

# **SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**

944 Whitley Avenue, Suite E, Corcoran, CA 93212

559-762-7240 [www.swkgsa.org](http://www.swkgsa.org)

## **AGENDA**

### **SPECIAL MEETING OF THE BOARD OF DIRECTORS**

July 28, 2020

10:00 a.m.

944 Whitley Avenue, Suite E

Corcoran, CA 93212

Per Executive Order N-29-20, which allows local and state legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, this special Southwest Kings GSA Board of Directors meeting will be accessible via Zoom and dial in at:

Join Zoom Meeting

<https://us02web.zoom.us/j/4510356465?pwd=WWY5KzhldWplenNDaGtlaVITVVNwdz09>

Meeting ID: 451 035 6465

Passcode: 9449

Dial by your location

+1 669 900 9128 US

The public may participate in the meeting as otherwise permitted under the Brown Act by calling into the telephone number above. Any member of the public may address the SWKGS Board of Directors concerning any item on the agenda before or during its consideration of that matter, as appropriate.

**CALL TO ORDER** 10:00 a.m.

**ROLL CALL**  
Steve Jackson, Chairman  
Mark Grewal  
Kimberly Brown  
Bernard Puget  
Jim Wilson

### **PUBLIC COMMENT**

The Board of Directors welcomes participation in Board meetings. The public may address matters under the jurisdiction of the Board that have not been posted in the Agenda. However, California Law prohibits the Board from taking action on any matter that is not on the posted Agenda unless the Board determines that it is an emergency or one of the other situations specified in Government Code section 54954.2. The public will be given the opportunity to address the Board on any item on the Agenda at this time or before the Board's consideration of that item. If members of the public desire to address the Board relative to a particular Agenda item at the time it is to be considered, they should so notify the Chairman of the Board at this time. The Chairman may limit the total amount of time allocated for public testimony on particular issues for each individual speaker.

### **POTENTIAL CONFLICTS OF INTERESTS**

*(Any Board member who has a potential conflict of interest may now identify the item and recuse himself from discussing and voting on the matter.)* [FPPC § 87105.]

## **CONSENT CALENDAR**

Consent calendar items will be voted on together by a single motion unless separate action is requested by a Board member, staff or member of the public.

1. Minutes of the Special Board Meeting held on June 17, 2020.
2. Warrants and Finances (06/01/20 – 07/23/20)
3. Treasurer's Report

## **PUBLIC HEARING**

4. **Public Hearing to Consider the 2021 Land-Based Assessment Rate and Invite Public Comment on the Establishment of the 2021 Assessment Rate.**
  - a. Open public hearing
  - b. Discussion
  - c. Public comments/questions
  - d. Close public hearing
  - e. If desired, motion to adopt Resolution No. 20-01 **SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY RESOLUTION STATING THE POWERS OF A JOINT POWERS AUTHORITY TO FIX AND COLLECT CHARGES ON THE 2020-21 YEAR KINGS COUNTY TAX ROLL.**
  - f. If desired, motion to adopt Resolution No. 20-02 **A RESOLUTION OF THE SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY APPROVING THE LEVYING OF THE 2020-2021 ASSESSMENTS.**

## **ACTION CALENDAR**

5. Consider for adoption Resolution No. 20-03 **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY AUTHORIZING ADMINISTRATIVE CHANGES IN THE LOCAL AGENCY INVESTMENT FUND.**
  - a. Report by Executive Director / General Counsel
  - b. Discussion
  - c. Public comments/questions
  - d. If desired, motion to adopt Resolution No. 20-03
6. Consider for approval the **SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2019.**
  - a. Presentation by Michael Cuttone
  - b. Discussion
  - c. Public comments/questions
  - d. If desired, motion to approve the Auditor's Report

7. Consider for adoption Southwest Kings Groundwater Sustainability Agency 2020 Draft Budget.
  - a. Budget presentation by Executive Director
  - b. Discussion
  - c. Public comments/questions
  - d. If desired, motion to approve the 2021 Budget
  
