



# East Kaweah Groundwater Sustainability Agency

## MEMORANDUM TO THE BOARD

**TO:** Board of Directors

**FROM:** Michael D. Hagman, Executive Director

**DATE:** October 19, 2023

**SUBJECT:** Staff Report

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### 6. Administration

- a, b, and d will be presented at the meeting.
- c. FY2024 Executive Director's Proposed Budget: After visiting with the consultants, staff and the TAC, the Executive Director is submitting his proposed budget for the fiscal year 2024.
- e. Billing Issues: We will provide a report to the Board on the status of water billing. Chris and Joel Kimmelshue will also provide a technical report that identifies an overstatement of ETa on olive crops. The TAC had the presentation and has voted unanimously to direct staff to decrease olive ETa in AY2022, AY2023 and AY204 by 33%. Due to the timing of the problem, staff has already implemented this change for the AY2022 so that we can get the billing corrected. I will be seeking the Board to accept the TAC recommendation and to ratify our actions taken on the AY2022 billing.
- f. Shared Resources Agreement (SRA): EKGSA and Lindmore ID share resources (staffing, office space, and other services). EKGSA has had an agreement since 2018. It was revamped in 2020 and then in 2022 there was Addendum #1 to the 2020/2021 agreement that added about 2.75% additional compensation. Then Addendum #2 was approved that added a Program Manager to the cost. The current SRA with LID ends December 31, 2023. While the SRA allows continuance on a month-to-month basis without any changes (i.e. another addendum) the EKGSA/LID Shared Resources AdHoc (George/Hornung) met and reviewed the benefits and capability of the arrangement over the past year (having also met last year).

Directors George/Hornung can speak to a recommendation to renew the agreement for two more years. Lindmore ID wants to renew the agreement and is recommending an increase of about 4.5% due to the past two years' substantial increase in costs (far exceeding 2.75%). The current Consumer Price Index (a statistical representation of the change in costs of consumable goods) shows 3.7% increase from September 2022 – September 2023. Overall increase in costs from December 31, 2021 to September 30, 2023 is 10.50% increase in costs. The 2.75% (roughly 5.70% total increase) per year increased compensation on the SRA was far outweighed by the 10.50% increase of doing business. Most of the experience was in labor and materials costs.

## **7. Groundwater Sustainability Plan Implementation**

- a. Mitigation Framework and Program: Intera will provide an update on this effort at the meeting attached to this document.
- b. GSP Rewrite Efforts: Intera will provide an update on this effort at the meeting. A handout is attached to this document.
- c. Subbasin Report: Klinchuch/Hagman will provide and update on basin items and Intera will provide and update on the modeling effort at the meeting.



## NOTICE

# REGULAR MEETING OF THE BOARD OF DIRECTORS

Monday, October 23, 2023, at 3:00 p.m.  
Exeter Museum (upstairs)  
125 S. B Street, Exeter, CA 93221

## AGENDA

1. Roll Call by Secretary
2. Approve the Agenda
3. Pledge of Allegiance
4. Public Comment
5. **Minutes:** The Board will review and consider adopting the minutes provided by the Secretary from the September 25, 2023, Special Board meeting.
6. **Administration**
  - a. **Payments:** Consider Ratifying Payments made to meet the obligations of the EKGSA (Hagman/Bennett)
  - b. **Financial Reports:** Consider accepting the Quarterly Reports (Hagman)
  - c. **FY 2024 Annual Budget:** Review the Executive Director Proposed Budget FY2024 – for hearing date December 1, 2023 (Hagman)
  - d. **Grant Updates:** RCIS, Planning, Implementation Grants (2), MLRP (Hagman/Hunter)
  - e. **Billing Issues:** Update on AY2022 Billing and Olive ETa Overstatement (Hunter/Hagman)
  - f. **Shared Resources Agreement:** Consider Extension of SRA with Lindmore Irrigation District (Hornung/George/Hagman)
7. **Groundwater Sustainability Plan Implementation:**
  - a. **Mitigation Framework and Program:** Status/Update (GSP Team)
  - b. **GSP Rewrite Efforts:** Report and Recommendations of GSP Effort (Intera/Hagman)
  - c. **Subbasin Report:** Annual Report, DMS, Modeling, Water Marketing (Peltzer, Hornung, Hagman)
8. **Closed Session**

**CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION: [Government Code Section 54956.9 (d)(2)] - Number of Potential Cases: Two**

**CONFERENCE WITH LEAD NEGOTIATOR Michael Hagman – APN: 052-040-007 easement, right of way or purchase of property. [Government Code Section 54957.6]**
9. **Schedule Next meeting** – Next regularly scheduled meeting is January 22, 2024; Next special meeting scheduled is December 1, 2023.
10. **Adjournment**

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY  
BOARD OF DIRECTORS**

**MINUTES FOR THE REGULAR MEETING ON SEPTEMBER 25, 2023**

The East Kaweah Groundwater Sustainability Agency (“EKGSA”) Board of Directors duly met for a Special meeting on Wednesday, September 25, 2023, in person.

**OPEN SESSION:** Convened at 3:02 p.m. with a quorum.

1. **DIRECTORS PRESENT:** Buldo, Crosson (Alternate), George, Hornung, Micari (3:09 PM), Milanesio E., Peltzer, Roberts, Milanesio S., Watson

**DIRECTORS ABSENT:** Cerros

**OTHERS PRESENT:** Michael Hagman, Executive Director; Joe Hughes, Counsel; Chris Hunter, Program Manager; Matt Klinchuch, Consulting Engineer; Kait Palys, Consulting Engineer and various members of the committees and public.

2. **APPROVE THE AGENDA:** Motion to approve the agenda was made by Director Peltzer, seconded by Director George, and carried by the following vote:

AYES: Buldo, Crosson (Alternate), George, Hornung, Milanesio E., Peltzer, Roberts, Milanesio S., Watson

NOES: None

ABSTAIN: None

ABSENT: Cerros, Micari

3. **PLEDGE OF ALLEGIANCE WAS CONDUCTED**

4. **PUBLIC COMMENT:** No public comment

5. **MINUTES:** Motion to adopt and ratify the minutes provided by the Secretary from the August 2023, Board Meeting was made by Director Hornung, seconded by Director E. Milanesio, and carried by the following vote:

AYES: Buldo, George, Hornung, Milanesio E., Peltzer, Roberts, Milanesio S., Watson

NOES: None

ABSTAIN: Crosson

ABSENT: Cerros, Micari

6. **ADMINISTRATIVE:**

- a. **Set FY2024 Budget Hearing Date:** Motion to set the FY2024 budget hearing to December 1, 2023 was made by Director Micari, seconded by Director E. Hornung, and carried by the following vote:

AYES: Buldo, Crosson (Alternate), George, Hornung, Micari (3:09 PM), Milanesio E., Peltzer, Roberts, Milanesio S., Watson

NOES: None

ABSTAIN: None

ABSENT: Cerros

7. **CLOSED SESSION:**

The board went into closed session at 3:21 p.m. and after discussion, came out of closed session at 3:59 p.m. There was no reportable action.

8. **GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION:**

- a. **Allocation Year 2024:** Hagman presented the TAC recommendations for the 2024 Allocations; discussion was held with Board and public input. Motion was presented the board to adopt Resolution 23-07 which set the Native Yield at .85 acre-feet per acre, Precipitation at 92% of the 25-year rolling average, and for EKGSA to purchase, from a willing seller, up to 4,500 acre-feet of surface water credits in the groundwater aquifer at \$250 an acre-foot.
- b. **Fee Structure:** Program Manager reported that the Board has allowed the AY2022 payments to be made by October 20, 2023 with its extension of the billing date needed by staff.
- c. **GSP Status:** Executive Director gave a quick report on the subbasin activities.
- d. **Mitigation Framework and Program:** Intera presented the to date efforts and that all the GSAs were working toward the similar programs by 2025. No action was taken.

The Executive Director reported that the next regularly scheduled board meeting is October 23, 2023, at 3:00 p.m.

9. **ADJOURNMENT:**

The meeting was adjourned at 6:25 p.m.

