

**MID-KINGS RIVER GROUNDWATER SUSTAINABILITY AGENCY
JOINT POWERS AUTHORITY
REGULAR MEETING MINUTES
TUESDAY, JULY 10, 2018**

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

DIRECTORS PRESENT: David Ayers; Barry McCutcheon, Chair;
Michael Murray, Vice-Chair

DIRECTORS ABSENT: Steven P. Dias

OTHERS PRESENT: Dennis Mills, Secretary Ray Carlson, Legal Counsel
Bill Giacomazzi Bill Pipes, Wood
Darren Avila MaryJo Avila
Trent Sherman, DWR Paul Hendrix, Mid-Kaweah GSA
Mark Edwards, Kleinfelder Jim Maciel, Armona Comm. Service
Mike LaSalle Shawn Corley, LIWD
Bill Tos Sebastian Silveira, Griswold LaSalle
April Ganzon, Self-Help Ent.

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 MAY 8, 2018 MEETINGS

Chair McCutcheon asked if there was a motion regarding the minutes circulated in this month's Board packets. Attorney Carlson noted a few minor typos on the circulated draft minutes and provided Secretary Mills with his notes. Director Ayers made a motion to approve the revised May 8, 2018 meeting minutes as noted. Vice-Chair Murray seconded the motion and the Board unanimously approved the revised meeting minutes of May 8, 2018. The vote for all of the Directors was as follows:

AYES: David Ayers, Barry McCutcheon, Michael Murray

NOES: None

ABSTAINED: None

ABSENT: Steven P. Dias

COMMUNICATIONS

Secretary Mills reported on the following communications:

- The South Fork Kings GSA's Prop 218 Election was successful. The GSA should begin to receive assessments through the County tax roles in early 2019.
- Eric Osterling has been selected for the General Manager position at the Greater Kaweah GSA. The South Fork Kings GSA is adjusting to his departure.

TULARE LAKE GROUNDWATER MODEL

Secretary Mills reported that the Final model report has been published to the County and partnering agencies. He also reported that the presentation to the County Board of Supervisors is being planned and that dates are being discussed.

GSP DEVELOPMENT

DWR Reimbursement Contract Update

Secretary Mills reported that all requested information has been submitted to DWR and local DWR staff were working to "repackage" the submittal into what has recently been requested by DWR's Sacramento Office staff. The "repackaged" submittal is planned for submittal to DWR's Sacramento Office staff by the end of July. DWR's Sacramento staff will then have an estimated month to review the submittal prior to the reimbursement contract becoming useable.

Seed Funding for GSP Consultant

Secretary Mills reported that the MKR GSA has not received the "Seed" Funding from the El Rico GSA, even though they have communicated that the check was already sent. It was also reported that the May Invoice for consultant services on GSP Development being paid today is \$85,518. The anticipated June Invoice is \$91,650, for a total of \$177,168. Without the El Rico "Seed" Funding, the MKR GSA account will not have enough funding for the coming June Invoice. Further, the projection for the July Invoice is \$80-90K, which would total \$257-267K. For this reason it appears likely that another call for "Seed" Funding will be necessary to bridge financing until the DWR contract is accessible. The first reimbursement funds might not be back to the MKR GSA until early November '18. Secretary Mills relayed plans on discussing this further with the Tulare Lake GSA Parties this coming Friday. Secretary Mills recommended that the Board authorize him to move forward on another call for "Seed" funding once an appropriate amount could be agreed to by the GSA parties.

Chair McCutcheon asked if there was a motion to authorize Secretary Mills to move forward on another call for "Seed" funding once an appropriate amount was agreed to by the GSA Parties. Director Ayers made a motion provide Secretary Mills that authorization. Vice-Chair Murray seconded the motion and the Board unanimously approved the requested authorization. The vote for all of the Directors was as follows:

AYES: David Ayers, Barry McCutcheon, Michael Murray

NOES: None

ABSTAINED:None

ABSENT: Steven P. Dias

Meetings with Adjacent Subbasin Modelers

Secretary Mills reported meetings with groundwater modelers for several other adjacent subbasins and described the efforts to compare understandings and share data where the other parties were willing.

