



# **East Kaweah Groundwater Sustainability Agency**

## **MEMORANDUM TO THE BOARD**

**TO:** Board of Directors

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

**DATE:** October 19, 2022

**SUBJECT:** Staff Report for October 24, 2022 Regular Board Meeting

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### **6. GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION:**

- a. **2023 Groundwater Allocation:** By the request of Director S. Milanesio and Micari, Executive Director Hagman will present a modification to the approved allocation year (AY) 2023 (Resolution 2022-04) groundwater allocation which identifies the impacts of adding .5 AF to the Penalty Tier 2 and modifying the fee schedule to reduce Penalty Tier 1 to \$150 an AF and included Penalty Tier 2 cost at \$300 an AF. Noted differences are highlighted:
- 1) "Native" allocation of 0.85 AF per acre groundwater ETa per assessed acre,
  - 2) "Tier 1 Penalty" allocation of 0.30 AF groundwater ETa per irrigated acre,
  - 3) "Tier 2 Penalty" allocation of 0.50 AF groundwater ETa per irrigated acre,
  - 4) Apply a fee of \$300 per acre foot to Tier 1 Penalty Tier
  - 5) Apply a fee of \$150 per acre foot to Tier 2 Penalty Tier
  - 6) \$500 per acre foot for overdraft beyond allocation limits
  - 7) Not allow more than 2.50 AF of groundwater ETa per acre and,
  - 8) An equivalent reduction of any overage in AY2023 to the following year allocation.
- b. **Rules and Regulations.** See Attached Memoranda
- c. **Subbasin Report:** See Attached

### **7. ADMINISTRATION:**

- a. **Audit Presentation** – See Attached
- b. **Payments** – See Attached
- c. **Financial Reports** – See Attached
- d. **FY 2023 Draft Annual Budget** – Sending out separately

- e. **Report – RCIS Grant (EKGSA managed):** Fully reported and invoiced. The RCIS was tentatively approved on September 21, 2022. We have a few small notes to manage. We have a little bit of grant money remaining for the purpose of implementing projects. We are using Environmental Incentives to assist us in the MBLRP effort.
- f. **Report – Basin Planning Grant (EKGSA managed \$500,000):** Two of three tasks have been completed (Task #1 - SkyTem and Task #3 - CWI Meter Analysis) and the modified Task #2 is underway and expected to be completed by November 30<sup>th</sup> (two ground level monitoring equipment installation, and a groundwater quality pump and associated test kits and four monitoring wells).
- g. **Report – Basin Implementation Grant (MKGSA managed \$3.75 million):** This grant is provided to the subbasin to assist in funding projects that will increase water supply into the subbasin (mostly water storage/recharge efforts). There are two projects that are funded in the EKGSA that were both anticipated in the GSP. Both projects are in the Lindmore Irrigation District. Share of costs for those projects are funded by Lindmore Irrigation District.  
Status of activities:
  - 1) Lindsay Recharge Basin (Grant funding of \$329,500 with total expected costs of \$361,500). This project will install a pipeline off Lindmore IDs 2.3N Lateral and spill wet year water supply into the City of Lindsay's Mariposa stormwater basin. The basin will be improved to accept water more quickly into the soil. The contractor has the notice to proceed.
  - 2) Lewis Creek Recharge (Grant funding of \$650,000 with total expected costs of \$685,000). This project will take wet year water supply off the Friant Kern Canal into Lewis Creek with expected groundwater recharge along 9 miles of the middle reach of Lewis Creek. The preferred alternative has been selected and the USBR has approved the alternative. Full design is underway. A letter of agreement has been signed with the USBR for this effort and the engagement funds have been provided to the USBR by Lindmore ID.
- h. **Report – SGMA Implementation Grant (GKGSA Managed \$7.6 million):** This grant is provided to the basin for groundwater plan development and projects that will improve groundwater supply. \$200,000 was awarded to the basin GSAs for developing the response to the initial DWR determination of the GSPs and an additional \$600,000 for the 2025 GSP updates (EKGSA will get roughly 1/3 of that \$800,000). There is full or partial funding for four physical recharge projects for the East Kaweah (\$2,000,000 – Yokohl, Cottonwood, Upper Lewis Creek and Sentinel Butte Conveyance) and a study for drywells (\$200,000). The grant agreement has not yet been signed. This is expected shortly. EKGSA and MKGSA are working with USDA/UC Davis on the Drywell Study. An agreement for that effort is already underway. Site identification for the drywells will be forthcoming. No money has been spent yet on this effort.
- i. **Report – MBLRP Grant (KDWCD managed \$10 million):** Grant provided to the subbasin to develop a land repurposing plan and partially implement the plan. The grant requires a minimum of \$5 million to be spent on "projects" (land repurposing). However, locally we think that the vast majority of the grant award will be spent on projects and a small portion on a plan.

