

**MID-KINGS RIVER GROUNDWATER SUSTAINABILITY AGENCY
JOINT POWERS AUTHORITY
MEETING MINUTES
TUESDAY, DECEMBER 13, 2016**

Dennis Mills, Kings CWD General Manager introduced himself and called the regular meeting to order at 1:00 p.m.

DIRECTORS PRESENT: David Ayers, Hanford Mayor; Steven P. Dias, Kings CWD Vice-President; Barry McCutcheon, Kings CWD Director, Michael Murray, Kings CWD Director

DIRECTORS ABSENT: None

OTHERS PRESENT: Dennis Mills, Kings CWD General Manager;
Ray Carlson, Kings CWD Attorney;
Shawn Corely, Lakeside IWD Manager;
Dusty Ference, Kings County Farm Bureau Manager,
John Doyel, Hanford Deputy Public Works Director;
Colleen Carlson, County Counsel for Kings County; Sue Ruiz, Self Help Enterprises;
Paul Hendrix, Tulare ID Manager

ESTABLISH QUORUM

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

PUBLIC COMMENT PERIOD

None. At this point in the meeting, all attendees introduced themselves in succession.

GOVERNING BOARD OFFICERS

Mr. Mills reported that Kings CWD approved the Mid-Kings River Groundwater Sustainability Agency Joint Powers Authority (MKR GSAJPA or Authority) agreement on Thursday, Nov. 10, 2016. At the same time the Kings CWD Board selected Director Barry McCutcheon, Director Michael Murray and Vice-President Steven P. Dias as Kings CWD's board representatives. Minutes to this effect were approved by the Kings CWD Board at their recent Dec. 8, 2016 meeting. Mr. Mills reported that the City of Hanford approved the MKR GSAJPA agreement on Tuesday, Nov. 15, 2016. At the same time the Hanford City Council selected Mayor David Ayers as the City's representative on the Authority board. Minutes to this effect were approved by the City Council and have been posted to the City's website. Mr. Mills reported that the County of Kings approved the MKR GSAJPA agreement on Tuesday, Nov. 22, 2016. Minutes to this effect were approved by the City Council and have been posted to the City's website. While Kings County is a party to the MKR GSAJPA agreement they do not currently have a representative on the Authority Board. Mr. Mills also explained that a fifth Authority Board director would eventually be nominated from a standing Stakeholder Committee.

Mr. Mills communicated to the Board that his recommendation would be to set a policy that only Authority Board representatives from Authority members (Kings CWD, City of Hanford and County of Kings) would be appointed as governing board officers. This seemed

agreeable to the Board and Mr. Mills relayed that at a future meeting he would bring this kind of policy for their consideration.

CONSIDER APPOINTMENT OF AUTHORITY CHAIR

As this was the inaugural Authority Board meeting, Mr. Mills announced the consideration of Board appointments, beginning with the Authority Chair. Mr. Mills opened the nominations and Director Murray nominated Director McCutcheon. No other nominations were put forward. Mr. Mills closed the nominations and asked the directors to vote on Director McCutcheon's nomination for Authority Chair. The vote for all of the Directors was as follows:

AYES: David Ayers, Steven P. Dias, Barry McCutcheon, Michael Murray

NOES: None

ABSTAINED:None

ABSENT: None

CONSIDER APPOINTMENT OF AUTHORITY VICE-CHAIR

Mr. Mills announced the consideration of Authority Vice-Chair. Mr. Mills opened the nominations and Director Dias nominated Director Murray. No other nominations were put forward. Mr. Mills closed the nominations and asked the directors to vote on Director Murray's nomination for Authority Vice-Chair. The vote for all of the Directors was as follows:

AYES: David Ayers, Steven P. Dias, Barry McCutcheon, Michael Murray

NOES: None

ABSTAINED:None

ABSENT: None

CONSIDER APPOINTMENT OF AUTHORITY SECRETARY

Mr. Mills announced the consideration of Authority Secretary. Mr. Mills opened the nominations and Director Dias nominated Mr. Mills. No other nominations were put forward. Mr. Mills closed the nominations and asked the directors to vote on his nomination for Authority Secretary. The vote for all of the Directors was as follows:

AYES: David Ayers, Steven P. Dias, Barry McCutcheon, Michael Murray

NOES: None

ABSTAINED:None

ABSENT: None

CONSIDER RESOLUTION TO ESTABLISH AUTHORITY BANK ACCOUNT

Secretary Mills reported that work to establish an Authority bank account is under way but will take some time to accomplish.

