

NOTICE

SPECIAL MEETING OF THE BOARD OF DIRECTORS

Monday, December 12, 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 October 24, 2022, Regular Board meeting.
6. **Administration**
 - a. **HEARING: Executive Director's Proposed Fiscal Year 2023 Annual Budget (Board to consider adoption of budget for FY2023)** – *Public can address the Board on budget items and budget in total. Budget will affect the setting of the FY2023 Assessments*
 - b. **2023 Meeting Schedule:** Establish the 2023 EKGSA Regular Meeting Schedule
 - c. **Discussion:** Discuss Officer terms of office, Board and implementation of terms and date of termination (per Section 5.01, 5.02 and 5.03 of the JPA).
 - d. **Status of Grants** – Update on status and activity (Hagman)
7. **Groundwater Sustainability Plan Implementation:**
 - a. Policy and Procedures update – Consider adopting by action changes to the Policy and Procedures regarding small acreage
 - b. Report on Groundwater Sustainability Implementation
8. **Closed Session**

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



CONFERENCE WITH REAL PROPERTY NEGOTIATOR: (Govt. Code, § 54956.8.)

Description of Property: Groundwater Credits

Agency Negotiators: Executive Director

Negotiation Parties: EKGSA and potential sellers

Under Negotiation: Price and terms

9. Schedule Next meeting – Next regularly scheduled meeting is January 23, 2023 at 3:00 PM.

10. Adjournment

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

MINUTES FOR THE BOARD MEETING ON OCTOBER 24, 2022

The East Kaweah Groundwater Sustainability Agency (“EKGSA”) Board of Directors duly met for a Regular meeting on Monday, October 24, 2022, in person with auditor via video conference.

OPEN SESSION: Convened at 3:00 p.m. with a quorum.

1. **DIRECTORS PRESENT:** Buldo, Cerros (Lindsay), Ferrara, J. Tienken (LSID), Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

DIRECTORS ABSENT: None

OTHERS PRESENT: Michael Hagman, Executive Director; Joe Hughes, Legal Counsel; Matt Klinchuch, Consulting Engineer; and various members of the committees and public.

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

AYES: Buldo, Cerros (Lindsay), Ferrara, J. Tienken (LSID), Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

NOES: None

ABSTAIN: None

ABSENT: None

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENT:** Request EKGSA Board invest in video / conference solution so that public can attend remotely.

5. **MINUTES:** Motion to adopt and ratify the minutes provided by the Secretary from the September 30, 2022, Special Board Meeting was made by Director Milanesio, seconded by Director Micari, and carried by the following vote:

AYES: Buldo, Ferrara, J. Tienken (LSID), Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Watson

NOES: None

ABSTAIN: Roberts, Cerros

ABSENT: None

6. GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION:

a. 2023 Groundwater Allocation (2022-04): Executive Director Hagman presented an alternative allocation by the request of Director Micari and S. Milanesio. The alternative allocation added a Temporary Tier allocation of .5-acre feet and restructure the fee schedule to include a \$300 an acre foot Tier 1- and \$150-acre foot Tier 2 fee. Board held conversation with inclusion of the public. Motion to adopt the alternative allocation for the 2023 Groundwater Allocation was made by Director Micari, seconded by Director S. Milanesio and failed on the following vote:

AYES: Buldo, Cerros (Lindsay), Micari, S. Milanesio,

NOES: Ferrara, J. Tienken (LSID), Hornung, Milanesio E., Peltzer, Roberts, Watson

ABSTAIN: None

ABSENT: None

b. Rules and Regulations: Hunter presented a recommendation to the board to adopt three specific modifications to the Rules and Regulations to reconcile issues with Eta values. 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. Director Hornung made motion to adopt recommendations. (Watson), and carried on the following vote:

AYES: Buldo, Cerros (Lindsay), Ferrara, J. Tienken (LSID), Hornung, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