## **NOTICE REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Monday, October 24, 2022, 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 30, 2022, Special Board meeting.
- 6. Groundwater Sustainability Plan Implementation:**
  - a. **2023 Groundwater Allocation** – Re-consider Resolution 2022-04: Groundwater Allocation
  - b. **Rules and Regulations:** Consider Demand Refinement of Non-irrigated acreage for ET(Hunter/Hagman)
  - c. **Subbasin Report** (Peltzer, Hornung, Hagman): Annual Report, DMS, Modeling, Water Marketing.
- 7. Administration**
  - a. **Audit Presentation:** Review and Consider Accepting Audit (Huerta, Hagman)
  - b. **Payments:** Consider Ratifying Payments made to meet the obligations of the EKGSA (Hagman/Bennett)
  - c. **Financial Reports:** Consider accepting the Quarterly Reports (Hagman)
  - d. **FY 2023 Annual Budget** – Review the Executive Director Draft Budget and set a hearing date (Hagman)
  - e. **Prop 68: WCB-RCIS (EKGSA Admin)** – Update on status and activity (Hagman)
  - f. **Prop 68: Basin Planning Grant (EKGSA Admin)** – Update (Hagman)
  - g. **Prop 68: Implementation Grant (MKGSA Admin)** – Update (Hagman)
  - h. **Prop 68: Implementation Grant (GKGSA Admin)** – Update (Hagman)
  - i. **MBLRP Grant: Kaweah Delta WCD Awarded** – Update (Klinchuch/Hagman)
- 8. Schedule Next meeting** – Next regularly scheduled meeting is January 23, 2023.
- 9. Adjournment**



## **East Kaweah Groundwater Sustainability Agency**

### **MEMORANDUM TO THE BOARD**

**TO:** Board of Directors  
Michael D. Hagman, Executive Director

**FROM:** Christopher R. Hunter, Program Manager

**DATE:** October 20, 2022

**SUBJECT:** Consider Demand Refinement

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RECOMMENDATIONS: Staff recommends Board resolution for the 2022 Allocation Year 1) that all fallowed acres be assigned an “error credit” so that Evapotranspiration reflects no more than effective precipitation. 2) that all non-irrigated cattle acres be assigned an “error credit” so that Evapotranspiration reflects no more than effective precipitation. 3) that all non-commercial ag parcels five acres or less be assigned an “error credit” so that Evapotranspiration reflects no more than effective precipitation.

Staff continues to work with Land IQ evaluating the evapotranspiration error rates for fallowed, non-irrigated cattle ground, and small acre non-commercial ag parcels. *For the non-commercial parcels five acres and less and fallowed lands the concurrence currently is, given the thirty meters by thirty meters pixel size of the satellite imagery that’s available for the analysis, a point is reached with small acreages where too few pixels exist within a field/parcel boundary to ensure the validity of the resulting data. Furthermore, given that so few pixels reside within these smaller acreages, the potential influence of neighboring land uses becomes more pronounced (Seth Mulder, LandIQ).*

For cattle ground, ETa accuracy has improved but investigations throughout the 2022 allocation year find that there may be an overestimate of twenty to forty percent for these land types. Staff notes that there are other factors that can influence these readings such as riparian influence and natural wooded areas. Though the technical justification for the variance in the ETa is difficult to determine, what can be determined is that these parcels with readings with these smaller variances are not using groundwater for irrigation.

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Staff evaluated all parcels less than five acres within the EKGSA boundary and found that from Oct 2021 to August 2022 (AY 2022) there are 1,180 parcels. The total consumptive use is 7,640.77-acre feet which is 3.4 percent of the total 223,640.33-acre feet of total use for all parcels. Staff is continuing to work with Land IQ, the Water Dashboard team, and landowners to accurately identify parcel types.