Draft Communication & Engagement Plan from Consultant

Secretary Mills reported that he had received a draft Communication & Engagement Plan from the GSP Development consultant and that it was still under review. However he asked the Board to consider the use of a stakeholder survey which was being suggested in order to get feedback from a portion of stakeholders on what they know about SGMA and what is most important to them. The thought was to make the survey available on the GSA website, email people on the interested parties list and do low cost mailings in conjunction with CSD/City billings. The surveys were intended to be produced in English and Spanish and at this point generally follow the questions that DWR recommended in their Outreach BMP document. Secretary Mills requested authorization to move forward on the survey. The Board discussed the recommendation and suggested some verbiage be added to the survey. Given the addition, Chair McCutcheon asked if there was a motion to authorize Secretary Mills to move forward on the stakeholder survey. Vice-Chair Murray made a motion provide Secretary Mills that authorization. Director Ayers seconded the motion and the Board unanimously approved the requested authorization. The vote for all of the Directors was as follows:

AYES: David Ayers, Barry McCutcheon, Michael Murray

NOES: None

ABSTAINED:None

ABSENT: Steven P. Dias

Discussion of Possible Impacts to Beneficial Uses of Groundwater

Secretary Mills reported on a discussion at a recent Tulare Lake GSA parties meeting related to possible impacts to beneficial uses of groundwater. The categories for consideration were 1) Lowering of Groundwater Levels, 2) Water Quality Degradation, 3) Groundwater Storage, and 4) Land Subsidence. The discussion was intended to focus on at what point are these impacts categories become Significant and Unreasonable, which is when they would become Undesirable Results. The discussion was very difficult and there were many different views. One view that emerged was that the Water Quality Degradation category was intended to refer to contaminant plume management rather than overall groundwater quality. Another view that emerged was that in our area, most of the possible impact issues were some form of financial impact rather than a limit to groundwater availability or reliability.

Mike Young Meeting on Groundwater Markets

Secretary Mills reported that there was a meeting with him on Wednesday, June 6. The MKR GSA partnered with the Greater Kaweah GSA and the South Fork Kings GSA to cover his costs to make the trip. One of the major concepts discussed was developing groundwater “shares” similar to ditch company stock that annually provide access to fluctuating amounts of groundwater. A Water Master is usually then employed to annually develop the allocation available to “shareholders” and process transfers with acceptable limitations and protections. Prof. Young concedes that the most difficult part of the process is deciding how to divide up the available supply into shares. The shares then become an asset, like ditch stock, that can be used within a groundwater market framework. In Australia’s case, the value of the shares went up significantly over time as the long-term yield was better understood. These shares are also used as collateral for loans in Australia. The primary difference that I see is that in California, the right to pump groundwater is tied to land. In Australia they have a system that allows parties to disassociate water and land, but in our local situation Secretary Mills thought they would have to remain connected.

Secretary Mills described this system as the first concept he was aware of where parties would be getting something from SGMA rather than losing something. Also, giving parties an incentive to work together to make changes rather than forcing those changes to through regulation would be preferable. Secretary Mills suggested that the next step toward this might be to host another meeting, this time of influential stakeholders in the GSA area, to see if they are interested in pursuing this. It will be important early on to understand whether the Tulare Lake subbasin will eventually want to employ a market like this because it will require very different development steps for the GSAs. If markets are employed, the GSAs will have to rise to a different level of transparency and accountability than they otherwise would be required to accomplish.

UPDATE ON ONGOING EFFORTS

Secretary Mills reported that after previous Board discussion about meters, he had contact with some growers about ag demand/groundwater pumping information. Also, he reported that the PowWow contract with Kings CWD to test metering services was still in process.

Secretary Mills also reported that there were efforts underway to use the database of County well permits to evaluate the progression of well density and perforated interval over time in the MKR service area.

ADJOURNMENT

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

Respectfully submitted,

Dennis Mills
MKR MIN 180710