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**Michael D. Hagman**  
**Secretary, East Kaweah GSA**

# East Kaweah GSA

## Check Register

For the Period From July 25, 2023 to Oct 23, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Amount
1590	8/10/23	Provost & Pritchard, Inc.	77,297.45
1591	8/10/23	Greater Kaweah Groundwater	45,000.00
1592	8/10/23	Klein, DeNatale, Goldner	3,300.00
1593	8/10/23	Land IQ	38,240.00
1594	8/10/23	Mid-Kaweah Groundwater	67,876.21
1595	9/6/23	Provost & Pritchard, Inc.	34,055.04
1596	9/6/23	Exeter Courthouse Art Gallery & Museum	400.00
1597	9/6/23	Klein, DeNatale, Goldner	4,612.50
1598	9/6/23	Land IQ	14,862.44
1599	9/6/23	Professional Print & Mail, Inc.	7,195.12
1600	9/26/23	Greater Kaweah Groundwater	7,958.64
1601	9/26/23	INTERA, Inc.	163,196.22
1602	9/26/23	Lindmore Irrigation District	132,250.00
1603	10/12/23	Provost & Pritchard, Inc.	46,658.80
1604	10/12/23	Eric Cecilio Arredondo	436.60
1605	10/12/23	Richard Clark	110.08
1606	10/12/23	INTERA, Inc.	67,162.38
1607	10/12/23	Klein, DeNatale, Goldner	2,565.00
1608	10/12/23	Land IQ	7,431.22
1609	10/12/23	Nancy B. Lange	100.80
1610	10/12/23	Omkar Farm LLC	214.76
1611	10/12/23	David A & Jennifer L Peterson	594.32
1612	10/12/23	Susan Turner	65.52
1613	10/12/23	Peltzer Enterprises, LLC	103.98
<b>Total</b>			<b>721,687.08</b>

I, David Roberts (Chair) being appointed by the East Kaweah Groundwater Sustainability Agency (EKGSA), have reviewed the payments annotated on this register and by a vote of the Board, do agree that such payments are for claims against the EKGSA for services or products provided to meet the needs of the EKGSA

Signed \_\_\_\_\_

Dated: October 23, 2023

I, Craig Hornung (Vice-Chair) being appointed by the East Kaweah Groundwater Sustainability Agency (EKGSA), have reviewed the payments annotated on this register and by a vote of the Board, do agree that such payments are for claims against the EKGSA for services or products provided to meet the needs of the EKGSA

Signed \_\_\_\_\_

Dated: October 23, 2023

**East Kaweah GSA**  
**MEMORANDUM TO THE BOARD**

**TO:** Board of Directors  
**FROM:** Kathryn Bennett  
**DATE:** August 2, 2023  
**SUBJECT:** Affidavit of Reconciliation

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I inspected and reconciled the cash accounts of the East Kaweah GSA. The East Kaweah GSA maintains one cash account. For the month of **July 2023**, the district had the following accounts open and with balances:

*Working Accounts –*

General Checking (Bank of the Sierra)

During my reconciliation, I have found the following:

*Working Accounts –*

- No Variances.

After my reconciliation and inspection of the books, it is my opinion that the cash registers reflect the cash activity of the East Kaweah GSA. The East Kaweah GSA staff allowed me full access to the cash registers and ledgers of the Agency. The actual reconciling documents are stored in the Agency vault and can be viewed or copied upon request.

  
\_\_\_\_\_  
Kathryn Bennett

**East Kaweah GSA**  
**MEMORANDUM TO THE BOARD**

**TO:** Board of Directors  
**FROM:** Kathryn Bennett  
**DATE:** September 22, 2023  
**SUBJECT:** Affidavit of Reconciliation

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I inspected and reconciled the cash accounts of the East Kaweah GSA. The East Kaweah GSA maintains one cash account. For the month of **August 2023**, the district had the following accounts open and with balances:

*Working Accounts –*

General Checking (Bank of the Sierra)

During my reconciliation, I have found the following:

*Working Accounts –*

- No Variances.

After my reconciliation and inspection of the books, it is my opinion that the cash registers reflect the cash activity of the East Kaweah GSA. The East Kaweah GSA staff allowed me full access to the cash registers and ledgers of the Agency. The actual reconciling documents are stored in the Agency vault and can be viewed or copied upon request.

  
\_\_\_\_\_  
Kathryn Bennett



# East Kaweah GSA

## MEMORANDUM TO THE BOARD

**TO:** Board of Directors  
**FROM:** Kathryn Bennett  
**DATE:** October 3, 2023  
**SUBJECT:** Affidavit of Reconciliation

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I inspected and reconciled the cash accounts of the East Kaweah GSA. The East Kaweah GSA maintains one cash account. For the month of **September 2023**, the district had the following accounts open and with balances:

*Working Accounts –*

General Checking (Bank of the Sierra)

During my reconciliation, I have found the following:

*Working Accounts –*

- No Variances.

After my reconciliation and inspection of the books, it is my opinion that the cash registers reflect the cash activity of the East Kaweah GSA. The East Kaweah GSA staff allowed me full access to the cash registers and ledgers of the Agency. The actual reconciling documents are stored in the Agency vault and can be viewed or copied upon request.

  
\_\_\_\_\_  
Kathryn Bennett

# East Kaweah GSA

## Treasurer's Cash Report 3rd Qtr 2023

October 16, 2023

<b>Beginning Cash *</b>	<i>July 1, 2023</i>		<b>\$ 1,510,186.94</b>
<b>Deposits</b>			
Bank of the Sierra Checking		351,261.26	
	<b>Total Deposits</b>	<hr/>	<b>351,261.26</b>
<b>Withdrawals</b>			
Bank of the Sierra Checking		(715,462.42)	
	<b>Total Withdrawals</b>	<hr/>	<b>(715,462.42)</b>
<b>Net Increase/(reduction)</b>			<b>(364,201.16)</b>
<b>Ending Cash Balance</b>	<i>September 30, 2023</i>		<b><u><u>\$ 1,145,985.78</u></u></b>

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**Balance by Account:**

Bof Sierra General Checking		1,145,985.78	
<b>Ending Cash Balance</b>	<i>September 30, 2023</i>	<hr/>	<b><u><u>\$ 1,145,985.78</u></u></b>

\* Beginning cash may be adjusted compared to prior Board meeting report  
**FOR MANAGEMENT PURPOSES ONLY**

**East Kaweah GSA  
Income Statement  
Compared with Budget  
For the Nine Months Ending September 30, 2023**

	July - September Actual	Year to Date Actual	Approved Budget	Year to Date % Variance
<b>Revenues</b>				
Call for Funds - Governance	\$ 60,857.15	\$ 213,000.00	\$ 348,080.00	61%
Call for Funds - Plan	0.00	0.00	0.00	0%
Call for Funds-Implementation	0.00	0.00	0.00	0%
Penalties on Delinquent Accts	37.49	1,373.51	0.00	0%
Assessment Revenues	(14,635.15)	985,135.25	999,753.00	99%
Assesmenmt Penalty Revenue	(37.03)	(37.03)	0.00	0%
GW Pumping Fees	4,603,275.00	4,603,275.00	0.00	0%
GW.T1.Penalty	0.00	0.00	0.00	0%
GW.T2.Penalty	0.00	0.00	0.00	0%
GW.Overdraft.Fine	0.00	0.00	1,000,000.00	0%
Interest Revenue	66.87	349.01	0.00	0%
Other Misc Revenue	0.00	0.00	0.00	0%
Reimbursement Other Govt's	66,666.67	116,414.73	0.00	0%
Grant: Plan Grant (P68)	0.00	858.44	0.00	0%
Grant: WCB-RCIS	0.00	44,653.92	25,000.00	179%
<b>Total Revenues</b>	<b>4,716,231.00</b>	<b>5,965,022.83</b>	<b>2,372,833.00</b>	<b>251%</b>

**Expenses**

**GOVERNANCE & ADMIN**

Admin Staff Exp	34,736.75	104,210.25	175,000.00	60%
Copying	0.00	0.00	0.00	0%
Postage	7,195.12	17,236.13	20,000.00	86%
Bank Fees	0.00	0.00	0.00	0%
Audit	2,000.00	9,450.00	9,500.00	99%
Legal Postings	0.00	0.00	0.00	0%
Other	0.00	0.00	0.00	0%
Meeting Expense	400.00	1,600.00	12,500.00	13%
Liability Ins	0.00	9,218.00	8,260.00	112%

**LEGAL**

General Counsel	11,887.50	21,648.50	52,500.00	41%
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**ENGINEERING**

General Engineering Expense	17,398.00	18,655.30	6,000.00	311%
Prop 218 - FY2021	0.00	0.00	0.00	0%

**FEES - OTHER GOVT'S**

SWRCB Fees	0.00	0.00	0.00	0%
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**IMPLEMENTATION STAFF**

Agreement Services	97,513.25	292,539.75	354,000.00	83%
Policy Development	0.00	0.00	20,000.00	0%
Basin Setting Coordination	0.00	6,210.51	200,000.00	3%

