

South Fork Kings Groundwater Sustainability Agency Regular Meeting and Workshop Minutes

May 23, 2019 at 5:30 PM
Lemoore City Council Chambers

Members Present:

Joe Neves, County of Kings (Chair)
 Ceil Howe, Empire West Side Irrigation District (Vice Chair)
 David Brown, City of Lemoore (Secretary)
 Scott Mercer, Stratford Public Utility District
 Charles Meyer, Stratford Irrigation District

Members Absent:

Karen Ormsby, Kings County Grand Jury
 Lawrence O'Leary, Mottech/Motorola
 Julianne Phillips, Kings County
 Antonio Soloris, WWD
 Dan Hallard, Aspect Engineering

Others Present:

Charlotte Gallock, Kings River Conservation District
 Brian Trevarrow, Kings River Conservation District
 Amer Hussain, Geosyntec (Technical Consultant)
 Bob Anderson, Geosyntec

Special Meeting

Item 1: CALL TO ORDER **Presenter:** Chair Neves

The meeting was called to order at 5:30 PM

Item 2: PLEDGE OF ALLEGIANCE **Presenter:** Chair Neves

Item 3: ADDITIONS TO OR DELETIONS FROM THE AGENDA **Presenter:** Chair Neves

Discussion: None

Actions: None

Item 4: PUBLIC COMMENT **Presenter:** Chair Neves

Discussion: Dan Hallard with Aspect Engineering – a subcontractor under GeoSyntec with Amer Hussain – introduced himself and announced that he would have some material to share with the Board later in the meeting. Lawrence O'Leary of Mottech/Motorola also spoke, stating that he works with growers to receive data from remote locations through radio controlled conditioned reporting; he indicates that he already works with growers in the area and stated that – as a taxpayer in CA – he would be happy to talk with the GSA about the technology.

Actions: None

Item 5: CONSIDER APPROVAL OF THE MINUTES **Presenter:** Chair Neves

Discussion: None

Actions:

It was moved by Director Howe, seconded by Director Meyer, and unanimously carried to approve the minutes of the April 26, 2019 meeting.

(AYES: Brown, Howe, Mercer, Meyer, Neves; NOES: None; ABSTAIN: None; ABSENT: None)

Item 6: DIRECTOR REPORTS**Presenter:** Chair NevesDiscussion: NoneActions: None

Item 7: STAFF REPORT**Presenter:** Charlotte GallockDiscussion:

Charlotte Gallock reported that she attended the ACWA Conference. There was a lot of talk about the Governor's executive Order to develop a water resilience portfolio, talking about statewide and regional supply and demand. Questions that arose include how existing programs will fit in, what it means for SGMA, and will grant money result? The Friant Water Authority Central Valley Blueprint was another topic of conversation, especially as regards following and the impact on the economy. Digital calendar invitations and reminders will be sent to the Board regarding GSP approval hearings and other parts of the process.

Actions: None

Item 8: APPROVAL OF LETTER TEXT IN OPPOSITION TO SEMITROPIC'S REQUEST FOR HEARING ON KINGS RIVER'S FULLY APPROPRIATED STREAM DESIGNATION**Presenter:** Chair Neves

Discussion: Semitropic Water Storage District is requesting a hearing from the State Water Resources Control Board (SWRCB) on the Fully Appropriated Stream designation on the Kings River, in order to use the water from flood flows for their own water storage project. The letter in opposition contains the reasons why the South Fork Kings GSA Board opposes this petition, and would be an official statement by the GSA to the SWRCB.

Actions:

It was moved by Director Howe, seconded by Director Meyer, and unanimously carried to approve the text of the letter in opposition to Semitropic Water Storage District's request to revise the Fully Appropriated Stream, as presented.

