



EASTERN TULE
GROUNDWATER
SUSTAINABILITY
AGENCY
JOINT POWERS
AUTHORITY

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS HELD JUNE 6, 2019

At approximately, 2:00 p.m. on June 6, 2019, at the City of Porterville, Council Chambers, Chairman Eric Borba, called to order the meeting of the Board of Directors of the Eastern Tule Groundwater Sustainability Agency Joint Powers Authority (“ETGSA”).

Members Present: John Corkins Eric Borba
Lorren Wheaton Pete Vander Poel (Alternate)
Matthew Leider Steve Kisling
Monte Reyes Dyson Schneider

Members Absent: Dennis Townsend Curt Holmes

Others Present: Bryce McAteer Val Guzman
Aubrey Mauritson David Payne
Bruce Kelsey Douglas Deflitch
Alan Becker Bill Samarin
Michael Knight Nick Keller
Sean Geivet Charmin Costa

PUBLIC COMMENT

Chairman Eric Borba announced the public comment period. No public comment was received.

ANNOUNCEMENTS

Executive Director McAteer announced that meeting-related materials were available in the back of the chambers. He also announced that DWR has accepted ETGSA’s non-material boundary changes.

MINUTES

Approval of May 2, 2019 Board Meeting Minutes

Director Kisling moved for approval of the May 2, 2019 board meeting minutes. The motion was seconded by Director Leider. With the exception of Alternate Director Vander Poel and Director Reyes, each of whom abstained, the board unanimously approved the motion.

ADMINISTRATION

Consider Adoption of Revised ETGSA Worksite Employee Handbook

Executive Director McAteer provided a report on the revised ETGSA Worksite Employee Handbook. Attached hereto and incorporated by reference as Agenda Item #5a is a copy of his report and, as Exhibit A, the proposed handbook.

Director Corkins moved and Director Leider seconded to approve the revised ETGSA Worksite Employee Handbook. The board unanimously approved.

Consider Approval of 4Creeks Technical Assistance Scope of Work and Budget for Fiscal Year 2019-2020

Executive Director McAteer provided a report on the 4Creeks technical assistance scope of work and budget for Fiscal Year 2019-2020. Attached hereto and incorporated by reference as Agenda Item #5b is a copy of his report and, as Exhibit A, the proposed budget.

Director Corkins moved and Director Leider seconded to approve the 4Creeks Technical Assistance Scope of Work and budget for FY2019-20. The board unanimously approved the motion.

Consider Approval of Amended and Restated Agreement Between ETGSA and TBID for Employee Services

Executive Director McAteer provided a report on the proposed agreement between ETGSA and TBID. Attached hereto and incorporated by reference as Agenda Item #5c is a copy of his report and, as Exhibit A, a copy of the amended and restated agreement for employee services. Executive Director McAteer noted that the agreement had already been approved by TBID's Board.

Director Corkins moved and Alternate Director Vander Poel seconded to approve the amended and restated agreement for employee services between ETGSA and TBID. The board unanimously approved the motion.

Consider Approval of Amendment to Office Lease Between ETGSA and 881 W. Professional Center

Executive Director McAteer provided a report on an amendment to ETGSA's current office lease with 881 W. Professional Center. Attached hereto and incorporated by reference as Agenda Item #5d is a copy of his report and, as Exhibit A, a copy of the proposed amendment.

Director Leider moved and Director Corkins seconded to approve the amendment to the office lease between ETGSA and 881 W. Professional Center. The board unanimously approved the motion.

Consider Authorizing Staff to Submit a General Plan Referral Application for the Draft GSP to Tulare County and to Enter into Associated Indemnification Agreement

Executive Director McAteer provided a report on the proposed General Plan Referral application for the draft GSP and associated Indemnification Agreement. Attached hereto and incorporated hereto as Agenda Item #5e is a copy of his report and, as Exhibit A, a copy of the proposed General Plan Referral application, and, as Exhibit B, a copy of the indemnification agreement.

Discussion ensued amongst the Board regarding the need to undertake a General Plan Referral, and whether other GSAs were also considering this.

Director Corkins moved, subject to legal review of counsel, to approve submission of the General Plan Referral for the Draft GSP to Tulare County and to enter into the associated indemnification agreement. Alternate Director Vander Poel seconded. The board unanimously approved the motion, subject to the legal review of counsel.

STAKEHOLDER OUTREACH AND COMMUNITY ENGAGEMENT

Report on Ongoing ETGSA Outreach Efforts

Executive Director McAteer provided a report on recent outreach and community engagement efforts. Attached hereto and incorporated by reference as Agenda Item #6a is a copy of his report.

Discussion amongst the board ensued regarding attendance of some of the outreach efforts.

Receive and Discuss ETWAG Inc. Economic Analysis

Executive Director McAteer provided a report on the ETWAG Inc. Economic Analysis. Attached hereto and incorporated by reference as Agenda Item #6b is a copy of his report and, as Exhibit A, a copy of the economic analysis.