**IMPLEMENTATION MONITORING**

Demand Metering	60,533.66	105,120.98	98,500.00	107%
Water Quality Monitoring	0.00	0.00	0.00	0%
Subsidence Monitoring	0.00	0.00	0.00	0%
Reporting	0.00	74,622.10	25,000.00	298%
Other Implementation	0.00	2,587.50	2,500.00	104%
Contract Engineering Spprt	86,447.17	139,514.13	60,000.00	233%
Customer Data System	2,650.20	38,372.22	150,000.00	26%
Customer Data System-Basin	0.00	0.00	0.00	0%
Mon. Syst and Projects	0.00	0.00	280,000.00	0%

**East Kaweah GSA  
Income Statement  
Compared with Budget  
For the Nine Months Ending September 30, 2023**

	July - September Actual	Year to Date Actual	Approved Budget	Year to Date % Variance
<b>GROUNDWATER PLAN</b>				
Consultant GW Plan	176,011.98	305,048.60	0.00	0%
Basin Setting Consulting	0.00	0.00	0.00	0%
Grant: WCB-RCIS	0.00	44,403.75	25,000.00	178%
Plan Update Collection	0.00	0.00	50,000.00	0%
Well Mitigation Program	0.00	0.00	25,000.00	0%
<b>Total Expenses</b>	<b>496,773.63</b>	<b>1,190,437.72</b>	<b>1,573,760.00</b>	<b>76%</b>
<b>Net Income</b>	<b>\$ 4,219,457.37</b>	<b>\$ 4,774,585.11</b>	<b>\$ 799,073.00</b>	<b>598%</b>

**East Kaweah GSA  
Balance Sheet  
September 30, 2023**

**ASSETS**

**Current Assets**

Sierra Checking - 0301241619	\$ 1,145,985.78
Water Fees Receivables	4,528,155.00
WCB Grant-2020	47,658.88
Assessments Delinquent	<u>58,806.55</u>

**Total Current Assets** 5,780,606.21

**Total Assets** \$ 5,780,606.21

**LIABILITIES AND CAPITAL**

**Current Liabilities**

Accounts Payable	<u>\$ 0.00</u>
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**Total Current Liabilities** **0.00**

**Long-Term Liabilities**

FY2020 Member Loan	<u>854,960.00</u>
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**Total Long-Term Liabilities** 854,960.00

**Total Liabilities** **854,960.00**

**Capital**

FB Assigned to Governance	(63,454.45)
FB-Assigned to Implementation	214,515.55
Net Income Governance	30,981.82
Net Income Implementation	<u>4,743,603.29</u>

**Total Capital** 4,925,646.21

**Total Liabilities & Capital** \$ 5,780,606.21

**Fiscal Year  
2023  
Approved  
Budget**

**2023 Activity  
Through  
September 30**

**GOVERNANCE ACTIVITY**

**Expenditures**

Executive/Admin Agreement	\$ 175,000	\$ 104,210
Legal	52,500	21,649
Legal Postings	-	-
Engineering	6,000	18,655
Auditing	9,500	9,450
Insurance	8,260	9,218
Postage	20,000	17,236
Miscellaneous	12,500	1,600
<b>Total Fixed Expenditures</b>	<b>\$ 283,760</b>	<b>\$ 182,018</b>

**REVENUES**

Call for Funds Reconciled	\$ 64,080	\$ -
Call for Funds #1	71,000	71,000
Call for Funds #2	71,000	81,143
Call for Funds #3	71,000	60,857
Call for Funds #4	71,000	-
<b>Total Revenue</b>	<b>\$ 348,080</b>	<b>\$ 213,000</b>

**Other Miscellaneous Revenue**    \$            -                            \$            -

**Governance Fund - Gain/(Loss)**                            \$    64,320                            \$    30,982

**PLAN DEVELOPMENT ACTIVITY**

Plan Development	-	305,049
Other	-	-
<b>Total GSA Plan Development Cost</b>	<b>-</b>	<b>305,049</b>

**REVENUE**

Plan	-	-
<b>TOTAL REVENUE</b>	<b>-</b>	<b>-</b>

**Plan Fund - Net Gain/(Loss)**                            \$            -                            \$    (305,049)

## IMPLEMENTATION ACTIVITY

### Annual Recurring Implementation Expenses

Executive/Admin Agreement	\$ 354,000	\$ 292,540
Annual Report	25,000	74,622
Basin Setting Coordination	200,000	6,211
Demand Metering	98,500	105,121
Contract Engineering Support	60,000	139,514
Plan Policy Development	20,000	-
Customer Data System/Outreach	150,000	38,372
Miscellaneous (Customer Data System)	2,500	2,588
<b>Total GSA Annual Recurring Cost</b>	<b>\$ 910,000</b>	<b>\$ 658,967</b>

### One Time Implementation Expenses

Proposition 218	\$ -	\$ -
Grant - Planning Work Prop 68	-	-
Grant - WCB-RCIS	25,000	44,404
Monitoring System Projects/Assets	280,000	-
GSP Rewrite	-	-
Well Mitigation	25,000	-
<b>Total GSA Plan Implementation Cost</b>	<b>330,000</b>	<b>44,404</b>

### Plan Update Collection

<b>50,000</b>	<b>-</b>
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**Total Implementation Costs \$ 1,290,000 \$ 703,371**

### REVENUE

Assessment - Land Owners	\$ 986,752	\$ 972,134
Assessment - City of Lindsay	13,001	13,001
Interest Revenue - Assessment	-	349
Assessment Penalty	-	1,336
Ground Water Pumping Fees	-	4,603,275
Fines	1,000,000	-
Grant - Planning Work (P68)	-	858
Grant - RCIS (WCB P68)	25,000	44,654
Other - Govt's (Subbasin Report)	-	116,415
<b>Total Revenue</b>	<b>\$ 2,024,753</b>	<b>\$ 5,752,023</b>

**Implementation Fund - Net Gain/(Loss) 734,753 5,048,652**

**Total GSA \$ 799,073 \$ 4,774,585**

**East Kaweah GSA**  
**FY2024**  
**Executive Director's Draft Budget with Prior**  
**Year Comparisons**

<b>GOVERNANCE ACTIVITY</b>	<b>Audited Fiscal Year End Actual 2022</b>	<b>Estimated Fiscal Year End 2023</b>	<b>Fiscal Year 2023 Approved Budget</b>	<b>Exec Dir's Draft FY2024 Budget</b>
<b>Expenditures</b>				
Executive/Admin Services	170,200	139,000	175,000	137,846
Legal	71,810	32,000	52,500	60,000
Engineering	6,297	25,000	6,000	7,500
Auditing	8,500	9,450	9,500	10,500
Insurance	7,860	9,220	8,260	8,800
Postage	15,624	25,000	20,000	27,500
Meeting Expense/Other	18,683	2,000	12,500	2,550
<b>Total Expenditures</b>	<b>298,973</b>	<b>241,670</b>	<b>283,760</b>	<b>254,696</b>
<b>Revenues</b>				
Call for Funds Reconciled	-	-	64,080	-
Call for Funds #1	64,550	71,000	71,000	63,674
Call for Funds #2	64,550	71,000	71,000	63,674
Call for Funds #3	64,550	71,000	71,000	63,674
Call for Funds #4	64,550	71,000	71,000	63,674
<b>Total Revenue</b>	<b>258,200</b>	<b>284,000</b>	<b>348,080</b>	<b>254,696</b>
<b>Governance Activity - Net Gain/(Loss)</b>	<b>(40,773)</b>	<b>42,330</b>	<b>64,320</b>	<b>0</b>



**East Kaweah GSA**  
**FY2024**  
**Executive Director's Draft Budget with Prior**  
**Year Comparisons**

<b>PLAN DEVELOPMENT ACTIVITY</b>	<b>Audited Fiscal Year End Actual 2022</b>	<b>Estimated Fiscal Year End 2023</b>	<b>Fiscal Year 2023 Approved Budget</b>	<b>Exec Dir's Draft FY2024 Budget</b>
<b>GSP Update</b>	-	175,000	-	800,000
<b>GSA Plan Development Tasks</b>				
Other (Determination Effort - Intera)	-	750,000	-	20,000
<b>Total GSA Plan Development Cost</b>	-	750,000	-	20,000
<b>Total Plan Development Activity Expenditures</b>	-	925,000	-	820,000
<b>REVENUE</b>				
Grant Revenues	-	66,667	-	-
Use of Reserves	-	-	-	-
<b>TOTAL REVENUE</b>	-	66,667	-	-
<b>Plan Development Activity - Net Gain/(Loss)</b>	-	(858,333)	-	(820,000)

