent the agricultural beneficial user of groundwater on the Committee. It is recommended that the MKGSA choose a representative from one of the cities to represent the urban beneficial users of groundwater.

Recommended Motion:

I nominate _____ as the appointed representative to the Water Marketing Strategy Committee in their effort to establish a water market in the Kaweah Subbasin.

Attachment:

Tulare Irrigation District Letter



TULARE IRRIGATION DISTRICT

6826 Avenue 240 ♦ Tulare, California 93274 ♦ Telephone (559) 686-3425

October 6, 2020

Mid-Kaweah GSA
Aaron Fukuda, Interim GM
6826 Avenue 240
Tulare, California 93274

Subject: Kaweah Subbasin Water Marketing Strategy – Invitation to Participate

Dear Mr. Osterling:

The Tulare Irrigation District (District) is leading an effort to develop a Water Marketing Strategy (Strategy) to prepare for the possible future exchange of limited groundwater usage allocations under the Sustainable Groundwater Management Act (SGMA). The Strategy is meant to be a collaborative process in which all water user types will have the opportunity to participate. A Water Marketing Strategy Committee (Committee) will be formed of roughly eleven (11) members, which will have authority on major decisions relating to the proposed Water Market's parameters, rules, and management.

To begin identifying and selecting Committee members, the District is inviting the three (3) Groundwater Sustainability Agencies (GSAs) to each provide a singular representative, preferably elected, to sit on the Committee along with a singular District representative. Once the Committee appointments from the GSAs and the District are established, these four (4) Committee members will begin seeking the other seven (7) members from a broad representation of groundwater beneficial users within the Kaweah Subbasin.

We are requesting that your GSA provide a name to the District by October 30, 2020. Upon receiving your representative's name, the District will establish a meeting in early November to convene the Committee to provide background and establish the next steps.

Please feel free to contact me if you have any questions or concerns. I can be reached at (559) 686-3425 or via email at jab@tulareid.org.

Sincerely,

Jeremy Barroll
Assistant Engineer