With concurrence of the Technical Advisory Committee and the Advisory Committee, staff request the Board to pass a resolution authorizing modification specified within the recommendation.



## **East Kaweah Groundwater Sustainability Agency**

### **MEMORANDUM TO THE BOARD**

**TO:** Board of Directors  
Michael D. Hagman, Executive Director

**FROM:** Christopher R. Hunter, Program Manager

**DATE:** October 20, 2022

**SUBJECT:** Allocation Year 2022 Billing Schedule

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RECOMMENDATIONS: Staff recommends Board resolution for the 2022 Allocation Year billing schedule.

Staff desires to provide stakeholders with a schedule for the billing of the 2022 Allocation Year. Currently staff is working with Land IQ, surface water purveyors, and landowners to acquire an accounting for the 2022 Allocation Year. To meet the requirements of the billing process, all parties are having to develop / implement new processes to accumulate, reconcile, and report the required data. Given the challenges of these activities, staff is providing the following schedule.

Land IQ provides September 2022 ET	November 1, 2022
Surface Water is received	November 15, 2022
AY 2022 Statement is mailed out	December 1, 2022
Landowners required to reconcile – submit transfers	December 31, 2022
Final Statement – Bills mailed out	January 15, 2022

**East Kaweah GSA  
Check Register  
For the Period From  
July 26, 2022 to October 24, 2022**

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Amount	
1495	8/1/22	Lindmore Irrigation District	42,916.66	
1496	8/15/22	Provost & Pritchard, Inc.	119,508.55	
1497	8/15/22	Exeter Courthouse Art Gallery & Museum	400.00	
1498	8/15/22	Klein, DeNatale, Goldner	6,251.25	
1499	8/15/22	Land IQ	7,431.22	
1500	8/15/22	Professional Print & Mail, Inc.	3,182.12	
1501	8/15/22	UNITED TRACKING SYSTEMS	38,799.99	
1502	9/6/22	Lindmore Irrigation District	45,791.74	
1503	9/12/22	Provost & Pritchard, Inc.	37,763.58	
1504	9/12/22	Cuttone & Mastro	3,000.00	
1505	9/12/22	Exeter Courthouse Art Gallery & Museum	300.00	
1506	9/12/22	Klein, DeNatale, Goldner	3,846.50	
1507	9/30/22	Provost & Pritchard, Inc.	82,963.42	
1508	9/30/22	ICF Jones & Stokes, Inc.	16,370.00	
1509	9/30/22	Lindmore Irrigation District	42,916.66	
1510	10/18/22	Provost & Pritchard, Inc.	278.33	
1511	10/18/22	California FFA Foundation	250.00	
1512	10/18/22	Cuttone & Mastro	570.00	
1513	10/18/22	Klein, DeNatale, Goldner	5,228.50	
1514	10/18/22	Land IQ	7,431.22	
<b>Total</b>			<b>465,199.74</b>	

I, **Ed Milanesio (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 24, 2022**

I, **Joe Ferrara (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 24, 2022**

# East Kaweah GSA

## Treasurer's Cash Report 3rd Qtr 2022

October 11, 2022

<b>Beginning Cash *</b>	<i>June 30, 2022</i>	<b>2,009,312.90</b>
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### Deposits

Bank of the Sierra Checking	157,484.95	
<b>Total Deposits</b>		<b>157,484.95</b>

### Withdrawals

Bank of the Sierra Checking	(518,463.73)	
<b>Total Withdrawals</b>		<b>(518,463.73)</b>

<b>Net Increase/(reduction)</b>		<b>(360,978.78)</b>
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<b>Ending Cash Balance</b>	<i>September 30, 2022</i>	<b>1,648,334.12</b>
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### Balance by Account:

Bof Sierra General Checking	1,648,334.12	
<b>Ending Cash Balance</b>	<i>September 30, 2022</i>	<b>1,648,334.12</b>

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



# East Kaweah GSA

## MEMORANDUM TO THE BOARD

**TO:** Board of Directors  
**FROM:** Kathryn Bennett  
**DATE:** August 9, 2022  
**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 2022**, 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 7, 2022  
**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 2022**, 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 4, 2022