**East Kaweah GSA**  
**FY2024**  
**Executive Director's Draft Budget with Prior**  
**Year Comparisons**

<b>PLAN IMPLEMENTATION ACTIVITY</b>	<b>Audited Fiscal Year End Actual 2022</b>	<b>Estimated Fiscal Year End 2023</b>	<b>Fiscal Year 2023 Approved Budget</b>	<b>Exec Dir's Draft FY2024 Budget</b>
<b>Annual Recurring Implementation</b>				
Annual Report	18,820	74,622	25,000	75,000
Executive/Admin Agreement	344,800	390,050	354,000	415,154
Basin Setting Coordination	149,733	7,710	200,000	20,000
Demand Metering	89,175	127,415	98,500	90,000
Contract Engineering Support	109,378	82,000	60,000	75,000
Plan Policy Development	-	-	20,000	10,000
Customer Data System/Outreach	172,650	195,000	150,000	110,000
Miscellaneous	-	2,600	2,500	2,500
	<b>884,556</b>	<b>879,397</b>	<b>910,000</b>	<b>797,654</b>
<b>One Time Implementation</b>				
Proposition 218	-	-	-	-
Grant - Planning Grant (Dry Well Study)	262,937	272,649	-	180,000
Grant - RCIS (WCB P68)	69,363	44,404	25,000	-
Monitoring System Projects	-	-	280,000	-
Water Recharge Projects	35,545	66,667	-	-
Partnerships	-	-	-	-
Management Actions	-	-	-	1,375,000
Well Mitigation	-	-	25,000	175,000
Water Marketing Program	-	-	-	-
<b>Total GSA Plan Implementation Cost</b>	<b>367,845</b>	<b>383,720</b>	<b>330,000</b>	<b>1,730,000</b>
<b>Plan Update - Reserve Collection</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Total Implementation</b>	<b>1,252,401</b>	<b>1,313,117</b>	<b>1,290,000</b>	<b>2,577,654</b>

# East Kaweah GSA

FY2024

## Executive Director's Draft Budget with Prior Year Comparisons

### REVENUE

Assessment - Land Owners (109,577 ac)	968,544	972,451	986,752	1,007,013
Assessment - City of Lindsay (1,443 ac)	12,755	13,001	13,001	13,261
Assessment - Fines/Interest	95	1,717	-	-
Ground Water Pumping Fees	-	-	-	-
Fines	-	3,120,000	1,000,000	2,694,860
Grant - Planning Work (P68)	158,918	-	-	-
Grant - RCIS (WCB P68)	70,918	44,654	25,000	-
Cost share Other Govt's (Annual Report)	-	49,478	-	50,000
Cost share Other Govt's (Dashboard)	-	-	-	60,000
<b>TOTAL REVENUE</b>	<b>1,211,230</b>	<b>4,201,301</b>	<b>2,024,753</b>	<b>3,825,134</b>
<b>Plan Implementation Activity - Net Gain/(Loss)</b>	<b>(41,171)</b>	<b>2,838,184</b>	<b>734,753</b>	<b>1,247,480</b>
<b>EKGSA - Net Gain/Loss</b>	<b>(81,945)</b>	<b>2,022,181</b>	<b>799,073</b>	<b>427,480</b>
<b>Agency Loan Repayment</b>	<b>(427,480)</b>	<b>(427,480)</b>	<b>(427,480)</b>	<b>(427,480)</b>
<b>Net Difference</b>	<b>(509,425)</b>	<b>1,594,701</b>	<b>371,593</b>	<b>-</b>

## **KAWEAH SUBBASIN OLIVE EVAPOTRANSPIRATION REVIEW AND PROPOSED IMPROVEMENTS**

**PREPARED FOR:** Chris Hunter/East Kaweah GSA

**PREPARED BY:** Seth Mulder/Land IQ  
Joel Kimmelshue/Land IQ

**DATE:** October 11, 2023

### **INTRODUCTION**

At the request of the East Kaweah Groundwater Sustainability Agency (EKGSa) and an EKGSa olive grower, Land IQ reviewed the monthly evapotranspiration (ETa) estimates produced by the satellite-based analysis. In support of this effort, the grower provided Land IQ supplemental materials ranging from monthly flow meter readings to annual yield records and pictures of the flow meter placements across the ranch. The remainder of this memo will discuss the results of the review effort as well as future work that will aid in improved accuracy of the monthly satellite-based estimates for olives.

### **METHODOLOGY**

Monthly ETa and precipitation values for all olive blocks on two ranches were compiled from January 2021 through July 2023. The monthly ETa values are estimates produced by the remote sensing analysis that is guided by data from a network of in-field climate stations built and maintained by Land IQ, however there is presently no station installed in olives at this time. Monthly precipitation values are estimated from an interpolated raster dataset developed from precipitation data collected by the in-field climate stations.

Monthly applied irrigation water values were derived from the grower provided flow meter records that spanned from May 2022 to August 2023. Total applied water values for each month were determined from the summation of monthly flow meter totals and monthly precipitation totals for each ranch. Additionally, photographs of the flow meter placements were provided to ensure an appropriate amount of straight pipe existed before and after the flow meter to prevent turbulent flow, and thus ensure accurate flow readings.

Annual yield data from 2018 through 2022 was provided by the grower for one of the two ranches. These values were compared against a study conducted by the University of California, Davis where the effects on yield under various deficit irrigation amounts were studied.

## RESULTS

A comparison between the monthly applied water and satellite-based ETa estimates is provided (Table 1). Additionally, multiple deficit irrigation strategies from a University of California Agriculture and Natural Resources (UCANR) publication are provided as a point of reference for the grower supplied irrigation information. Only the data from the 2022 calendar year is provided in the table as it was the only year with a complete dataset for all sources which allowed for the most complete comparison. The annual olive ETa for 2022 exceeds the total applied water significantly. The monthly satellite-based estimates track closely with the UC ANR Full ETc values, but the grower provided applied water values instead mimic that of the UC ANR Severe Deficit ETc.

**Table 1. Comparison of monthly ETa, applied water, and reference ETc values.**

		2022												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Average Applied Water (Irrigation + Precip) (in)	0.05	0.42	1.20	0.29	1.46	2.96	2.67	2.54	2.67	2.06	0.93	4.24	21.49
	Average Olive ETa (in)	0.89	1.36	2.43	4.33	5.03	5.94	6.43	6.24	4.39	2.26	1.14	0.59	41.03
Table Olive <sup>1</sup>	UC ANR-Full ETc (in)	0.78	1.22	2.49	3.68	5.00	5.81	6.35	5.51	4.09	2.60	1.12	0.60	39.25
	UC ANR-Mild Deficit ETc (in)	0.78	1.22	2.40	3.60	4.80	4.40	3.30	5.50	4.00	2.50	0.50	0.60	33.60
	UC ANR-Moderate Deficit ETc (in)	0.78	1.22	2.40	3.60	4.80	3.00	3.30	4.20	4.00	2.50	0.50	0.60	30.90
	UC ANR-Severe Deficit ETc (in)	0.78	1.22	2.40	3.60	3.60	2.20	1.60	2.10	3.00	2.50	0.50	0.60	24.10

<sup>1</sup> [https://ucmanagedrought.ucdavis.edu/Agriculture/Crop\\_Irrigation\\_Strategies/Olives/](https://ucmanagedrought.ucdavis.edu/Agriculture/Crop_Irrigation_Strategies/Olives/)

To further investigate the cause of the discrepancy between the applied and consumed water amounts, grower provided yield information (Table 2) was compared against the results of a study that was included in the Olive Production Manual (Sibbett and Ferguson, 2005) produced by UCANR (Figure 1). The measured yield from 2018 through 2022 averaged 4.8 tons/acre, with a range of 2,866 lbs/ac to 21,164 lbs/ac. Olives are naturally alternate bearing, but the degree of the year-to-year difference can be exacerbated by stress, including deficit irrigation, which may be the case here. While the five-year yield average would suggest an even lower water use based on Figure 1 (12-13 ac-in/ac), the total applied water as determined by the flow meter and precipitation (21.49 ac-in/ac) would only potentially yield another 2,000-3,000 pounds per acre. Given the low average yields, the applied water values are likely more accurate than the ETa estimates as the ETa values would theoretically result in twice the average yield. That said, there are myriad of environmental factors that can affect yield.

Table 2. Grower-provided annual yield results.

