

**MINUTES** of the special meeting of the Board of Directors of Southwest Kings Groundwater Sustainability Agency held on August 14, 2017. at the office of the Agency Office, 286 W. Cromwell Avenue, Fresno, California.

**DIRECTORS PRESENT:**

William Phillimore, Dudley Ridge Water District  
 Steven Jackson, White Areas representative  
 Ceil Howe Jr., Tulare Lake Reclamation District 761  
 Jaime Howe, Tulare Lake Reclamation District 761

**DIRECTORS NOT PRESENT:**

Bernard Puget, Dudley Ridge Water District

**OTHERS PRESENT:**

Dale Melville, Provost & Pritchard Consulting Group  
 Joe Hopkins, Provost & Pritchard Consulting Group  
 Rick Besecker, Provost & Pritchard Consulting Group  
 Laurie Sales, Provost & Pritchard Consulting Group  
 Lauren Layne, Baker, Manock & Jensen  
 Riley Jones, landowner  
 Larry Easterling, Jr., landowner  
 Dusty Ference, Tulare County Farm Bureau

Chairman Phillimore called the Board meeting to order at 10:06 a.m. and initiated a round of self-introductions by the board and attendees.

**MINUTES**

Upon a motion by Director C. Howe Jr and second by Director J. Howe, the minutes from the March 8, 2017 meeting of the Agency were approved as presented by the following vote:

Phillimore	Puget	J. Howe	C. Howe Jr	Jackson
Aye	Absent	Aye	Aye	Aye

**PUBLIC HEARING (Proposition 218 Election)**

Chairman Phillimore opened the public hearing at 10:12 a.m. Mr. Hopkins reviewed the proposed charges and their effect on agency cash flow with the Board. Chairman Phillimore asked for any landowner comments for the record; Mr. Easterling voiced his objections to the charges and offered his protest letter (attached to and made part of these minutes) for inclusion in the record. In response, Ms. Layne noted that all lands in subbasins addressed in DWR Bulletin 118 must comply with SGMA and the State Water Resources Control Board has the wide authority to levy charges on lands with or without both wells. After a short discussion, Ms. Sales, with oversight from Executive Director Melville, opened and counted the landowner ballots submitted for the Proposition 218 election.

Chairman Phillimore close the hearing at 10:28 a.m. At this time the results of the election were provided to the Executive Director who reported that the election had passed, with 87.1% of the ballots returned and 95.7% of the assessed value of said ballots voting in favor of the proposed assessment.

Director C. Howe Jr. motioned to accept the results of the election and order the June 2017 Engineer's Report for the Benefit Assessments be filed. The motion was seconded by Director Jackson and the Board voted to adopt the motion. Following the vote, Chairman Phillimore announced that the Directors voted as follows:

Phillimore	Puget	J. Howe	C. Howe Jr	Jackson
Aye	Absent	Aye	Aye	Aye

**REVIEW BUDGET AND SET LAND-BASED ASSESSMENT RATE**

Mr. Hopkins reviewed the budget and projected cash flow requirements and recommended that the Board assess the maximum rate approved for the initial assessment. The discussion included that even if a grant is approved the funds would not be available until summer/fall 2018 the Agency will need operating funds in January 2018 and the next two years would require the largest work effort for the Agency. Thereafter, Director C. Howe Jr. motioned to adopt Resolution 2017-03 (attached to and made part of these minutes), which sets the 2017-2018 assessment at \$5.00 per acre. The motion was seconded by Director Jackson and the Board voted to adopt the motion. Following the vote, Chairman Phillimore announced that the Directors voted as follows:

Phillimore	Puget	J. Howe	C. Howe Jr	Jackson
Aye	Absent	Aye	Aye	Aye

**PARTICIPATION IN THE LOCAL AGENCY INVESTMENT FUND**

Mr. Besecker reported that he would be opening an account with the California State Treasurer’s Local Agency Investment Fund (LAIF). Director C. Howe Jr. motioned to adopt Resolution 2017-04 (attached to and made part of these minutes), authorizing participation in the LAIF. The motion was seconded by Director Jackson and the Board voted to adopt the motion. Following the vote, Chairman Phillimore announced that the Directors voted as follows:

Phillimore	Puget	J. Howe	C. Howe Jr	Jackson
Aye	Absent	Aye	Aye	Aye

**INTERIM OPERATING AGREEMENT**

Executive Director Melville gave a report on the “Interim Operating Agreement for the Tulare Lake Subbasin to Develop and Implement a Groundwater Sustainability Plan” (attached to and made part of these minutes), noting the agreement would be needed for a pending grant application to DWR from the Subbasin. He reported that any non-eligible costs would be funded with half among the participants on an acreage basis and the half split equally among each participant. He also commented that in early 2018, a longer-term agreement is anticipated with a lower cost share by the Agency. After a short discussion, Director C. Howe Jr. motioned to execute the agreement, subject to minor modifications to be approved by the Chairman and legal counsel. The motion was seconded by Director Jackson and the Board voted to adopt the motion. Following the vote, Chairman Phillimore announced that the Directors voted as follows:

Phillimore	Puget	J. Howe	C. Howe Jr	Jackson
Aye	Absent	Aye	Aye	Aye

The Board also discussed priorities for the Groundwater Sustainability Plan, noting that it would address transferability of water from GSA to GSA for landowners with contiguous landholdings, the ability to continue pumping within the Subbasin at near the current low levels, and maintain the flexibility of moving groundwater or surface water to/from areas outside the GSA.

**REPORT OF COUNSEL**

Ms. Layne reported that Kings County will soon have staff to focus SGMA/water issues. A new position has been solicited and will be filled soon. Ms. Layne also updated the board on potential legislation (SB 623) which would be a tax for water quality that would provide relief to growers targeted by the RWQCB. Finally, Ms. Layne drew awareness that many counties are exercising land use authority and are proposing groundwater ordinance to limit pumping and new wells.

**DATE, TIME AND LOCATION OF NEXT BOARD MEETING**

The Executive Director noted that the Board may not need to meet of a few months and be held at its regular date (second Wednesday at 3:00 p.m.) at the Agency office.

**ADJOURNMENT**

There being no further business to come before the Board, at 11:21 p.m. Chairman Phillimore adjourned the meeting.

\_\_\_\_\_  
Steven D. Jackson, Secretary-Treasurer

APPROVED:

\_\_\_\_\_  
William D. Phillimore, Chairman