AGENCY BY LAWS AND COMMITTEES

ESTABLISH REGULAR BOARD MEETINGS

Secretary Mills discussed with the Board what regular day and time might work best for the Authority's regular Board meetings. There was discussion of how often the Board would meet and Secretary Mills believed that it would be necessary to hold monthly meeting for the foreseeable future. Director Ayers asked that the regular Authority Board meeting not be scheduled on days that the Hanford City Council regularly meets. The Board agreed that the second Tuesday of the month at 1:00 pm would be the Board's regular meeting day and time.

DISCUSS OPTIONS FOR THE ESTABLISHMENT OF STAKEHOLDER COMMITTEE

Secretary Mills discussed with the Board options for the establishment and function of the Stakeholder Committee. He stated that Section 4.01 of the MKR GSAJPA agreement states "Committees shall be formed by the Board in order to advise the Board on matters that fall within the scope of the particular committee's assignment. Committees may be standing committees or ad hoc committees. The Board shall appoint one (1) Director or alternate Director to be a voting member of and the Chair of each committee. Committees shall meet as often as directed by the Board or, if no such direction is given, as often as necessary, as determined by the Chair of the committee. Two (2) standing committees shall be formed as soon as reasonably practical, but in no event later than one hundred and twenty (120) days after formation of the Authority. Stakeholder Committee. Committee members shall fall within categories of interested persons or representatives of interested entities as described in SGMA. Committee members shall be appointed by the Board from among applicants." Mr. Mills also stated that categories of interested persons in the Sustainable Groundwater Management Act of 2014 (Water Code § 10723.2) are Ag users, Domestic users, Municipal well operators, Public water systems, Local land use planning agencies, Environmental users, Surface water users (if there is a hydrologic connection between surface and groundwater bodies), federal agencies, CA Native American tribes, Disadvantaged Communities and Groundwater Monitoring entities.

Secretary Mills relayed that the Stakeholder Committee will be subject to Brown Act noticing requirements and his view should be made up of agencies outside of Kings CWD and the City of Hanford that could include local agencies (Lakeside IWD, Armona CSD, Home Garden CSD, Kaweah Delta WCD and Kings County), mutual water companies (Hardwick MWC, Peoples DC, Settlers DC, Last Chance Water DC), school districts and potentially the Tachi Tribe. He suggested that the size of the Stakeholder Committee be limited to a manageable number, that the Stakeholder Committee be organized to somewhat reflect the magnitude of groundwater use in the area, and for staff to consider the views expressed by the Board and develop a recommendation on how the Stakeholder Committee might be organized and how parties might apply to become part of the committee. The Board agreed and accepted Secretary Mills' recommendation on how to proceed.

DISCUSS APPOINTMENTS FOR TECHNICAL ADVISORY COMMITTEE

Secretary Mills discussed with the Board options for the establishment and function of the Technical Advisory Committee (TAC). He stated that the MKR GSAJPA agreement states that "Each Director shall be entitled to appoint one (1) technical person to be a member of the Technical Advisory Committee." The TAC is a standing committee that will be subject to Brown Act noticing and that will begin to be necessary as the Board is asked to consider more technical issues. However in the near-term there will little for it to consider. Over the next few months the City and the District will need to discuss who will be nominated by each. It was discussed that if a common consultant could be agreed on, the other two committee positions

might be staff members. Secretary Mills' suggestion was that staff consider the views expressed by the Board and develop a recommendation on how the TAC might be organized and how parties might nominate to become part of the committee. The Board agreed and accepted Secretary Mills' recommendation on how to proceed.

DISCUSS OTHER INITIAL POLICY NEEDS

Secretary Mills asked the Board to consider whether they would rather the Authority have an operational year that is a calendar year (January – December) or one that matches the State's fiscal year (July – June). After some discussion the consensus of the Board was to have the Authority's year be a calendar year.

GROUNDWATER SUSTAINABILITY AGENCY FORMATION

REVIEW FORMATION PROCESS AND REQUIREMENTS

Secretary Mills reviewed with the Board the general components of the GSA formation process. He then described the GSA formation process as follows:

Before deciding to become a GSA, and after publication of notice pursuant to Section 6066 of the Government Code, the local agency or agencies shall hold a public hearing in the county or counties overlying the basin. (Water Code §10723(b))

Section 6066 of the Government Code states "Publication of notice pursuant to this section shall be once a week for two successive weeks. Two publications in a newspaper published once a week or oftener, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including therein the first day."

The GSA formation notice shall include all the information in Water Code §10723.8(a), as applicable.

(a) Within 30 days of deciding to become or form a groundwater sustainability agency, the local agency or combination of local agencies shall inform the department of its decision and its intent to undertake sustainable groundwater management. The notification shall include the following information, as applicable:

(1) The service area boundaries, the boundaries of the basin or portion of the basin the agency intends to manage pursuant to this part, and the other agencies managing or proposing to manage groundwater within the basin.