Year	T/ac	lbs/ac
2018	3.6	7,934
2019	9.6	21,164
2020	1.3	2,866
2021	7.1	15,653
2022	2.5	5,512
2023		
<b>Avg</b>	<b>4.8</b>	<b>10,626</b>

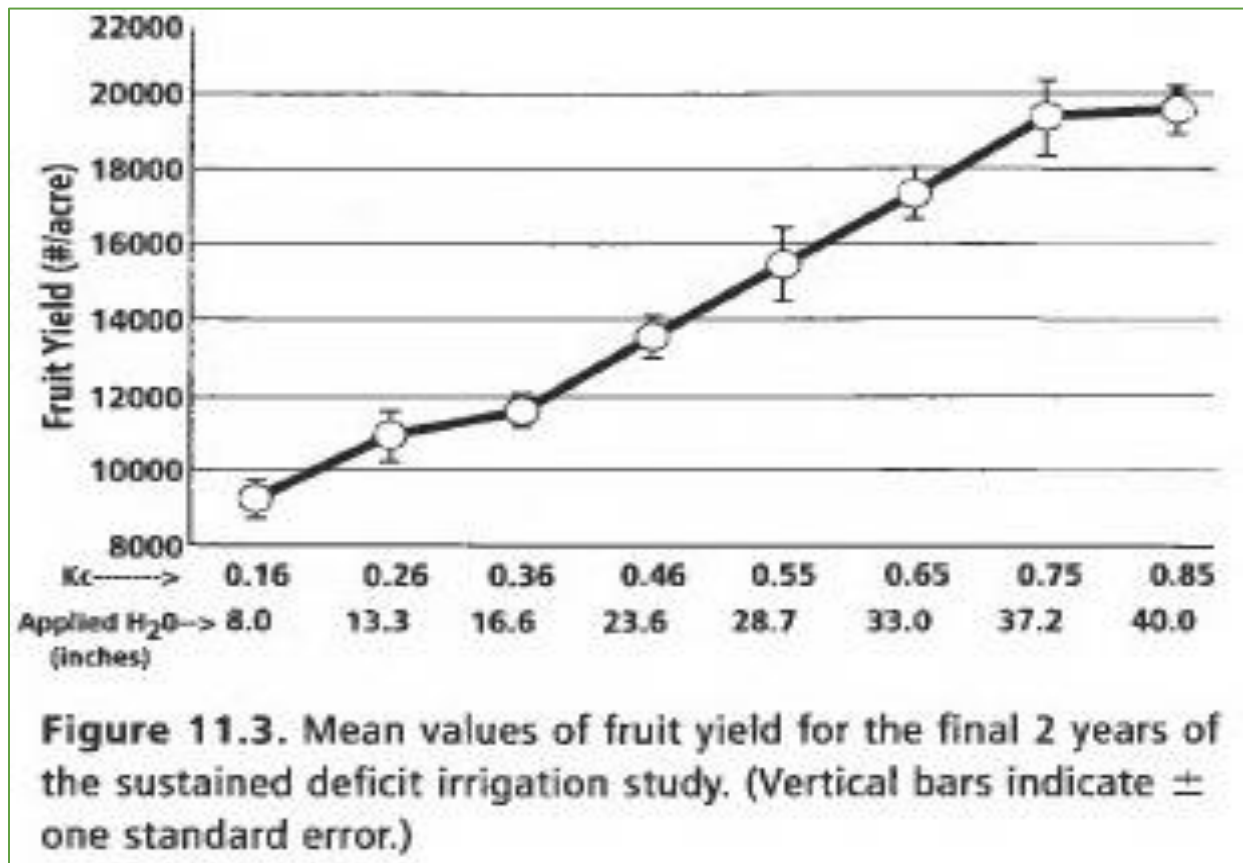


Figure 1. Comparison between yield and annual applied water <sup>2</sup>

## CONCLUSIONS AND RECOMMENDATIONS

Given the discrepancy between the ETa estimates and flow meter data coupled with the low average yields, it appears that the satellite-based ETa estimates are likely too high and could potentially be elevated in other groves as well. This is likely due to:

- a lack of ground validation ETa stations in olives.
- the over-reliance on image indices that do not adequately capture the water consumption nature of olives.

Since the development of this technical memorandum, an olive grower has agreed to allow Land IQ to install a station in a grove. This will allow for accurate calibration of the remotely sensed models specifically for olives. Having a station available in olives will also allow for continuous comparison to both grower irrigation records and monthly satellite model output. This is an important step in the process of ensuring that olive ETa estimates are as accurate as possible.

Regarding the second point, steps were taken beginning with the July 2023 satellite analysis to correct for the over-estimation. Much like citrus, olives possess the ability to tightly manage stomatal opening/closing to limit water loss during times of water stress. As a result, despite their appearance (higher NDVI and overall unstressed, dark green color), their water use is efficiently self-regulated. Therefore, much like what has been done with citrus to correct estimates in the past, modeling olives with citrus, separate from other crops, is thought to result in more accurate actual ET estimates. Table 3 shows the monthly average ETa for the olives grown in EKGSA from remotely sensed estimates. Monthly values track closely across the three years. Beginning in July 2023 olives were combined specifically citrus and included in that separate modeling effort. Although only two months, results show a decrease in consumed water as compared to the prior two years suggesting that the adjusted modeling approach will improve estimates. That said, more refinement of olives is necessary.

**Table 3. District-wide monthly average olive ETa**

Olive ETa (ac-in/ac)														Total	Total
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		(ac-in/ac)	(ac-ft/ac)
2021	0.92	1.35	2.04	3.70	4.34	5.54	5.46	4.08	3.34	1.83	0.86	0.52		33.98	2.83
2022	0.90	1.35	2.49	3.68	4.23	4.69	5.13	4.45	3.30	1.94	0.88	0.51		33.56	2.80
2023	0.66	1.13	1.99	3.10	4.96	4.31	3.47	3.75							
<b>Avg</b>	0.83	1.28	2.17	3.49	4.51	4.85	4.69	4.26	3.32	1.88	0.87	0.52			

The following are considerations for correction of historical olive ET estimates until a ground truthing station is installed, actual measurements are taken, and refined modeling and comparisons to applied water can be performed:

- assume an annual flat ETa for olives until modeling results differentiate individual groves.
- adjust the monthly historical ETa values (Table 3) downward.
- assume a percentage of applied water from existing measurements (Table 1) and apply it to all olive groves.
- assume a percentage of applied water where reliable meter readings are available.
- relate ETa to yield (reported by growers) (Figure 1).

## REFERENCES

<sup>1</sup>Wheeler, R, et al. Available at:

[www.ucmanagedrought.ucdavis.edu/Agriculture/Crop\\_Irrigation\\_Strategies/Olives/](http://www.ucmanagedrought.ucdavis.edu/Agriculture/Crop_Irrigation_Strategies/Olives/) (verified, 26 September 2023)

<sup>2</sup>Sibbett, S and Ferguson, L. 2005. Olive Production Manual, Second Edition. University of California Agriculture and Natural Resources. Davis, California.



## **Agreement for Management and Administrative Services**

This Agreement for Management Services (**Agreement**) is made and entered into effective as of the 1<sup>st</sup> day of January 2020, by and between East Kaweah Groundwater Sustainability Agency, a Joint Powers Authority created pursuant to California Government Code sections 6500, *et seq.*, (**EKGSA**), and Lindmore Irrigation District, an Irrigation District created pursuant to California Water Code sections 20500, *et seq.*, (**LID**), (each individually a “**Party**” and, collectively, the “**Parties**”).

### **RECITALS**

**THIS AGREEMENT** is entered into with reference to the following facts and circumstances:

- A. EKGSA has elected to become a Groundwater Sustainability Agency (**GSA**) for a portion of the Kaweah Subbasin, pursuant to the Sustainable Groundwater Management Act (**SGMA**). Pursuant to SGMA, EKGSA must develop, adopt, and submit to the Department of Water Resources a Groundwater Sustainability Plan (**GSP**) by January 31, 2020. EKGSA intends to comply with SGMA by carrying out and implementing the adopted and submitted GSP;
- B. Successful implementation of a GSP will require dedicated and competent management and other resources. LID and its general manager (LID GM), were instrumental in forming and providing leadership to EKGSA. LID GM, through a prior agreement between EKGSA and LID, has served as EKGSA’s interim Executive Director since EKGSA’s inception;
- C. EKGSA and LID desire to formalize a relationship for the provision of continued management, administrative, and engineering services by LID to EKGSA pursuant to which LID GM will serve as EKGSA’s Executive Director pursuant to the terms outlined in this Agreement;
- D. This Agreement is limited solely to executive, administrative, management and engineering services. Neither LID, nor LID GM, have the authority, ability or obligation to make any policy decisions related to the EKGSA. LID and LID GM agree to only provide the services of managing and implementing the GSP and providing governance support to the EKGSA at the direction of the EKGSA Board of Directors;
- E. LID, in order to meet the obligations of this Agreement, will hire certain staff to cover day-to-day tasks for LID that would, generally, otherwise be performed by the LID GM. Additionally, LID will hire additional staff needed to fulfill LID’s needs arising from GSP implementation and directions from LID’s Board of Directors;
- F. In order to hire such staff, LID requires from EKGSA a minimum two-year commitment, subject to the termination provisions provided for in Section 3 of this Agreement.