8. Consider for approval **CALIFORNIA STRATEGIES & ADVOCACY CONTRACT.**
  - a. Presentation by David Armanasco and Rusty Areias
  - b. Discussion
  - c. Public comments/questions
  - d. If desired, motion to approve the contract
  
9. Consider for approval **KINGS RIVER CONSERVATION DISTRICT ELEVATION MONITORING COST-SHARING AGREEMENT.**
  - a. Presentation by Sonja Thiede, KRCD
  - b. Discussion
  - c. Public comments/questions
  - d. If desired, motion to approve the agreement
  
10. Consider for discussion and approval Mid Kings River GSA's call for funds for payment of Tulare Lake Subbasin's outstanding invoices due to cash flow disruption of the Round 2 SGMA Grant Money disbursements.
  - a. Report by Executive Director
  - b. Discussion
  - c. Public comments/questions
  - d. If desired, motion to approve the request for funds
  
11. Consider for discussion and possible action to amend Southwest Kings Groundwater Sustainability Agency's Bylaws.
  - a. Report by Executive Director
  - b. Discussion
  - c. Public comments/questions
  - d. If desired, motion to amend

#### **COMMUNICATIONS/DISCUSSION ITEMS**

#### **12. Director's Reports/Comments/Suggestions**

#### **13. Reports of General Interest**

- 1.) Tulare Lake Subbasin Update – Deanna Jackson
- 2.) Legal Counsel Report – Pam Silkwood
- 3.) Other Updates, as appropriate

#### **ADJOURNMENT**

**14.** Adjourn to the next Board Meeting, scheduled on September 3, 2020 at 10:00 a.m., at the 944 Whitley Avenue, Corcoran or as otherwise directed by the Board.

- ❖ Items on the Agenda may be taken in any order.
- ❖ Action may be taken on any item listed on the Agenda.
- ❖ Writings relating to open session Agenda items that are distributed to members of the Board of Directors will be available for inspection at the Authority office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.

**Americans with Disabilities Act of 1990:** Under this act, a qualifying person may request that the Authority provide a disability-related modification or accommodation in order to participate in any public meeting of the Authority. Such assistance includes alternative formats for the agendas and agenda packets used for any public meetings of the Authority. Requests for assistance shall be made in person, via telephone, or in written form to the SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY Office at 944 Whitley Avenue, Suite E, Corcoran, CA 93212 (559) 762-7240. Requests must be received at least 48 hours prior to a scheduled public meeting.

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**  
**SPECIAL BOARD MEETING**  
**MINUTES**  
**June 17, 2020**

The Board of Directors of the Southwest Kings Groundwater Sustainability Agency met in the second-floor conference room, 944 Whitley Avenue, Corcoran, California, on Wednesday, June 17, 2020 at the hour of 8:30 a.m.

Chair Steve Jackson presided and Executive Director Jackson kept the minutes.

**DIRECTORS PRESENT:** Steve Jackson  
Mark Grewal  
Kimberly Brown  
Bernard Puget  
Jim Wilson

**DIRECTORS ABSENT:** None

**OTHERS PRESENT:** Pam Silkwood, General Counsel, Horan Lloyd  
Kiti Campbell, Westlands Water District  
Sonja Theide, KRCD  
Riley Jones, Tulare Lake Compost  
Ryan Stanley, KRCD  
Cody Tolbert, Chevron  
Bob Anderson, Geosyntec  
Amer Hussain, Geosyntec

Chairman Jackson called the meeting to order at 8:30 a.m.

\*Director Puget attended the meeting remotely, but due to a technical issue he could not be heard and his vote was not recorded.

**PUBLIC COMMENT**

None offered

**CONSENT CALENDAR**

- A. Upon the motion of Director Grewal, seconded by Director Wilson, the May 15, 2020 Special Board Minutes were approved. (4-0-1)

- B. Upon the motion of Director Brown, seconded by Director Grewal, the Warrants and Finances of 04/30/20 – 05/31/20 were approved. (4-0-1)