(AYES: Brown, Howe, Mercer, Meyer, Neves; NOES: None; ABSTAIN: None; ABSENT: None)

Item 9: APPROVAL OF, AND AUTHORIZATION TO DISTRIBUTE, THE WELL ACCESS LICENSE AND INDEMNITY AGREEMENT**Presenter:** Chair Neves

Discussion: Amer Hussain presented on the Agreement. It is a draft of a document that would grant access to start monitoring groundwater levels, and will help to bridge the gaps left by the outdated agreements to monitoring wells held by DWR. Any final agreement with any landowners will come back to the SFKGSA Board for final approval. The current action would just allow the landowners to be contacted and provided with the template document.

Actions:

No formal action was taken. No opposition was given to presenting the draft agreement to the landowners, and the Board will take formal action to approve each final agreement on a case-by-case basis.

Item 10: A. FINANCIAL REPORT**Presenter:** Brian TrevarrowDiscussion:

Brian Trevarrow highlighted balances, income, expenditures, outstanding payments, and other key information in the financial report, especially noting that the second installment of property tax monies came in from Kings County.

Actions:

No action taken.

Item 10: B. INVOICING COUNTY TAX EXEMPT LAND **Presenter:** Brian Trevarrow

Discussion:

Brian Trevarrow highlighted for the Board the APNs that are usually exempted from county property tax: they are generally public agencies and public utilities. However, unless they can show they are not receiving any benefit from the GSA's assessment – particularly groundwater use as part of their mission – then they are not exempted from the assessment. A question was asked about Federal lands vs. Tribal lands, and the answer was that there are some exemptions for those that could place them outside the bounds of the GSA to assess. It was also noted that treading carefully with partners who have voluntarily participated in many ways and/or some Disadvantaged Communities would be wise.

Actions:

No formal action taken. Mr. Trevarrow and legal counsel/consultants will review who should be contacted in order to confirm who is in under the GSA's benefit and who is out, as well as a few APNs where the assessed value is less than \$10 due to Propositions and other actions and thus do not receive a tax bill, but should be assessed.

Item 11: STAKEHOLDER OUTREACH AND COMMUNICATIONS **Presenter:** Charlotte Gallock

Discussion:

Debra Dunn was introduced as the new Manager of Water Resources for Kings River Conservation District (KRCD).

Trilby Barton of Provost and Prichard, who is handling communications and outreach efforts for the entire Subbasin, was introduced. Ms. Barton described, in general terms, the Subbasin's communication and engagement plan to the Board, gave an overview of who the Subbasin stakeholders are, noted that they plan to specifically address the multiple cultural and economic factors that can affect that communication, and provided a timeline to the Board and audience.

Charlotte Gallock gave the SFK GSA Stakeholder Outreach and Communications report, especially highlighting that there was a 17% increase in views of the GSA website; that some videos were added to the YouTube channel; and noted that Ms. Tufenkjian's outreach activities – as outlined – are going to be in addition to the activities of the Subbasin. There will be a roundtable targeting specific stakeholders to discuss the plan. Several infographics for describing sustainability indicators were shown to the Board as well.

Actions: None

Item 12: NEXT MEETING DATE AND AGENDA ITEMS **Presenter:** Chair Neves

Discussion:

Mr. Hussain reports that the next meeting will need to have more recommendations for actions for the Board to consider going forward, and fewer workshop type items. This meeting will need to approve the budget and related information. The next meeting date will be Thursday, June 20, 2019. The following meeting will be on July 18, 2019. Mr. Hussain recommends/requests keeping these meetings as the third Thursday of every month through January, 2020. Mr. Brown will ensure that the facility is available on all of those dates.

Actions: None

Workshop

Item 1: CALL TO ORDER**Presenter:** Chair Neves

The workshop was called to order at 6:30 PM

Item 2: GROUNDWATER SUSTAINABILITY PLAN UPDATE**Presenter:** Amer Hussain
Bob AndersonDiscussion:

Farm Credit West's views regarding SGMA are not that they are always looking for two sources of water for every area they lend. They would like the growers to have as much time as possible to adapt to SGMA and related regulations. There is concern, but they plan to continue to make loans and to operate on a case-by-case basis. There are, of course, other lenders, but some of the more formulaic lenders appear to be less active in the SFKGS market at this time, so it is possible that the other lenders who do exist will be more inclined to have the same view as Farm Credit West when it comes to individual growers. Farm Credit West indicated that they would see ASR wells, for instance, as on-farm improvements, not as an encumbrance on the land, etc.