### **TERMS AND CONDITIONS**

**NOW THEREFORE**, in consideration of the promises and covenants provided for in this

---

**Section 4. Compensation.** EKGSA shall pay LID \$350,000 annually by making four quarterly payments \$87,500.00 during the first year of this Agreement, and \$360,000 annually by making four quarterly payments of \$90,000.00 during the second year of this Agreement. Prior to the end of the second year of this Agreement, in December 2021, the Parties shall negotiate the compensation for continued services and either continue with annual compensation of \$360,000 or establish different compensation, which shall be agreed to in writing and will be deemed an addendum to this Agreement. Compensation paid by the EKGSA to LID shall be for the Services. The compensation does not include services for third party consultants such as engineering firms to implement the adopted GSP, or legal services.

**Section 5. Relationship of Parties—LID’s Management of EKGSA.** EKGSA acknowledges that this Agreement is a contract for the Services from LID for EKGSA. Neither LID, nor any of its employees, are employees of EKGSA. LID will provide the Services to the EKGSA at the direction of the EKGSA Board of Directors. LID as a separate agency, shall not make any independent policy decisions regarding the EKGSA.

**Section 6. Coordination.**

**6.1 Ad Hoc Committees.** As needed but no less frequently than annually, LID shall appoint two members of its Board of Directors to an LID ad hoc committee, and EKGSA shall appoint at least two members, but not more than three, from its Board of Directors to separate ad hoc committees. The purpose of each ad hoc committee will be to discuss any concerns regarding performance of this Agreement from the perspectives of each Party. The ad hoc committees, may if appropriate, develop methods for measuring the performance of the Agreement and make reports and recommendations to their respective Boards of Directors. Additionally, the ad hoc committees may review the equity of the Agreement, including the amount of staffing used to perform the Services.

**Section 7. Indemnification.**

EKGSA shall reimburse, indemnify, and hold LID and its officers, directors, employees, and successors, and each of them, free and harmless from and against any claims, demands, liabilities, or causes of action by third parties, including attorney’s fees and expert fees, resulting from LID’s provision of the Services, except to the extent such claims, demands, liabilities, or causes of action are the result of LID’s negligence or willful misconduct.

**Section 8. Legal Requirements.**

**8.1 Compliance with Applicable Laws.** LID shall comply with all laws applicable to the performance of the Services.

**8.2 Nondiscrimination and Equal Opportunity.** LID shall not discriminate, on the basis of a person’s race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or

## Exhibit A

### Scope of Services

LID shall assign an LID employee or employees to perform the functions as described below, or delegate such functions as appropriate:

- (1) **Administrative Services:** Provide all administrative services necessary and relevant to functions of EKGSA as a Groundwater Sustainability Agency, including but not limited to, office space, office materials, utilities, accounting, billing, reporting, office machines, and website maintenance.
- (2) **Plan Implementation Resource:** Provide all necessary staffing to meet the needs of the EKGSA plan implementation. This includes engineers, analysts, and associated support staff (not related to approved consulting) and their needed resources including but not limited to, office space, office materials, utilities, accounting, billing, reporting, office machines, and website maintenance.
- (3) **Executive Leadership and Basin Coordination:** Provide all necessary executive leadership services and costs related to Coordination of Plan efforts with the Kaweah Sub-basin and bordering groundwater agencies.
- (4) **Board of Directors Meetings:** Prepare agendas for meetings and any committees, attend such meetings, and prepare minutes of those meetings.
- (5) **Consultant Management:** Coordinate and oversee other consultants retained by EKGSA, including legal counsel and firms preparing reports or providing services to implement the GSP.
- (6) **Financial Information:** Oversee EKGSA's finances and provide financial information to the Board of Directors.
- (7) **Financial Records:** LID will maintain financial records on Sage 50 Accounting (or its future version). The software will remain the asset of LID, while the accounting reports and electronic files are the sole property of EKGSA
- (8) **Secure Other Services as Needed:** Secure any other services needed for the continued operation of EKGSA including, for example, insurance. Such costs will be at the expense of the EKGSA.
- (9) **Basin Outreach:** To communicate with residents and landowners within the Kaweah Subbasin, and other interested parties, as the principle point of contact for EKGSA, and to provide for communications to such residents and landowners as directed by the Board of Directors.

**THIS IS A DRAFT SET OF IDEAS THAT THE COMMITTEE OR BOARDS CAN DEVELOP**

**EXHIBIT B**

This Inter-Agency Agreement (Agreement) should be regularly evaluated to determine and communicate effectiveness of the Agreement to avoid inter-governmental deliverables challenges.

The two agencies will form an Evaluation Committee (EC). This is a committee consisting of two LID board directors and two/three EKGSA board directors. The EC will meet twice a year (early in April and early October) to evaluate the effectiveness of the Agreement using the following tool. The Evaluation Committee will provide their view of the performance on a scale (ranging from 1-10 with 10 being best) on effectiveness of the agreement for each responsibility. Each director will provide the assessment from the perspective of their respective agency.

**Governance**

*Board/Committee Meetings* -Deliverable: Prepare Agendas, Minutes, Reports, and analysis for proper Board policy development and compliance with governing a local California public agency.

Poor										Excellent
1	2	3	4	5	6	7	8	9	10	

*Analysis* - Deliverable: Provide analysis to the board that is relevant and a summary of solutions that drives appropriate discourse for resolution by the board.

Poor										Excellent
1	2	3	4	5	6	7	8	9	10	

*Accessibility* - Deliverable: Interface with Board, Committee and the Public in a way that provides those individuals access to resolving concerns, developing opportunities, changing objectives, etc.

Poor										Excellent
1	2	3	4	5	6	7	8	9	10	

Poor									Excellent	
1	2	3	4	5	6	7	8	9	10	

*Other Management - Deliverable: Overall assessment of the Agreement.*


Poor									Excellent	
1	2	3	4	5	6	7	8	9	10	

Specific Agency Negatives:

Specific Agency Positives:

DATED: 12/16, 2019

**EAST KAWEAH GROUNDWATER  
SUSTAINABILITY AGENCY**

By:   
Joseph E. Ferrara, Vice Chair

DATED: 12/16, 2019

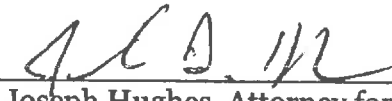
**LINDMORE IRRIGATION DISTRICT**

By:   
John Arnold, President

APPROVED AS TO FORM:


**KLEIN, DENATALE, GOLDNER, COOPER,  
ROSENLIB, KIMBALL, LLP**

DATED: 1/17/20, 2019

By:   
Joseph Hughes, Attorney for EKGSA

**RUDELL COCHRAN  
STANTON & BIXLER, LLP**

DATED: 3/31/20, 2019

By:   
Aubrey A. Mauritson, Attorney for LID

## **Addendum to Agreement for Management and Administrative Services**

This Addendum to Agreement for Management Services (**Addendum**) is made and entered into effective as of the 25th day of October, 2021, by and between East Kaweah Groundwater Sustainability Agency, a Joint Powers Authority created pursuant to California Government Code sections 6500, *et seq.*, (**EKGSA**), and Lindmore Irrigation District, an Irrigation District created pursuant to California Water Code sections 20500, *et seq.*, (**LID**), (each individually a “**Party**” and, collectively, the “**Parties**”).

### **RECITALS**

**THIS ADDENDUM** is entered into with reference to the following facts and circumstances:

- A. The parties have entered into that certain Agreement for Management Services effective as of January 1, 2020 (hereinafter “Agreement”);
- B. Under Section 4 of the Agreement, “Prior to the end of the second year of this Agreement, in December 2021, the Parties shall negotiate the compensation for continued services and either continue with annual compensation of \$360,000 or establish different compensation, which shall be agreed to in writing and will be deemed an addendum to this Agreement”; and
- C. The parties, having negotiated the matter as contemplated by Section 4 of the Agreement, have agreed to annual compensation as stated herein.

### **TERMS AND CONDITIONS**

**NOW THEREFORE**, the Parties agree as follows:

**Section 1. Annual Compensation.** For 2022, EKGSA shall pay to LID annual compensation in the amount of \$370,000, by making four quarterly payments in 2022, each in the amount of \$92,500. For 2023, EKGSA shall pay to LID annual compensation in the amount of \$380,000.00, by making four quarterly payments in 2023, each in the amount of \$95,000. This Addendum shall serve to satisfy the requirements of Section 4 of the Agreement, with respect to the years 2022 and 2023.