### **ACTION CALENDAR**

1. Consider for approval a Waiver for Potential Conflict of Interest for Pamela Silkwood as legal counsel representing Southwest Kings Groundwater Sustainability Agency and Tri-County Water Authority. This waiver provides written consent for Pamela Silkwood to represent both agencies, and sets forth the procedure to inform the parties should a conflict occur. Ms. Silkwood explained that the goal is to avoid any conflict of interest but if one should arise, she would remove herself from representation of either party. On the motion of Director Grewal and the second of Director Brown, the Board approved the waiver. (4-0-1)
2. Consider for approval the Cooperation and Administrative Services Agreement between Tri-County Water Authority and Southwest Kings Groundwater Sustainability Agency. Executive Director Jackson presented the Administrative Services Agreement that was prepared by Ms. Silkwood. Attorney Joe Hughes was retained as Special Counsel to SWKGSA to review and offer revisions to the agreement. The revisions were accepted and the agreement was passed by TCWA's Board of Directors on June 15, 2020. On the motion of Director Grewal and the Second of Director Wilson, the Board approved the agreement. (4-0-1)
3. Consider for approval the Proposal to Provide Bookkeeping Services from M. Green Company. The Board considered using M. Green Company to provide accounting services. The service will include invoice inspection and approval by Board members through bill.com, and financial reporting to the Executive Director and to the Board. On the motion of Director Grewal and the second of Director Brown, the Board approved the Proposal from M. Green Company. (4-0-1)
4. Consider for approval the Master Professional Services Agreement between Geosyntec Consultants Inc. and Southwest Kings Groundwater Sustainability Agency. Mr. Hussain gave an overview of the consulting services Geosyntec provides. After discussion and on the motion of Director Grewal and the second of Director Wilson, the Board approved the agreement. (4-0-1)
5. Consider for approval Geosyntec Consultant's proposed Task Orders 1 and 2. Task 1 is a general order for as needed consulting services to be billed hourly. Task 2 includes data collection from representative monitoring sites for use in the annual reports as required by SGMA. On the motion of Director Grewal and the second of Director Wilson, the Board approved the task orders. (4-0-1)

### **ADJOURNMENT**

8. There being no further business to come before the Board on the occasion of the June 17, 2020 meeting, Chair Jackson adjourned the meeting until the next Regular Meeting to be held on July 2, 2020 at 10:00 a.m., at the 944 Whitley Avenue Boardroom or as otherwise directed by the Board.

Attest:

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Kimberly M. Brown, Secretary-Treasurer

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Steve Jackson, Chair

DRAFT

# Southwest Kings Groundwater Sustainability Agency

## CHECK DETAIL

June 1 - July 23, 2020

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
101 Checking						
06/10/2020	Check	1076	Baker Manock & Jensen PC		R	-1,759.50
				Invoice 448994		1,759.50
06/10/2020	Check	1077	Corcoran Publishing Co. Inc.			-108.00
				Invoice 18326		108.00
06/10/2020	Check	1078	Provost & Pritchard Consulting Group		R	-7,918.74
				Invoice 79322		7,187.50
						407.84
						323.40
06/15/2020	Check	SVCCHRG		Service Charge	R	-34.53
						34.53



# Southwest Kings Groundwater Sustainability Agency

## BALANCE SHEET - BOARD REPORT

As of July 23, 2020

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
101 Checking	47,023.86
102 LAIF	372,812.07
<b>Total Bank Accounts</b>	<b>\$419,835.93</b>
Accounts Receivable	
Accounts Receivable	4,018.73
<b>Total Accounts Receivable</b>	<b>\$4,018.73</b>
Other Current Assets	
Interest Receivable	2,102.07
<b>Total Other Current Assets</b>	<b>\$2,102.07</b>
<b>Total Current Assets</b>	<b>\$425,956.73</b>
<b>TOTAL ASSETS</b>	<b>\$425,956.73</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	21,518.28
<b>Total Accounts Payable</b>	<b>\$21,518.28</b>
Other Current Liabilities	
Other Payables	10,593.21
<b>Total Other Current Liabilities</b>	<b>\$10,593.21</b>
<b>Total Current Liabilities</b>	<b>\$32,111.49</b>
<b>Total Liabilities</b>	<b>\$32,111.49</b>
Equity	
Retained Earnings	481,490.56
Net Income	-87,645.32
<b>Total Equity</b>	<b>\$393,845.24</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$425,956.73</b>

**Note**

No assurance is provided on these financial statements.