(2) A copy of the resolution forming the new agency.

(3) A copy of any new bylaws, ordinances, or new authorities adopted by the local agency.

(4) A list of interested parties developed pursuant to Section 10723.2 and an explanation of how their interests will be considered in the development and operation of the groundwater sustainability agency and the development and implementation of the agency's sustainability plan.

The decision to become an exclusive GSA shall take effect pursuant to Water Code §10723.8(c) and (d) – an exclusive GSA will not be identified by DWR until any GSA overlap is resolved.

Only exclusive GSAs can coordinate to develop a GSP for a basin and submit that GSP to DWR for review.

A GSA may withdraw from managing a basin by notifying DWR in writing of its intent to withdraw. (Water Code §10723.8(e))

REVIEW DWR NOTICE REQUIREMENTS

Secretary Mills conveyed that he planned to publish notices in the Hanford Sentinel on Tuesday December 20, 2016 and Tuesday December 27, 2016 prior to the anticipated Public Hearing to Elect to Become a GSA on January 5, 2017. Consistent with Section 6066 of the Government Code, the notices would be once a week for two successive weeks with at least five days intervening between the respective publication dates. There was discussion of how the notice publication dates might relate to the Brown Act noticing requirements for the special Authority meeting date.

CONSIDER THURSDAY, JANUARY 5, 2017 FOR PUBLIC HEARING TO ELECT TO BECOME A GSA

Secretary Mills discussed with the Board the required Public Hearing to Become a GSA prior to submitting an application to DWR. He relayed that he had contacted Kings County and the Board of Supervisors chambers were available to conduct the Public Hearing on January 5, 2017. Director Dias shared a personal scheduling issue and asked that the meeting be scheduled in the morning. There was also discussion of how many people had attended other similar meetings for other GSAs and the general components of the special Board meeting and Public Hearing. After this discussion the Board agreed to set the special Meeting on Thursday January 5, 2017 at 10:00 am at the Kings County Board of Supervisors chambers and to conduct a Public Hearing to Elect to Become a GSA.

ADMINISTRATION

DISCUSS KINGS CWD ADMINISTRATION SUPPORT

Secretary Mills discussed with the Board that as per the MKR GSAJPA agreement he would serve the Authority as Treasurer and project manager for contracted consultants. He also relayed that Renee Davis, Kings CWD Accounting Technician would be keeping the Authority's financial records. He relayed that all files and records will be kept separately from Kings CWD files and financial records.

Director Ayers asked Secretary Mills to discuss how costs would be allocated by the MKR GSAJPA. It was noted that cost share for each Authority member is spelled out in the MKR GSAJPA Agreement. Secretary Mills relayed that he will be working on a budget to try to better estimate costs for the coming year, but that likely wouldn't be ready for the Board's review until March.

CONSIDER APPOINTMENT OF AUTHORITY LEGAL COUNSEL

Secretary Mills explained that both the City of Hanford and Kings CWD have legal counsel through Griswold, LaSalle, Cobb, Dowd & Gin, L.L.P. Also, Mr. Carlson has been involved in the development of the MKR GSAJPA agreement from the beginning. He is legal counsel for Kings CWD, Stratford PUD, Armona CSD and Kettleman City CSD. For those reasons Secretary Mills recommend that Ray Carlson of Griswold, LaSalle, Cobb, Dowd & Gin,

L.L.P be selected as the Authority's legal counsel and that he prepare a conflict waiver for the Board's consideration.

Colleen Carlson made the comment that the Board might consider a firm other than Griswold, LaSalle, Cobb, Dowd & Gin, L.L.P. in order to avoid issues if a conflict amongst the parties should arise. John Doyel suggested that in that case either the District or the City could retain special counsel if desired. Secretary Mills asked Paul Hendrix of Tulare ID and the Mid-Kaweah GSA if there had been any issues with the shared legal counsel in the Mid-Kaweah GSA. He explained that two of the three parties in that GSA share legal counsel and that same firm represents the GSA. After this discussion the Board agreed to have Ray Carlson of Griswold, LaSalle, Cobb, Dowd & Gin, L.L.P be selected as the Authority's legal counsel and that he prepare a conflict waiver for the Board's consideration.

SET NEXT MEETING DATE

Secretary Mills recommended that given the special Board meeting set for Thursday January 5, 2017 that the next regular Authority Board meeting be set for February 14, 2017 at 1:00 pm. The Board discussed this recommendation and agreed.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:45 p.m.

Respectfully submitted,

Dennis Mills
MKR MIN 161213