**Section 2. No Other Changes to Agreement.** Except as expressly prescribed herein, this Addendum shall not be interpreted or construed as modifying the Agreement, or any provision therein.

IN WITNESS WHEREOF, the Parties hereto have caused this Addendum to be executed

on the date first written by their respective officers duly authorized on their behalf.


DATED: \_\_\_\_\_, 2021

**EAST KAWEAH GROUNDWATER  
SUSTAINABILITY AGENCY**

By:   
Joseph E. Ferrara, Vice Chair

DATED: \_\_\_\_\_, 2021

**LINDMORE IRRIGATION DISTRICT**

By:   
John Arnold, President

DATED: 2/28, 2021

**KLEIN, DENATALE, GOLDNER,  
COOPER, ROSENLIEB, KIMBALL, LLP**

By:   
Joseph Hughes, Attorney for EKGSA

DATED: 3/9, 2021

**RUDELLE, STANTON, BIXLER,  
MAURITSON & EVANS, LLP**

By:   
Aubrey A. Mauritsen, Attorney for LID



## **Addendum #2 to Agreement for Management and Administrative Services**

This Addendum to Agreement for Management Services (**Addendum**) is made and entered into effective as of the 1st day of January, 2022, by and between East Kaweah Groundwater Sustainability Agency, a Joint Powers Authority created pursuant to California Government Code sections 6500, *et seq.*, (**EKGSA**), and Lindmore Irrigation District, an Irrigation District created pursuant to California Water Code sections 20500, *et seq.*, (**LID**), (each individually a “**Party**” and, collectively, the “**Parties**”).

### **RECITALS**

**THIS ADDENDUM** is entered into with reference to the following facts and circumstances:

- A. The parties have entered into that certain Agreement for Management Services effective as of January 1, 2020 (hereinafter “Agreement”);
- B. Under Section 4 of the Agreement, “Prior to the end of the second year of this Agreement, in December 2021, the Parties shall negotiate the compensation for continued services and either continue with annual compensation of \$360,000 or establish different compensation, which shall be agreed to in writing and will be deemed an addendum to this Agreement”; and
- C. The parties, having negotiated the matter as contemplated by Section 4 of the Agreement, have agreed to annual compensation as stated herein.

### **TERMS AND CONDITIONS**

**NOW THEREFORE**, the Parties agree as follows:

**Section 1. Annual Compensation.** For 2022, EKGSA shall pay to LID annual compensation in the amount of \$515,000, by making four quarterly payments in 2022, each in the amount of \$128,750. For 2023, EKGSA shall pay to LID annual compensation in the amount of \$529,000.00, by making four quarterly payments in 2023, each in the amount of \$132,250. This Addendum shall serve to satisfy the requirements of Section 4 of the Agreement, with respect to the years 2022 and 2023.


**Section 2. No Other Changes to Agreement.** Except as expressly prescribed herein, this Addendum shall not be interpreted or construed as modifying the Agreement, or any provision therein.

This replaces the prior addendum.

IN WITNESS WHEREOF, the Parties hereto have caused this Addendum to be executed on the date first written by their respective officers duly authorized on their behalf.

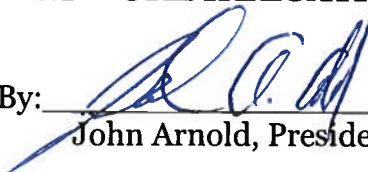
DATED: \_\_\_\_\_, 2022

**EAST KAWEAH GROUNDWATER  
SUSTAINABILITY AGENCY**

By:   
Joseph E. Ferrara, Vice Chair

DATED: \_\_\_\_\_, 2022

**LINDMORE IRRIGATION DISTRICT**

By:   
John Arnold, President


DATED: 2/28, 2022

**KLEIN, DENATALE, GOLDNER,  
COOPER, ROSENLIB, KIMBALL, LLP**

By:   
Joseph Hughes, Attorney for EKGSA

DATED: 3/9, 2022

**RUDELL, STANTON, BIXLER,  
MAURITSON & EVANS, LLP**

By:   
Aubrey A. Mauritsen, Attorney for LID

### **Addendum #3 to Agreement for Management and Administrative Services**

This Addendum to Agreement for Management Services (**Addendum**) is made and entered into effective as of the 1st day of January, 2024, by and between East Kaweah Groundwater Sustainability Agency, a Joint Powers Authority created pursuant to California Government Code sections 6500, *et seq.*, (**EKGSA**), and Lindmore Irrigation District, an Irrigation District created pursuant to California Water Code sections 20500, *et seq.*, (**LID**), (each individually a “**Party**” and, collectively, the “**Parties**”).

#### **RECITALS**

**THIS ADDENDUM** is entered into with reference to the following facts and circumstances:

- A. The parties have entered into that certain Agreement for Management Services effective as of January 1, 2020 (hereinafter “Agreement”);
- B. Under Section 4 of the Agreement, “Prior to the end of the second year of this Agreement, in December 2021, the Parties shall negotiate the compensation for continued services and either continue with annual compensation of \$360,000 or establish different compensation, which shall be agreed to in writing and will be deemed an addendum to this Agreement”; and
- C. The parties negotiated annual compensation for continued services under the Agreement for years 2022 and 2023, which were reflected in Addendums 1 and 2 to the agreement.
- D. The parties, having negotiated the matter as contemplated by Section 4 of the Agreement, have agreed to annual compensation for years 2024 and 2025 as stated herein.

#### **TERMS AND CONDITIONS**

**NOW THEREFORE**, the Parties agree as follows:

**Section 1. Annual Compensation.** For 2024, EKGSA shall pay to LID annual compensation in the amount of \$553,000, by making four quarterly payments in 2024, each in the amount of \$138,250. For 2025, EKGSA shall pay to LID annual compensation in the amount of \$578,000.00, by making four quarterly payments in 2025, each in the amount of \$144,500. This Addendum shall serve to satisfy the requirements of Section 4 of the Agreement, with respect to the years 2024 and 2025.

**Section 2. No Other Changes to Agreement.** Except as expressly prescribed herein, this Addendum shall not be interpreted or construed as modifying the Agreement, or any provision therein.

IN WITNESS WHEREOF, the Parties hereto have caused this Addendum to be executed on the date first written by their respective officers duly authorized on their behalf.

DATED: \_\_\_\_\_, 2023

**EAST KAWEAH GROUNDWATER  
SUSTAINABILITY AGENCY**

By: \_\_\_\_\_  
David Roberts, Chair

DATED: \_\_\_\_\_, 2023

**LINDMORE IRRIGATION DISTRICT**

By: \_\_\_\_\_  
John Arnold, President

DATED: \_\_\_\_\_, 2023

**KLEIN, DENATALE, GOLDNER,  
COOPER, ROSENLIEB, KIMBALL, LLP**

By: \_\_\_\_\_  
Joseph Hughes, Attorney for EKGSA

DATED: \_\_\_\_\_, 2023

**RUDELLE, STANTON, BIXLER,  
MAURITSON & EVANS, LLP**

By: \_\_\_\_\_  
Aubrey A. Mauritsen, Attorney for LID

October 23, 2023



**EAST KAWEAH**  
GROUNDWATER SUSTAINABILITY AGENCY

# SGMA UPDATE:



 **INTERA**  
PROVOST & PRITCHARD  
CONSULTING GROUP

Why do we  
have to be the  
guinea pigs?



Key insights  
from our  
neighbors



The SWRCB noticed the Probationary Hearing and released the DRAFT staff report for the Tulare Lake Basin (TLB)

We can gain insights on:

- Hearing process
- Intervention process
- SWRCB priorities
- How much the SWRCB's reasons for inadequacy differ from DWRs



## Insights: SWRCB Public Hearing and Intervention Process

### SWRCB Staff Public Workshops

- Board members present *no regulatory action*
- 1.5 hours dedicated to public comments
- Virtual and in-person





## Public Staff Workshops Objective:

- (1) Explain the TLB draft Staff Report
- (2) Share how to participate in intervention process

**Virtual Staff Workshop Friday, November 3, 2023 from 11:00 AM – 1:30 PM**

Staff presentation will start at 11:00 AM. Staff will begin accepting public comments at 12:00 PM Zoom link: <https://kearnswest.zoom.us/j/86732195332>

**In-Person Staff Workshop Wednesday, November 8, 2023 from 6:00 PM – 8:30 PM**

Staff presentation will start at 6:00 PM.

Staff will begin accepting public comments at 7:00 PM Hanford Civic Auditorium  
400 N Douty Street, Hanford, CA 93230



## Section 2: SGMA and State Intervention

State intervention is additional to local management and intended to be **temporary**, and is a two-step process:

SWRCB to determine whether to place the basin on probation.



