

# Kings River East Groundwater Sustainability Agency

## Board Meeting Minutes

City of Dinuba – Council Chambers  
405 East El Monte Way, Dinuba, CA 93618  
February 16, 2017

1. **Call to Order:** The Board Meeting was called to order by Chairman Steven Worthley at 2:05 p.m.

The Pledge of Allegiance to the Flag was given by Chairman S. Worthley.

**Roll Call:** Those in attendance were: Irrigation/Water, Loren Booth; Ag Production, Steve Boos; Alta Irrigation District, Jack Brandt; Cities, Vice-Chair-Mary Fast; Fresno County, Buddy Mendes; Drinking Water, Fernando Rubalcaba; and Tulare County, Chair-Steven Worthley. Also in attendance: Alta Irrigation District's General Manager, Chad Wegley; Controller Irma Faria and Lynn Wooten; Attorneys Doug Jensen and Lauren Layne; Engineer, Jim Wegley, and Presenting-Hydrogeologist, Ken Schmidt.

2. **Public Comment:** None.
3. **Additions to or Deletions from the Agenda:** None.
4. **Review/Approval of Stakeholder Board Meeting Minutes:** It was **M/S/C unanimously by Chairman S. Worthley/B. Mendes** to approve the January 19, 2016 Special Board Meeting Minutes as written.
5. **Communications:** None.
6. **Board of Director Reports:** None.
7. **Consent Calendar Items:** No action taken.
8. **Other Board Items:**
  - 8.1. Approve agreement for Alta Irrigation District ("AID") to provide Administrative and Fiscal Agent Services to the Kings River East GSA: Chad Wegley provided a brief explanation about services Alta Irrigation District would provide pursuant to the proposed Administrative and Fiscal Agent Services Agreement. Loren Booth asked who would approve the accountant; how disputes would be handled. Vice-Chair M. Fast asked about payroll liability. Chairman S. Worthley responded to questions from Loren Booth and Vice-Chair M. Fast and he also mentioned that approval of invoices and other payroll liabilities are "Board" decisions. Buddy Mendes provided additional clarification on how this accounting process would be structured. Chad Wegley commented that insurance needs for KREGSA are minimal now because we – need coverage only for attending meetings and other miscellaneous activities. He explained that liability insurance will be needed after implementation of a groundwater sustainability plan. It was **M/S/C unanimously by B. Mendes/M. Fast**, to approve entering into the Administrative and Fiscal Agent Services Agreement with Alta Irrigation District (AID) pursuant to which it will provide administrative and fiscal agent services to the Kings River East GSA. **(Insert 4.A)**

8.2. Approve agreement for Baker Manock & Jensen to provide Legal Services to the Kings River East GSA: Doug Jensen, Attorney, briefly explained what the firm's role would be as legal counsel and requested that the Agency appoint the firm as its General Counsel. Vice-Chair M. Fast asked Doug Jensen to address conflicts of interest, such as; retainer fees, etc. Doug answered the questions and explained that additional details on those subjects are outlined in their agreement. It was **M/S/C unanimously by B. Mendes/S. Worthley**, to approve the contract for Baker, Manock & Jensen to provide legal services to the Kings River East GSA. **(Insert 5A)**

8.3. Approve Kings Basin Coordination Contract with Provost & Pritchard Consulting Group: Chad Wegley explained that the approved budget allocated \$70,000 to pay for Provost & Pritchard's services under a contract, which specified and authorized work on only the first four (4) tasks. He explained that their involvement in other KREGSA activities would be up to the Board. There was general discussion among the Directors about the agreement. Chad Wegley commented that resolving this initial coordination issue among the groundwater sustainability agencies in the Kings Subbasin was the first step to moving forward and that tougher issues would follow. Buddy Mendes mentioned that it has taken a long time to get to this point and that we are all were glad to see things progressing within the Kings Subbasin. Chad Wegley also stated that KREGSA is coordinating with Kaweah Delta Water Conservation District and that it and KREGSA will need to agree upon preliminary budget numbers at shared boundaries.

Public Comment: Karen Yohannes, landowner in Alta Irrigation District, had a concern about the type of data gathered and how it will be funded. Chad Wegley explained that KREGSA is coordinating with neighboring groundwater sustainability agencies and exchanging data as requests are received.

Chairman S. Worthley commented that public data is needed to develop this GSA plan and that there will be a combination of KREGSA expenses and joint expenses with other GSAs. Buddy Mendes stated that Alta Irrigation District and other districts have spent money to gather information and it could be coordinated with other agencies. **M/S/C unanimously by B. Mendes/J. Brandt** to approve the Kings Basin Coordination contract with Provost & Prichard Consulting Group.