The Monitoring Network chapter of the GSP is in draft, and they hope to have that draft to the Board for review soon.

There are currently seven compliance wells in three locations. Five more wells in three locations are being proposed, to build up those compliance wells, including two A-zone wells and three C-zone levels. Eight new monitoring wells are being proposed, too – not wells where numbers are reported to the state, but which the GSA could use to help track compliance.

- Estimated total costs: \$606,000.00
- Assumptions: Costs include permitting, planning, and drilling oversight by Geosyntec; includes an e-log; drilling mud and development water would be left at drilling site; and the extensometer in SFK funded and installed by others.

Funding:

- How does GSA manage costs?
 - Assessment (\$/acre, \$/AF)
 - Tied to overdraft and sustainable yield
 - Other
 - Water Market/Bank
 - Tied to overdraft and sustainable yield
- Four Cost "Buckets"
 - Agency Admin
 - Basic operations
 - GSP Implementation
 - Annual/5yr. activities
 - GSP Initial CAPEX
 - Meters/Monitor Wells
 - GSP Projects
 - Deman/Supply
 - CAPEX/OPEX
- First three cost buckets
 - \$/acre = \$12/acre for Admin/GSP; \$3/acre for Monitoring Program; \$15/acre
 - \$/AF = \$7.50/AF pumped for Admin/GSP; \$2.50/AF for Monitoring Program; \$10/AF

- Projects Cost Model
 - Estimates total cost to develop combination of:
 - Supply enhancement (ASR + MAR); and
 - Demand reduction (seasonal fallowing + land retirement + SW delivery improvements)
 - Potential annualized cost of projects
 - High: \$65-71/AF/yr ; \$100-\$120/acre
 - Moderate: \$48 - \$53/AF/year ; \$80-\$90/acre
 - Low: \$38-\$44/AF/year: \$60/\$70/acre

Water Market Alternative

- Leverage private capital and market forces to reduce assessment
- Fe schedule with incentives and penalties to encourage participation
- GSA controls water savings from public investment
- Landowners control water savings from private investment
- Define baseline landowner goals to reduce overdraft

What is a Water Banks?

- Groundwater banks redistribute the authority of withdraw groundwater from sellers to buyers
- Why work?
 - If is financial incentive;
 - If is time incentive;
 - If aquifer credit is required as part of the transaction
 - If it avoids more stringent regulation in future

Who runs the bank?

- Public entity, private entity, or quasi-governmental NGO
- Banker must have ability, trust, and authority to enforce rules of bank; certify transactions; etc.
- Transaction fees include:
 - Financial compensation to the banker
 - Overdraft mitigation to the aquifer

What creates value in water bank?

- Individuals can market water if they exceed their goal
- Individuals can receive water if they need help reaching goals

Variable Fee Schedule/Adaptive Management

- \$15/acre minimum fee
- 10% fee reduction for each 10% of private water savings
- Savings beyond baseline goal marketed to others on open market

Investment Example

- Landowner pays \$15/acre in 2020
- Landowner goal is 40% reduction in baseline
- Landowner baseline fee in 2020 would be \$40/acre
 - Landowner serves or stores 20% in water savings, conveys to GSA
 - Baseline fee in 2025 reduced by 50% = \$20/acre
- By 2030 landowner saves 40% in water use
 - Baseline fee = \$15/acre instead of \$55/acre
- By 2035 water savings = 50%
 - Landowner markets 10% savings to others on open market

Actions: None

Item 3: ADJOURNMENT

Adjourned: 7:30 PM

Respectfully submitted,

Board Secretary

_____ approved on June 20, 2019

Joe Neves, Board Chair