

Director Kisling
Chairman Borba

Opposed: None

ADMINISTRATION

Consider Appointment of Alternate Members to the Finance Committee

General Manager Caudillo provided a report on the alternate members of the Finance Committee. Director Kisling moved to appoint Director Matthew Leider as an alternate member of the Finance Committee. Director Corkins seconded, and the Board unanimously approved by way of the following roll call vote:

In Favor:
Director Reyes
Director Leider
Director Schneider
Director Galloway
Director Corkins
Director Townsend
Director Kisling
Chairman Borba

Opposed: None

Consider Ratification of Prop. 68 Grant Amendment Letter for Tule Subbasin

General Manager Caudillo provided a report on the ratification of Prop. 68 grant amendment letter for Tule Subbasin. Director Corkins moved to ratify Prop. 68 grant amendment for Tule Subbasin. Director Townsend seconded and the Board unanimously approved by way of the following roll call vote:

In Favor:
Director Reyes
Director Leider
Director Schneider
Director Galloway
Director Corkins
Director Townsend
Director Kisling
Director Borba

Opposed:
None

Consider Approval of Proposal for Groundwater Management Software “Basinsafe”
Developed by 4Creeks

Consulting Engineer De Groot provided a report on the proposal for Groundwater Management software “Basinsafe”. He advised that the software package is still under development. This matter will be brought back to the board for consideration.

Consider Approval of Engagement Letter with Douglas S. Brown (The Board May Authorize Appointment of Special Counsel for Purposes of Exploring Financing Opportunities)

General Manager Caudillo provided a report on the Engagement Letter with Douglas S. Brown. Director Kisling provided a summary of the need for assessing various financing methods.

Director Corkins moved to approve the Engagement Letter and appoint special counsel for purposes of exploring financing opportunities. Director Leider seconded.

Public comment was received from Don Castle.

Sean Geivet provided a summary of Mr. Brown’s qualifications and background.

The motion was carried unanimously, by way of the following roll call vote:

In Favor:

Director Reyes
Director Leider
Director Schneider
Director Galloway
Director Corkins
Director Townsend
Director Kisling
Chairman Borba

Opposed: None

STAKEHOLDER OUTREACH AND COMMUNITY ENGAGEMENT

Report on Ongoing ETGSA Outreach Efforts

General Manager Caudillo provided a report on the ongoing outreach efforts and upcoming events. Attached hereto and incorporated by reference as Attachment Item #6a is a copy of the report.

COMMITTEE REPORTS

Receive Finance Committee Monthly Reports

General Manager Caudillo provided a report. Attached hereto and incorporated by reference as Agenda Item #7a is a copy of the Finance Committee Monthly report. General Manager Caudillo advised that the Finance Committee also met today.

Receive Executive and Stakeholder Committee Meeting Monthly Report

General Manager Caudillo provided a report. Attached hereto and incorporated by reference as Agenda Item #7b is a copy of the report.

BILLS AND WARRANTS

Review the Financial Statements; Consider Ratification of Bills Paid and Approval of Bills to be Paid.

General Manager Caudillo provided a report on current financial standing and accounts payable. The finance committee recommends payment of the accounts. Attached hereto and incorporated by reference as Agenda Item #8a is a copy of the financial statements.

Director Kisling moved and Director Holmes seconded to ratify the bills paid and approve bills to be paid. The Board unanimously approved by way of the following roll call vote:

In Favor:

Director Reyes
Director Leider
Director Schneider
Director Holmes
Director Galloway
Director Corkins
Director Townsend
Director Kisling
Chairman Borba

Opposed: None.

Consider Approval of 4th Quarter Call for Funds

Director Kisling provided a report on financial matters. Attached hereto and incorporated by reference is Agenda Item #8b, a description of the call for funds. He advised that the finance committee did not issue a recommendation to make a call for funds. The Agency has yet to receive the County's third quarterly call for funds.

Discussion ensued regarding the need for a call for funds and next year's budget.

Director Corkins moved to institute a call for funds prior to the end of the fiscal year. Director Holmes seconded, and the Board unanimously approved by way of the following roll call vote:

In Favor:

Director Reyes
Director Leider
Director Schneider
Director Holmes
Director Galloway
Director Corkins
Director Townsend
Director Kisling
Chairman Borba

Opposed: None.