SWRCB may implement an Interim Plan for the basin. This can only happen if deficiencies are **not fixed after at least one year** of the basin being on probation.

In determining whether to put a basin on probation, the State Water Board analyzes whether deficiencies identified by DWR were sufficiently addressed prior to the probationary hearing. As part of its analysis, and as reflected in State Water Board Resolution 2021-0050, *Condemning Racism, Xenophobia, Bigotry, and Racial Injustice and Strengthening Commitment to Racial Equity, Diversity, Inclusion, Access and Anti-Racism*, the State Water Board considers the impacts of basin non-compliance on vulnerable communities, including communities of color.

Review PPIC and Water Blueprint for SJV's estimates of job loss, tax revenue loss, and community dissolution for the Disadvantaged Communities in the Subbasin?

# Insights: SWRCB priorities and deviation from DWR's position

TULARE LAKE SUBBASIN  
PROBATIONARY HEARING DRAFT  
STAFF REPORT  
October 2023



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Tulare Lake Subbasin Probationary Hearing                      2                      October 2023 Draft Staff Report

## Section 4: Recommendations for State Water Board Action

Staff recommend the Board designate the TLB as probationary

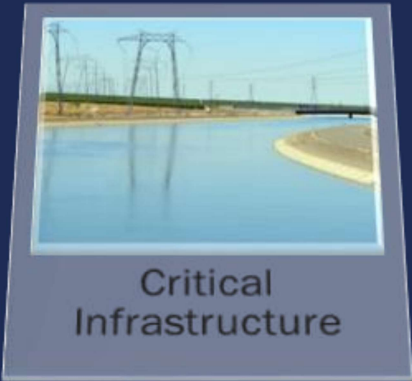
*“The GSP will allow substantial impacts to people who rely on **domestic** wells for drinking, bathing, food preparation, and cleaning, as well as impacts to **critical infrastructure** such as **canals, levees**, and the aquifer itself within the subbasin. These undesirable results are likely to occur to an extent in the subbasin that will prevent the subbasin from reaching sustainability by 2040, as required by SGMA. Designating the subbasin probationary is critical for getting the subbasin back on track to achieve sustainability by 2040.”*



# Section 4: Recommendations for State Water Board Action

Staff recommend the Board designate the TLB as probationary

*“The GSP will allow substantial impacts to people who rely on **domestic** wells for drinking, bathing, food preparation, and cleaning, as well as impacts to **critical infrastructure** such as **canals, levees**, and the aquifer itself within the subbasin. These undesirable results are likely to occur to an extent in the subbasin that will prevent the subbasin from reaching sustainability by 2040, as required by SGMA. Designating the subbasin probationary is critical for getting the subbasin back on track to achieve sustainability by 2040.”*



## SWRCB agreed with DWR-identified deficiencies

- Chronic lowering of groundwater levels with insufficient management criteria.
- Continued land subsidence (sinking).
- Further degradation of groundwater quality.

## Groundwater Level Decline Recommendations:



Engage with stakeholders to refine definition of undesirable result (consider drinking water)



Fill water budget data gaps



Fill water level monitoring network data gaps



Develop an accessible, comprehensive, appropriately funded well mitigation program



Commit to demand management (plan for drought)



Describe relationship between MTs for water levels and the other sustainability indicators

## Is the KSB addressing these concerns?



Engage with stakeholders to refine definition of undesirable result (consider drinking water)



Fill water budget data gaps

Improving model



Fill water level monitoring network data gaps

Identifying hardrock wells and incorrectly designated wells



Develop an accessible, comprehensive, appropriately funded well mitigation program



Commit to demand management (plan for drought)



Describe relationship between MTs for water levels and the other sustainability indicators





## Subsidence Recommendations:



Clearly describe subsidence conditions that would result in an undesirable result



Develop quantitative criteria that avoid undesirable results and conform with agreements with other agencies



Consult with flood management agencies and expand the GSP's analysis of land subsidence on flood infrastructure



Plan ahead to avoid significant and unreasonable land subsidence

## Is the KSB addressing these concerns?



Clearly describe subsidence conditions that would result in an undesirable result



Develop quantitative criteria that avoid undesirable results and conform with agreements with other agencies



Consult with flood management agencies and expand the GSP's analysis of land subsidence on flood infrastructure



Plan ahead to avoid significant and unreasonable land subsidence



# Groundwater Quality Degradation Recommendations:



Update the definition of an undesirable result to be consistent with the regs



Update the MT to be consistent with regs



Update MO to be consistent with regs



Update the water quality monitoring plan to be consistent with regs



Plan additional sampling when water quality is degraded



Update the definition of an undesirable result to be consistent with the regs



Update the MT to be consistent with regs



Update MO to be consistent with regs



Update the water quality monitoring plan to be consistent with regs



Plan additional sampling when water quality is degraded

## Vague recommendations

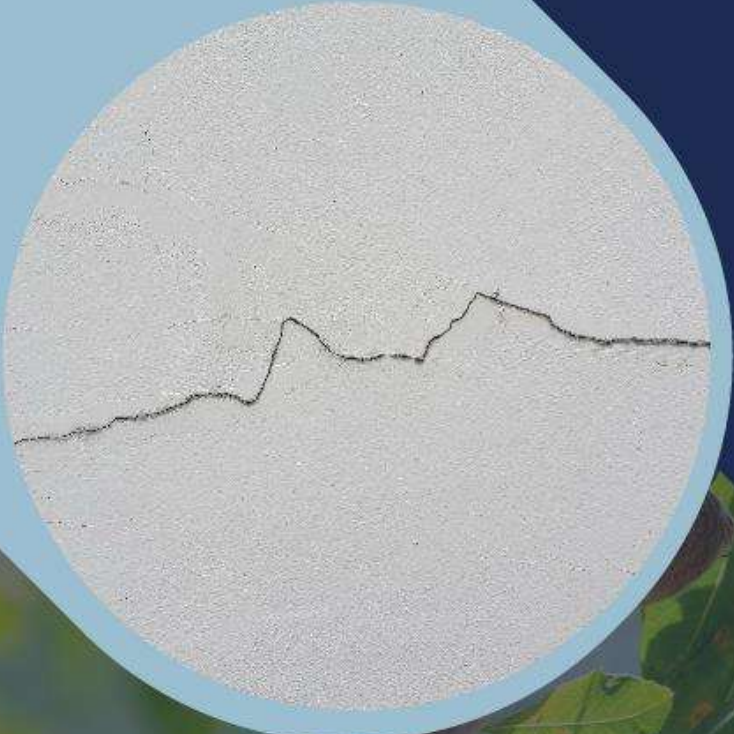
Potential actions to address the water quality sustainable management criteria deficiency include the following:

- Update the definition of an undesirable result to be consistent with GSP Regulations.<sup>10</sup>
- Update minimum thresholds to be consistent with GSP Regulations.
- Update measurable objectives to be consistent with GSP Regulations.
- Update the water quality monitoring plan in the 2022 GSP to be consistent with GSP regulations.
- Plan additional sampling when water quality is degraded.

# Staff Added Additional Recommendations for State Water Board Action

- **Exclusions from Probationary Status**
  - Not applicable – whole subbasin in non-compliance
- **Modifications to Water Year and Reporting Dates**
  - Recommend changing the extraction reporting deadline from February 1 to December 1
- **Requirements for Installation and Use of Measuring Devices**
  - Require people extracting >2 ac-ft/yr **for any reason** to report their groundwater extractions
  - Require people extracting >500 ac-ft/yr to install and use meters on all their production wells in subbasin
  - Exclude people who extract <2 ac-ft/yr **for domestic uses only** from reporting and paying fees



A circular inset with a light blue border shows a close-up of a light-colored, textured surface, likely concrete or plaster, with a prominent, jagged crack running horizontally across the middle. The background of the slide is a dark blue gradient with abstract light blue shapes and a blurred green foliage pattern.

# Subsidence Sustainable Management Criteria Revisions



## Subsidence Minimum Threshold for Friant-Kern Canal

- No historic subsidence-induced damage to the FKC within the Kaweah Subbasin
- Zero as the MT may inadvertently be an issue due to land surface elevation measurement accuracy limits
- **TAC Recommendation: set FKC MT to be the measurement accuracy limit**



# Mitigation Program and Plan



# Mitigation Program Update



Dry Well Susceptibility Workshop



MK and GK agreed to add technical assistance for qualifying non-drinking water wells to the program in Q1 2025



Mitigation affordability is set at \$1.1 million for 2024



Mitigation Program and Plans expected to be available by the end of the year with implementation starting in Q1 2024.