**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 2022**, 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  
Income Statement  
Compared with Budget  
For the Nine Months Ending September 30, 2022

	July-September Actual	Year to Date Actual	Approved Budget	Year to Date % Variance
<b>Revenues</b>				
Call for Funds - Governance	\$ 64,550.00	\$ 193,650.02	\$ 258,200.00	75%
Call for Funds - Plan	0.00	0.00	0.00	0%
Call for Funds-Implementation	0.00	0.00	0.00	0%
Assessment Revenues	(0.01)	981,299.59	980,199.00	100%
Assessment Penalty Revenue	(42.42)	(67.82)	0.00	0%
GW Pumping Fees	0.00	0.00	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	2,500,000.00	0%
Interest Revenue	78.27	216.30	0.00	0%
Other Misc Revenue	0.00	0.00	0.00	0%
Grant: Plan Grant (P68)	0.00	42,013.83	271,050.00	16%
Grant: WCB-RCIS	0.00	15,081.93	103,350.00	15%
<b>Total Revenues</b>	<b>64,585.84</b>	<b>1,232,193.85</b>	<b>4,112,799.00</b>	<b>30%</b>
<b>Expenses</b>				
<b>GOVERNANCE &amp; ADMIN</b>				
Admin Staff Exp	42,549.99	127,649.97	170,000.00	75%
Office Expense	0.00	94.00	0.00	0%
Copying	0.00	2,835.55	0.00	0%
Postage	6,057.20	13,126.65	0.00	0%
Bank Fees	0.00	0.00	0.00	0%
Audit	7,930.00	7,930.00	7,500.00	106%
Legal Postings	0.00	0.00	0.00	0%
Other	0.00	2,595.00	2,500.00	104%
Meeting Expense	1,000.00	5,645.86	10,000.00	56%
Liability Ins	0.00	7,860.00	6,650.00	118%
<b>LEGAL</b>				
General Counsel	19,256.00	54,573.55	52,500.00	104%
<b>ENGINEERING</b>				
General Engineering Expense	2,623.00	4,543.00	5,000.00	91%
Prop 218 - FY2021	0.00	0.00	0.00	0%
<b>FEES - OTHER GOVT'S</b>				
SWRCB Fees	0.00	0.00	0.00	0%
<b>IMPLEMENTATION STAFF</b>				
Agreement Services	86,199.99	258,599.97	345,000.00	75%
Policy Development	0.00	0.00	125,000.00	0%
Basin Setting Coordination	153,681.72	167,222.11	40,000.00	418%
<b>IMPLEMENTATION MONITORING</b>				
Demand Metering	14,862.44	59,449.76	120,000.00	50%
Water Quality Monitoring	0.00	0.00	0.00	0%
Subsidence Monitoring	0.00	0.00	0.00	0%
Reporting	0.00	18,820.40	27,500.00	68%
Contract Engineering Spprt	63,677.84	77,071.41	35,000.00	220%
Customer Data System	68,710.65	86,603.65	0.00	0%
Mon. Syst and Projects	0.00	0.00	512,250.00	0%

East Kaweah GSA  
Income Statement  
Compared with Budget  
For the Nine Months Ending September 30, 2022

	<b>July-September Actual</b>	<b>Year to Date Actual</b>	<b>Approved Budget</b>	<b>Year to Date % Variance</b>
<b>GROUNDWATER PLAN</b>				
Consultant GW Plan	35,544.90	35,544.90	0.00	0%
Basin Setting Consulting	0.00	0.00	0.00	0%
Grant: Plan Grant (P68)	0.00	41,106.97	271,050.00	15%
Grant: WCB-RCIS	11,020.00	29,941.75	103,350.00	29%
Plan Update Collection	0.00	0.00	50,000.00	0%
<b>Total Expenses</b>	<b>513,113.73</b>	<b>1,001,214.50</b>	<b>1,883,300.00</b>	<b>53%</b>
<b>Net Income</b>	<b>(\$ 448,527.89)</b>	<b>\$ 230,979.35</b>	<b>\$ 2,229,499.00</b>	<b>10%</b>