Receive and Discuss FWA Correspondence “Re: Notice of Requirement that Groundwater Sustainability Plan Identify the Effects of Subsidence on the Friant-Kern Canal...” dated May 28, 2019

Executive Director McAteer provided a report on the Friant Water Authority (FWA) correspondence dated May 28, 2019. Attached hereto and incorporated by reference as Agenda Item #6c is a copy of his report and, as Exhibit A, a copy of the correspondence received.

Public comment was received from Doug Deflitch.

COMMITTEE REPORTS

Receive Finance Committee Monthly Reports

Executive Director McAteer provided a report. Attached hereto and incorporated by reference as Agenda Item #7a is a copy of the Finance Committee Monthly report. The Executive Director also gave a verbal report on the meeting of the Finance Committee held today, wherein he reported that the Finance Committee had approved the Minutes of the Committee's May 14, 2019 meeting, recommended approval of the 4Creeks technical scope of work proposal, recommended approval of the lease amendment with 881 W. Professional Center, recommended approval of the proposed ETGSA FY20 Budget with some amendments, and recommended payment of the bills.

Receive Joint Stakeholder and Executive Committee Monthly Reports

Executive Director McAteer provided a report. Attached hereto and incorporated by reference as Agenda Item #7b is a copy of the Joint Stakeholder and Executive Committee Monthly reports.

BILLS AND WARRANTS

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

Executive Director McAteer provided a report on current financial standing and accounts payable. Attached hereto and incorporated by reference as Agenda Item #8a, is a copy of the financial reports and accounts payable.

Director Kisling moved and Director Leider seconded to ratify the bills paid and approve bills to be paid. The board unanimously approved.

Consider Approval of ETGSA Fiscal Year 2019-2020 Budget

Executive Director McAteer provided a report on Fiscal Year 2019-2020 Budget. Attached hereto and incorporated by reference as Agenda Item #8b is a copy of his report and, as Exhibit A, a copy of the proposed Fiscal Year 2019-2020 Budget.

The Finance Committee recommend the following additions to the Budget: (1) an increase of other general association dues from \$0.00 to \$30,000.00; (2) an increase of other professional services from \$100,000 to \$200,000 in order to accommodate a potential proposition 218 election; and (3) an increase from \$125,000 to \$175,000 for DMS Development & Expense. Discussion ensued regarding a contingency/reserve and whether to do a fourth quarterly call for funds.

Director Kisling moved to approve the budget as modified and to include a call for funds for half of the fourth quarter amount for Fiscal Year 2019. The motion was seconded by Director Corkins. Discussion ensued regarding the timing of budget distribution. Thereafter, the motion was unanimously approved.

Consider Approval of Tulare County Fiscal Year 2019-2020 Budget Form and Approval of Agency Authorized Signatories for Disbursement of Funds

Executive Director McAteer provided a report on Tulare County Fiscal Year 2019-2020 Budget Form and agency authorized signatories for disbursement of funds. Attached hereto and incorporated by reference as Agenda Item #8c is a copy of the report. Included in his report were Exhibit A, a copy of the correspondence from Tulare County regarding the upcoming fiscal year, Exhibit B, a copy of the draft Tulare County Fiscal Year 2019 Budget Form for ETGSA, and as Exhibit C, a copy of the list of ETGSA's current authorized signatories. Executive Director McAteer recommended that the authorized signatories remain the Board Chair, Board Vice Chair, Members of the Finance Committee, and Secretary.

Director Corkins moved and Alternate Director Vander Poel seconded to approve the Tulare County Fiscal Year 2019-2020 Budget Form as modified by the board's previous motion and to approve the agency authorized signatories for disbursement of funds. The board unanimously approved.

TULE SUBBASIN AND REGIONAL REPORTS AND ITEMS

Report on Tule Subbasin Coordination and TH&Co Task Items

Executive Director McAteer provided a report on the Tule Subbasin Coordination and TH&Co's task items. Attached hereto and incorporated by reference as Agenda Item #9a is a copy of his report. Included in his report were Exhibit A, a TH&Co presentation describing Tule Subbasin Projects and Management actions, and as Exhibit B, a presentation describing future water budgets and the results of initial FPSRs.

Discussion ensued amongst the Board regarding a ramp down scenario that would maintain no change for 10 years and then a 10 year ramp down, the future water budget, changing the ETGSA's ramp down, and what other ramp downs might be considered. Discussion ensued regarding the proposed progressive scenario recommended by the managers and regarding the ramp down percentages associated with the progressive ramp down.

Public comment was received from Sean Geivet.