# Southwest Kings Groundwater Sustainability Agency

## BUDGET VS. ACTUALS: FY\_2020 - FY20 P&L

January 1 - July 23, 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>Income</b>				
401 Benefit Assessment		136,772.00	-136,772.00	
491 Penalty		4,000.00	-4,000.00	
<b>Total Income</b>	<b>\$0.00</b>	<b>\$140,772.00</b>	<b>\$ -140,772.00</b>	<b>0.00%</b>
<b>GROSS PROFIT</b>	<b>\$0.00</b>	<b>\$140,772.00</b>	<b>\$ -140,772.00</b>	<b>0.00 %</b>
<b>Expenses</b>				
501 Management	41,488.85	50,000.00	-8,511.15	82.98 %
503 Legal	12,923.65	20,000.00	-7,076.35	64.62 %
504 Clerical	407.84	6,000.00	-5,592.16	6.80 %
506 Website	1,517.51	2,000.00	-482.49	75.88 %
507 Audit	3,785.00	5,000.00	-1,215.00	75.70 %
520 GSP	23,778.50		23,778.50	
520-1 Budget Overrun		30,000.00	-30,000.00	
520-2 Annual Report		15,000.00	-15,000.00	
520-3 Monitoring/DMS		35,000.00	-35,000.00	
520-4 Grant Applications/Admin		15,000.00	-15,000.00	
<b>Total 520 GSP</b>	<b>23,778.50</b>	<b>95,000.00</b>	<b>-71,221.50</b>	<b>25.03 %</b>
530 Dues	7,500.00		7,500.00	
540 Contingency		33,000.00	-33,000.00	
590 Other	280.71		280.71	
<b>Total Expenses</b>	<b>\$91,682.06</b>	<b>\$211,000.00</b>	<b>\$ -119,317.94</b>	<b>43.45 %</b>
<b>NET OPERATING INCOME</b>	<b>\$ -91,682.06</b>	<b>\$ -70,228.00</b>	<b>\$ -21,454.06</b>	<b>130.55 %</b>
<b>Other Income</b>				
490 Interest	4,036.74		4,036.74	
<b>Total Other Income</b>	<b>\$4,036.74</b>	<b>\$0.00</b>	<b>\$4,036.74</b>	<b>0.00%</b>
<b>NET OTHER INCOME</b>	<b>\$4,036.74</b>	<b>\$0.00</b>	<b>\$4,036.74</b>	<b>0.00%</b>
<b>NET INCOME</b>	<b>\$ -87,645.32</b>	<b>\$ -70,228.00</b>	<b>\$ -17,417.32</b>	<b>124.80 %</b>

**Note**

No assurance is provided on these financial statements.

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**

**RESOLUTION 20-01**

**RESOLUTION STATING THE POWERS OF A JOINT POWERS AUTHORITY TO  
FIX AND COLLECT CHARGES ON THE 2020-21 YEAR KINGS COUNTY TAX  
ROLL**

**WHEREAS**, the Southwest Kings Groundwater Sustainability Agency (“Agency”) is a joint powers authority formed pursuant to the Joint Exercise of Powers Act codified at California Government Code Sections 6500 *et seq.*;

**WHEREAS**, the members of the Southwest Kings Groundwater Sustainability Agency include Dudley Ridge Water District, Tulare Lake Reclamation District No. 761, Kettleman City Community Services District, Tulare Lake Basin Water Storage District, and the County of Kings;

**WHEREAS**, the Agency is located exclusively within Kings County;

**WHEREAS**, the Agency may assess land in accordance the joint powers of the Agency’s members and through its powers as a Groundwater Sustainability Agency (“GSA”) under to the Sustainable Groundwater Management Act (“SGMA”);

**WHEREAS**, pursuant to provisions of Proposition 218, as reflected in Article XIII D of the California Constitution, California Water Code Section 10730, and Sections 53750 through 53756 of the California Government Code, the Agency may, in lieu in whole or in part of levying assessments, fix and collect charges for services furnished by the Agency, including any and all the following:

- (a) Administrative costs for management, legal, and consultant costs to manage and maintain the Agency in compliance with State laws and regulations;
- (b) Costs to comply with the SGMA, including but not limited to developing a Groundwater Sustainability Plan (“GSP”) independently or in conjunction with other GSAs; and
- (c) Costs to comply with SGMA in monitoring and reporting on the implementation of the GSP to the State through at least 2040.