**East Kaweah GSA  
Balance Sheet  
September 30, 2022**

**ASSETS**

**Current Assets**

Sierra Checking - 0301241619	\$ 1,648,334.12
Planning Grant-2019	340.02
WCB Grant-2020	43,973.02
Assessments Delinquent	<u>53,776.89</u>

<b>Total Current Assets</b>	<b>1,746,424.05</b>
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<b>Total Assets</b>	<b><u>\$ 1,746,424.05</u></b>
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**LIABILITIES AND CAPITAL**

**Current Liabilities**

<b>Total Current Liabilities</b>	<b>0.00</b>
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**Long-Term Liabilities**

FY2020 Member Loan	<u>\$ 1,282,440.00</u>
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<b>Total Long-Term Liabilities</b>	<b><u>1,282,440.00</u></b>
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<b>Total Liabilities</b>	<b>1,282,440.00</b>
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**Capital**

FB - Unappropriated	
FB Assigned to Governance	(22,681.08)
FB-Assigned to Implementation	255,685.78
Net Income Governance	(33,203.56)
Net Income Implementation	<u>264,182.91</u>

<b>Total Capital</b>	<b><u>463,984.05</u></b>
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<b>Total Liabilities &amp; Capital</b>	<b><u>\$ 1,746,424.05</u></b>
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**Fiscal Year  
2022  
Approved  
Budget**

**2022 Activity  
Through  
September 30**

**GOVERNANCE ACTIVITY**

*Expenditures*

Executive/Admin Agreement	\$ 170,000	\$ 127,650
Postage		13,127
Office Expenses	-	2,930
Legal	52,500	54,574
Legal Postings	-	-
Engineering	5,000	4,543
Auditing	7,500	7,930
Insurance	6,650	7,860
Miscellaneous	10,000	8,241
<b>Total Fixed Expenditures</b>	<b>\$ 251,650</b>	<b>\$ 226,854</b>

*Revenues*

Call for Funds #1	\$ 64,550	\$ 64,550.01
Call for Funds #2	64,550	\$ 64,550.01
Call for Funds #3	64,550	\$ 64,550.00
Call for Funds #4	64,550	\$ -
<b>Total Revenue</b>	<b>\$ 258,200</b>	<b>\$ 193,650</b>

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

**Governance Fund - Gain/(Loss)** \$ 6,550 \$ (33,204)

**IMPLEMENTATION ACTIVITY**

**Annual Recurring Implementation Expenses**

Executive/Admin Agreement	\$ 345,000	\$ 258,600
Reporting	27,500	18,820
Contract Engineering Support	35,000	77,071
Plan Policy Development	125,000	-
Monitoring Program	120,000	59,450
Basin Setting Coordination	40,000	167,222
Miscellaneous (Customer Data System)	2,500	86,604
<b>Total GSA Annual Recurring Cost</b>	<b>\$ 695,000</b>	<b>\$ 667,767</b>

**One Time Implementation Expenses**

Proposition 218	\$ -	\$ -
Grant - Planning Work Prop 68	271,050	41,107
Grant - WCB-RCIS	103,350	29,942
Consultant GW Plan	-	35,545
Monitoring System Projects/Assets	512,250	-
<b>Total GSA Plan Implementation Cost</b>	<b>886,650</b>	<b>106,594</b>

<b>Plan Update Collection</b>	<b>50,000</b>	<b>-</b>
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<b>Total Implementation Costs</b>	<b>\$ 1,631,650</b>	<b>\$ 774,361</b>
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**REVENUE**

Assessment - Land Owners	\$ 967,444	\$ 968,544
Assessment - City of Lindsay	12,755	12,756
Interest Revenue - Assessment	-	216
Assessment Penalty	-	(68)
Ground Water Pumping Fees	-	-
Fines	2,500,000	-
Grant - Planning Work (P68)	271,050	42,014
Grant - RCIS (WCB P68)	103,350	15,082
Other - Govt's (Subbasin Report)	-	-
<b>Total Revenue</b>	<b>\$ 3,854,599</b>	<b>\$ 1,038,544</b>

<b>Implementation Fund - Net Gain/(Loss)</b>	<b>2,222,949</b>	<b>264,183</b>
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<b>Total GSA</b>	<b>\$ 2,229,499</b>	<b>\$ 230,979</b>
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