Consulting Engineer DeGroot provided a report on the future water budget scenarios. Consulting Engineer DeGroot explained that, at this point in the process, the Subbasin needs to identify the future water budget in order to determine what we are going to mitigate and how. DeGroot also explained that such identification will provide Tom Harder with needed direction. DeGroot explained that ETGSA is able to run modified variations of the scenarios presented by Tom Harder. DeGroot's recommendation is allow the process to move forward with Tom Harder's Progressive Scenario 2, but create a parallel process through our own contract.

Discussion ensued regarding choosing model runs which are as close as possible to the recommendations which have previously been provided by the board.

Public comment was received from Garrett Busch.

Consulting Engineer DeGroot reported how the future how budgets are related to sustainable management criteria.

Discussion ensued amongst the Board regarding requesting that ETGSA's progressive ramp down scenario within the Subbasin Progressive Scenario be updated. Executive Director McAteer suggested that he could make such a request, but that it would require subbasin consensus and additional expenditures. Director Corkins directed staff to work with the subbasin to see if such an adjustment could be made and, referring to the 5 year ramp down periods and percentages of projected over-pumping, suggested ranges including 90%/85%/30%/10% and 90%/80%/30%/0%. It was discussed that ETGSA may need to bear the cost for this last minute change.

Report on Inter-Basin and Other Regional Stakeholder Coordination

Executive Director McAteer provided a report on inter-basin and other regional stakeholder coordination. Attached hereto and incorporated by reference as Agenda Item #9b is a copy of his report.

GSP DRAFTING

Report on Progress of ETGSA GSP Drafting

Executive Director McAteer provided a report on the progress of the drafting of the GSP. Attached hereto and incorporated by reference as Agenda Item #10a is a copy of his report. Included in his report was Exhibit A, a presentation describing GSP development and adoption.

Review Status and Progress on GSP Policy Matters; Board May Take Action to Provide Direction to Staff on Policy Matters.

Executive Director McAteer provided a report on GSP policy matters. Attached hereto and incorporated by reference as Agenda Item #10b is a copy of his report. Included in his report were Exhibit A, a presentation describing new policy matters and staff recommendations, and Exhibit B, a matrix of committee recommendations made on various policy matters.

Executive Director McAteer then began the presentation (Exhibit A). Discussion ensued amongst the Board regarding the first set of staff recommendations on the mechanisms and functioning of a sharing system.

Director Corkins moved to accept staff's recommendations regarding the mechanisms and functioning of a sharing system, with the exception of staff Recommendation No. 4 regarding the reporting of prices paid. Director Kisling seconded the motion.

Public comment was received from Bill Samarin.

The motion was unanimously approved.

Discussion ensued concerning the potential reporting of prices paid as a result of share transfer. Specifically, the board discussed whether prices should be reported publicly.

Public comment was received from Bill Samarin.

Discussion ensued regarding some level of transparency regarding the private transactions.

No action was taken on the issue of whether purchase prices should be reported publicly.

Public comment was received from Bill Samarin.

Executive Director McAteer then presented on evaluating transfer impacts as presented on page four of Agenda Item #10B, Exhibit A.

Director Corkins moved to accept both staff recommendations as presented in the agenda packet, with the exception of volumetric set asides. The motion was seconded by Director Leider and unanimously approved.

Executive Director McAteer continued with his presentation as presented on page eight of Agenda Item #10b Exhibit A.

Discussion amongst the board ensued regarding the various recommendations from staff.

Distribution of native yield among eligible users within ETGSA was discussed, along with the M&I pool.

Public comment was received from Mike Reed.

Further discussion ensued regarding the pool concept.

Director Corkins moved to adopt an M&I pool and gross acreage distribution for all other lands. Director Kisling seconded the motion.

Discussion ensued concerning how to calculate the pool. Discussion ensued regarding the pool's impact to agricultural and whether it may be beneficial.

Public comment was received from Bill Samarin.

The motion was approved unanimously.

Public comment was received from Bill Samarin.

Discussion ensued regarding how transitional volumes of water (e.g. Transitional Volume Options) should be made available to eligible users within ETGSA.

Director Corkins moved to accept the proposed distribution of transitional water proposed by the executive committee and stakeholders, under which such distribution shall treat all irrigated lands the same. Alternate Director Vander Poel seconded. The motion was unanimously approved.

NEXT MEETING DATE

Reschedule ETGSA July Board Meeting

Executive Director McAteer recommended to reschedule the July board meeting to July 2, 2019 at 2:00 p.m.

Reschedule ETGSA August Board Meeting

Executive Director McAteer recommended to reschedule the August board meeting to August 13, 2019 at 2:00 p.m.

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: Two

The board of directors, while in closed session pursuant to Government Code Section 54956.9(d)(2), met with General Counsel Aubrey Mauritsen regarding two potential items 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.

ADJOURNMENT

Since there was no further business to come before the Committee, Chairman Borba adjourned the meeting.

Respectfully submitted,

Bryce McAteer, Executive Director