8.4. Review and approve Fiscal Policy: Vice-Chair M. Fast opened a discussion as to which fiscal year will this Agency use, monthly reporting and financial auditing. Chad Wegley recommended that the Agency's fiscal year run from October 1<sup>st</sup> to September 30<sup>th</sup> of the following year, which is the same fiscal year used by Alta Irrigation District. The policy will be revised to clarify the fiscal year period. Action was tabled until next Board Meeting.

8.5. Review draft Conflict-of-Interest Code and begin a 45-day public comment period: Lauren Layne explained the draft Conflict-of-Interest Code ("COIC"), as well as the required 45-day public comment period. Doug Jensen explained the purpose of Form 700 and how it must be submitted by each Director as well as all Alternates. It was **M/S/C unanimously by B. Mendes/S. Boos** to accept this Conflict-of-Interest Code and provide the 45-day comment period. **(Insert 5B)**

8.6. Review and approve Notice to the Department of Water Resources regarding Kings River East GSA's intent to develop a groundwater sustainability plan: It was resolved **M/S/C unanimously by B. Mendes/S. Boos**, that notice be given to the DWR regarding KRE-GSA's intent to develop a groundwater sustainability plan. **(Insert 5C)**

- 8.7. Adopt a resolution regarding Bank Signatories: Chad Wegley discussed with the Board the standard practices of using multiple signatories, explained the resolution authorizing those signatories and recommended that the Agency use “Bank of the Sierra” for the Agency’s banking needs. It was **M/S/C unanimously by B. Mendes/F. Rubalcaba**, to adopt this resolution of bank signatories. **(R2017-02-01)**
- 8.8. Discuss development of By-Laws: Lauren Layne gave a brief description of the draft by-laws and it was **M/S/C unanimously by J. Brandt/S. Worthley** that this item be tabled for further discussion at next board meeting. Alta Irrigation District’s Controller, Irma Faria, added that a Federal I.D. number will be obtained.
- 8.9. Discuss and approve formation of an Advisory Committee: Chairman S. Worthley led a discussion among the other Directors about the purpose of such a committee and his past experiences with committees. He also mentioned that this Committee will need to comply with the Brown Act. This item will be discussed further at next meeting.
- 8.10. Adopt budget for 2017: Chad Wegley gave an outline of how Alta Irrigation District will incur expenses, while adhering to the KRE-GSA budget. Lauren Layne explained Proposition 26 and will research potential accounting consultants to assist with implementation of a new fee structure for the KREGSA. Doug Jensen went further to explain how beneficial an accounting analysis will be to the Agency. Chad Wegley mentioned that grant funding is one option for offsetting costs but that those funds may not be available until the end of 2018. He noted that an agency should not depend on a grant as a source of revenue; but think of it as a reimbursement. Raising funds in compliance with Proposition 218 will occur after the Board adopts a groundwater sustainability plan. Chad Wegley commented that he will provide a monthly breakdown of projected expenses at next board meeting. Lauren Layne advised that she would follow-up on court cases interpreting Proposition 26. Loren Booth asked about “white areas” and Chairman S. Worthley explained that the county covers those areas. It was **M/S/C unanimously by B. Mendes/J. Brandt**, to adopt the budget for 2017. **(Insert 6A)**

## 9. Informational Item(s)

- 9.1. SGM Outreach – The World Ag Expo. Chad Wegley gave a brief overview of the presentation and the attendance at that event. He explained that each Basin summarized activities within their respective areas, which was received well by the attendees.
- 9.2. Brown Act Compliance – Presentation by Lauren Layne of Baker Manock & Jensen. A presentation package was handed out at the meeting and Lauren Layne went over each item while answering questions from the Board and the Public. There were no questions from the Public afterwards. No action required for this item.

## 10. Groundwater Sustainability Activities

- 10.1. Sustainable Groundwater Management Act (SGMA) Update: Chad Wegley provided an update on the latest subsidence report from DWR and NASA. He also mentioned that information from that report needs to be “ground-truthed” because it showed lower elevations in area where field data proved otherwise. In addition, he also cautioned the Board about putting blind faith in a model and not checking results against field data.

10.2. Kings Basin coordination and hydrogeological investigations: Ken Schmidt, hydrogeologist, gave a presentation on the geology of our area and how it influences the movement of groundwater. He answered questions and showed a large map of our area. On the map, he identified key wells and presented information on water quality. Mr. Schmidt is native to the area and has 50 years of experience in his field; he also specializes in groundwater. No action required for this item.

10.3. DWR's Best Management Practices: Chad Wegley commented that there are no changes from last month.

**11. Adjournment:** With no further business to address, the meeting adjourned until the next regularly scheduled board meeting on March 16, 2017.

Sincerely,  
Kings River East GSA

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Jack Brandt, Secretary to the Board  
JB:blw