NOES: None

ABSTAIN: Micari

ABSENT: None

Hunter presented a schedule for Allocation Year 2022 end of year statements and billing. Hunter reported that EKGSA is working with surface water agencies to acquire deliveries by parcel number. These activities are a significant lift. Hunter also requested a 30-day reconciliation period to provide landowners the ability to reconcile their end of year statements before bill are mailed out. Exeter Irrigation District General Manager Kilgore noted that the district he represents would not be able to supply surface water delivery by parcel until January 1. After further discussion board provided direction to modify schedule to supply surface water districts the time requested and ensure landowners are provided an opportunity to reconcile the end of statement.

c. Subbasin Report: Executive Director Hagman reported that Kaweah Subbasin GSA were coordinating on additional grant opportunities. Director Hornung included that there was additional work on synergizing terms and definitions between the GSAs. These activities include on-going efforts for landowner education and outreach.

7. ADMINISTRATION:

a. Audit Presentation: Cuttone & Mastro presented the audit report. A motion to accept the Audit was made by Director Peltzer, seconded by Director Watson, and carried on the following vote:

AYES: Buldo, Cerros, Ferrara, J. Tienken (LSID), Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

NOES: None

ABSTAIN: None

ABSENT: None

b. Payments: Executive Director provided the EKGSA check register. After some brief discussion on the financial reports and the payments, a motion to ratify payments made to meet the obligations of the EKGSA was made by Director Micari, seconded by Director Peltzer, and carried on the following vote:

AYES: Buldo, Cerros, Ferrara, J. Tienken (LSID), Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

NOES: None

ABSTAIN: None

ABSENT: None

c. Financial Report: Executive Director Hagman presented financial report. A motion was made to accept financial report as presented was made by Director Hornung, seconded by Director Buldo, and carried on the following vote:

AYES: Buldo, Cerros (Lindsay), Ferrara, J. Tienken (LSID), Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

NOES: None

ABSTAIN: None

ABSENT: None

d. FY 2023 Financial Budget: Executive Director Hagman presented the draft FY 2023 Budget. Hagman made a recommendation to the board to clear the 2021 fund balance with a call for funds and to set a Special Board meeting for a Hearing to review

the budget before the public, take comments and consider adoption of the budget on December 12, 2022. A motion was made to accept the recommendation as presented was made by Director Ferrara, seconded by Director Watson, and carried on the following vote:

AYES: Buldo, Cerros (Lindsay), Ferrara, J. Tienken (LSID), Hornung, Micari, Milanesio E., Milanesio, S., Peltzer, Roberts, Watson

NOES: None

ABSTAIN: None

ABSENT: None

8. **CLOSED SESSION:** Board went into closed session at (6) p.m. and after discussion, came out of closed session at 6:45 p.m. There was no reportable action.

9. **SCHEDULE NEXT MEETING:**

The Chairman set a Special Board meeting for December 12, 2022 at 3:00 pm and stated that the next regularly scheduled board meeting will be held on January 23, 2023, at 3:00 pm.

10. **ADJOURNMENT:**

The meeting was adjourned at 7:01 p.m.

Michael D. Hagman
Secretary, East Kaweah GSA

East Kaweah GSA

FY2023
Executive Director's DRAFT Budget
with Prior Year Comparisons
October 21, 2022

GOVERNANCE ACTIVITY	Audited Fiscal Year End Actual 2021	Estimated Fiscal Year End 2022	Fiscal Year 2022 Approved Budget	Exec Dir's Draft FY2023 Budget
Expenditures				
Executive/Admin Services	165,600	170,199	170,000	175,000
Legal	82,191	72,500	52,500	52,500
Engineering	6,517	7,500	5,000	6,000
Auditing	6,650	8,900	7,500	9,500
Insurance	6,466	7,860	6,650	8,260
Postage	-	-	-	20,000
Meeting Expense/Other	15,683	32,500	10,000	12,500
Total Expenditures	283,106	299,459	251,650	283,760
Revenues				
Call for Funds Reconciled	-	-	-	-
Call for Funds #1	55,500	64,550	64,550	70,000
Call for Funds #2	55,500	64,550	64,550	70,000
Call for Funds #3	55,500	64,550	64,550	70,000
Call for Funds #4	55,500	64,550	64,550	70,000
Total Revenue	222,000	258,200	258,200	280,000
Governance Activity - Net Gain/(Loss)	(61,106)	(41,259)	6,550	(3,760)