TULE SUBBASIN AND REGIONAL REPORTS AND ITEMS

Report on Tule Subbasin Coordination and TH&Co Task Items

General Manager Caudillo provided a report. Attached hereto and incorporated by reference as Agenda Item #9a is a copy of his report. The potential scope of work will be circulated to the committees for comment.

Update on Friant Water Authority Preliminary Financial Impact Analysis of Transitional Groundwater Pumping Technical Memorandum

General Manager Caudillo provided an update. Attached hereto and incorporated by reference as Agenda Item #9c Exhibit A is a copy of the memorandum.

Consider Appointment of Member & Alternate to Tule Subbasin Technical Advisory Committee (TAC)

General Manager Caudillo provided a report on appointment of member and alternate member to the Tule Subbasin Technical Advisory Committee (TAC). The matter was tabled until the next board meeting.

ETGSA POLICY

Discussion and Presentation from staff on recommendations to “Landowner Groundwater Cheat Sheet”

Consulting Engineer De Groot gave a report on the committees review of the Landowner Cheat Sheet. Attached hereto and incorporated by reference as Agenda Item #10a is a copy of his updated Cheat Sheet. Consulting Engineer De Groot summarized comments received to date and staff's recommendations to revise the cheat sheet as follows:

- Transferability of total precipitation and native sustainable yield.

Comments were received on the ability to transfer total precipitation and native sustainable yield. Staff has accepted suggested revisions and indicated on the “cheat sheet” that native yield is non-transferrable for the first year of allocation, but thereafter transferrable. Precipitation is only allowed to be transferred at the end of the year’s allocation, as most precipitation gets absorbed immediately.

- Priority of use.

Comments were also received related to priority of use. After discussion, the recommendation from staff is that the priority of use of all 5 categories of supply be determined by landowners.

- Tier 1 allocations – enrollment of lands.

Staff’s recommendation was to allow Tier 1 allocations for those lands actively irrigated and farmed. Received comments regarding those who wish to fallow lands and not be penalized. Consensus from the committees were to allow those who fallow to still receive a Tier 1 allocation. Staff recommends allowing Tier 1 for those lands enrolled in the ILRP and Dairy Program as of 2020, as well as lands that may be verified through Land IQ, as well as other data sets. For any lands not allocated a share of Tier 1, the landowner may apply to the board for consideration of allowing an allocation.

- Tier 1 allocations – annual vs block allocations.

Comments suggested revising the methodology from an annual allocation to a five-year block allocation. Under this framework, once the five-year limit is met, there is no further transitional supply available to landowners. Considerations were given to the prevention of hoarding, incentives to put water into the market, and allow maximum flexibility for landowners.

Given the policy considerations, staff recommends a hybrid approach of an initial three-year allocation, followed by annual allocations.

- Tier 1 fees.

Comments were received regarding the fees related to transitional water. This issue has generated much discussion, including discussions with FWA, as well as the updated Stan Tec memo.

Comments were also provided in connection with Tier 2 penalties. It was clarified that Tier 2 penalties are penalties for overuse, and not allocations made available to people.

Discussion ensued regarding the basis for the Tier 2 penalty, as well as the effect of overuse.

The Board directed staff to provide the committees with the revised cheat sheet for review.

Review Draft ETGSA Groundwater Banking and Recharging Policy

General Manager Caudillo and Attorney Mauritson gave a report on the ETGSA groundwater banking and recharging policy. Attached hereto and incorporated by reference as Agenda Item #10b is a copy of his report. The Board directed staff to provide the draft policy to the committees for review.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

[Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)]

Number of Potential Cases: One

The Board of Directors, while in closed session pursuant to Government Code Section 54956.9(d)(2), met with General Counsel Aubrey Mauritson regarding one potential item of anticipated litigation.

CLOSED SESSION ITEMS

Report Action Taken in Closed Session Required by Government Code 54957.1

The Board of Directors came back into open session. Chairman Borba reported there was no reportable action from closed session.

NEXT MEETING DATE

Next Regular Meeting – Thursday, June 4, 2020 at 2 p.m.

The next regular meeting of the Board of Directors of the ETGSA Joint Powers Authority shall be a meeting, set for June 4, 2020, 2:00 p.m.

ADJOURNMENT

There being no further business before the Board, Chairman Borba adjourned the meeting.

Respectfully submitted,

Rogelio Caudillo, General Manager