Approve Call for funds

East Kaweah GSA

FY2023
Executive Director's DRAFT Budget
with Prior Year Comparisons
October 21, 2022

PLAN IMPLEMENTATION ACTIVITY	Audited Fiscal Year End Actual 2021	Estimated Fiscal Year End 2022	Fiscal Year 2022 Approved Budget	Exec Dir's Draft FY2023 Budget	
Annual Recurring Implementation					
Annual Report	32,166	18,820	27,500	25,000	
Executive/Admin Agreement	194,400	345,000	345,000	354,000	
Basin Setting Coordination	54,464	225,000	40,000	200,000	DMS, Modeling, WAF
Demand Metering	89,175	93,600	120,000	98,500	
Contract Engineering Support	89,288	120,000	35,000	60,000	
Plan Policy Development	-	38,900	125,000	20,000	Well Mitigation
Customer Data System/Outreach	-	150,000	-	150,000	
Miscellaneous	-	-	2,500	2,500	
	459,493	991,320	695,000	910,000	
One Time Implementation					
Proposition 218	3,617	-	-	-	
Grant - Planning Work (P68)	35,942	272,649	271,050	-	
Grant - RCIS (WCB P68)	234,817	47,500	103,350	25,000	
Monitoring System Projects/Assets	7,408	86,604	512,250	280,000	
GSP Rewrite	-	66,667	-	-	
Projects	-	-	-	-	Need guidance
Management Actions	-	-	-	-	Need guidance
Well Mitigation	-	-	-	-	Need guidance
Water Marketing Program	-	-	-	-	Need guidance
	281,783	473,420	886,650	305,000	
Total GSA Plan Implementation Cost					
	-	50,000	50,000	50,000	
Plan Update - Reserve Collection					
	-	1,514,740	1,631,650	1,265,000	
Total Implementation	741,276				
REVENUE					
Assessment - Land Owners (109,577 ac)	949,917	968,421	967,444	986,752	
Assessment - City of Lindsay (1,443 ac)	12,510	12,755	12,755	13,001	
Assessment - Fines/Late Fees	5,113	-	-	-	
Ground Water Pumping Fees	-	-	-	-	
Fines	-	-	-	-	
Grant - Planning Work (P68)	38,408	272,649	2,500,000	-	Need guidance
Grant - RCIS (WCB P68)	240,177	47,500	271,050	-	
Other - Gov't's (P68 Grant - GKUSA)	-	66,667	103,350	25,000	
Other - Gov't's	-	-	-	-	
	1,246,125	1,367,992	3,854,599	1,024,753	
TOTAL REVENUE					

East Kaweah GSA

FY2023
Executive Director's DRAFT Budget
with Prior Year Comparisons
October 21, 2022

Plan Implementation Activity - Net Gain/(Loss)	504,848	(196,748)	2,222,949	(240,247)
EKGSA - Net Gain/Loss	443,742	(238,007)	2,229,499	(244,007)
Agency Loan Repayment	(427,480)	(427,480)	(427,480)	(427,480)
Net Difference	16,262	(665,487)	1,802,019	(671,487)

East Kaweah GSA

FY2023
Executive Director's DRAFT Budget
with Prior Year Comparisons
October 21, 2022

Fund Balance Analysis		
Governance		
FB Ending 12.31.2021		(22,821)
Estimated 12.31.2022 Change in FB		(41,259)
	FB 12.31.2022	(64,080)
Plan		
FB Ending 12.31.2021		26,088
Estimated 12.31.2022 Change in FB		-
	FB 12.31.2022	26,088
Implementation		
FB Ending 12.31.2021		229,738
Estimated 12.31.2022 Change in FB		(196,748)
	FB 12.31.2022	32,990
Total		
FB Ending 12.31.2021		233,005
Estimated 12.31.2022 Change in FB		(238,007)
	FB 12.31.2022	(5,003)

EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
SCHEDULE OF MEETINGS – FISCAL YEAR 2023

BOARD OF DIRECTORS

Date	Time	Location
January 23, 2023	3:00 PM	Exeter Museum
April 24, 2023	3:00 PM	Exeter Museum
July 24, 2023	3:00 PM	Exeter Museum
October 23, 2023	3:00 PM	Exeter Museum

ADVISORY COMMITTEE

Date	Time	Location
1/17/2023*	4:00 PM	Exeter Museum
2/21/2023*	4:00 PM	Exeter Museum
March 20, 2023	4:00 PM	Exeter Museum
April 17, 2023	4:00 PM	Exeter Museum
May 15, 2023	4:00 PM	Exeter Museum
June 19, 2023	4:00 PM	Exeter Museum
July 17, 2023	4:00 PM	Exeter Museum
August 21, 2023	4:00 PM	Exeter Museum
September 18, 2023	4:00 PM	Exeter Museum
October 16, 2023	4:00 PM	Exeter Museum
November 20, 2023	4:00 PM	Exeter Museum
December 18, 2023	4:00 PM	Exeter Museum

TECHNICAL ADVISORY COMMITTEE

Date	Time	Location
1/13/2023*	8:00 AM	Exeter Museum
February 3, 2023	10:00 AM	Exeter Museum
March 3, 2023	10:00 AM	Exeter Museum
April 7, 2023	10:00 AM	Exeter Museum
May 5, 2023	10:00 AM	Exeter Museum
June 2, 2023	10:00 AM	Exeter Museum
July 7, 2023	10:00 AM	Exeter Museum
August 4, 2023	10:00 AM	Exeter Museum
September 1, 2023	10:00 AM	Exeter Museum
October 6, 2023	10:00 AM	Exeter Museum
November 3, 2023	10:00 AM	Exeter Museum
December 1, 2023	10:00 AM	Exeter Museum

*Adjusted for Monday Holidays

*Adjusted at December 2nd meeting

ARTICLE V

OFFICERS AND EMPLOYEES

Section 5.01. Chair and Vice-Chair. The Board shall elect a Chair and a Vice-Chair from among the Directors to serve for two years. The Chair and the Vice-Chair shall serve at the pleasure of the Board and shall perform the duties normally required of said offices.

- (a) The Chair shall (1) preside at and conduct each meeting of the Board, (2) represent the Board as directed by the Board, (3) be an ex-officio member of each committee established by the Board, and (4) perform such other duties as may be imposed by said Board;
- (b) The Vice-Chair shall act and perform all of the Chair's duties in the absence of the Chair; and
- (c) The Chair or Vice-Chair may sign all contracts and agreements as approved by the Board.

Section 5.02. Secretary. The Board shall appoint a Secretary from among the employees of the Authority, or if no such employees exist, a consultant. The Secretary shall serve at the pleasure of the Board. The Secretary shall act on behalf of the Authority and perform such other duties as may be imposed by the Board. The Secretary may sign agreements for the Authority when authorized by the Board.

Section 5.03. Treasurer and Auditor.

- (a) LID shall be the depository, shall have custody of all the money of the Authority from whatever source, and shall have the duties and obligations of the Treasurer as set forth in Government Code Sections 6505 and 6505.5. LID shall be responsible for receiving quarterly reports from the Secretary and verifying the balance of this report with respect to the balance as maintained by the records.
- (b) LID shall assure strict accountability of all receipts and disbursements of the Authority and shall make arrangements with a certified public accountant or firm of certified public accountants for the annual audit of accounts and records of the Authority.

Section 5.03. Officers in Charge of Records; Funds; and Accounts. Pursuant to Government Code Section 6505.1, LID shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto; and the Secretary shall have charge of, handle and have access to all other records of the Authority.