**WHEREAS**, due to the cost of collection, the Southwest Kings Groundwater Sustainability Agency Board of Directors does hereby request the County of Kings, without regard to property valuation, to levy these assessments and place them on the 2020-21 Year Kings County Tax Roll.

**NOW, THEREFORE, BE IT RESOLVED** that the:

1. Southwest Kings Groundwater Sustainability Agency will not pursue collection of delinquencies; and

2. Southwest Kings Groundwater Sustainability Agency Collector will secure and file all necessary documents to support assessments and charges added to the Kings County Tax Roll pursuant to this Resolution.

**NOW, THEREFORE, MAY IT FURTHER BE RESOLVED,** that the Board of Directors approved and adopted the foregoing at an official meeting held on Tuesday, July 28, 2020.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**CERTIFICATE OF SECRETARY  
OF  
SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY,  
a California joint powers agency**

I, Kimberly Brown , do hereby certify that I am the duly authorized and appointed Secretary of the Southwest Kings Groundwater Sustainability Agency, a California joint powers agency (the "Agency"); that the following is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the Agency on the 28<sup>th</sup> day of July, 2020; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this 28<sup>th</sup> day of July, 2020.

\_\_\_\_\_  
Kimberly Brown, Secretary

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**

**RESOLUTION NO. 20-02**

**RESOLUTION OF THE SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY APPROVING THE LEVYING OF 2020-2021 ASSESSMENTS**

WHEREAS, the Southwest Kings Groundwater Sustainability Agency (the "Agency") is a joint powers authority, formed pursuant to the Joint Exercise of Powers Act (Gov. Code §§ 6500, *et seq.*); and

WHEREAS, pursuant to the Sustainable Groundwater Management Act ("SGMA"), the Agency is also an exclusive Groundwater Sustainability Agency ("GSA") in the portion of the Tulare Lake Subbasin (Subbasin 5-022.12 of the San Joaquin Valley Basin as defined by California Department of Water Resources Bulletin 118) underlying the Agency's boundaries; and

WHEREAS, pursuant to California Water Code Section 10730 provides that a GSA may levy fees or assessments and each member of the Agency has the authority to impose assessments in compliance with Proposition 218 as specified in Article XIID of the California Constitution; and

WHEREAS, on June 28, 2017, the Agency adopted an engineer's report to explain the need for the imposition of a land-based assessments pursuant to Proposition 218 and authorized mailing ballots to the landowners; and

WHEREAS, on August 14, 2017, the Agency held a public hearing to receive public comment and calculate the ballots for the Proposition 218 election, and

WHEREAS, 95.7 percent of the landowners that returned their ballots voted in favor of levying the land-based assessments in an amount up to and including five dollars and no/100 (\$5.00) per acre per year for those parcels that are ten acres or more; and

WHEREAS, either the Agency or the County of Kings may collect the Agency's assessments, but the Agency elected to have the County of Kings collect the 2020-2021 assessments on its behalf.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY does hereby resolve, declare and order as follows:

1. The above Recitals are deemed true and correct and are incorporated herein by this reference.
2. The landowners within the Agency's boundaries authorized the Board of Directors of the Agency to levy a land-based assessment in an amount not to exceed five dollars and no/100 (\$5.00) per acre per year.
3. The Board of Directors of the Agency hereby sets the 2020-2021 land-based assessment rate at two dollars (\$2.00) per acre.
4. The Agency hereby elects to have the County of Kings collect the assessments on the Agency's behalf for the 2020-2021 assessment year and authorizes the Agency's consultants to work with the County of Kings to do so.

5. Agency consultants/staff are authorized and directed to complete the necessary documentation to levy the Agency's 2020-2021 assessment.

PASSED AND ADOPTED this 28<sup>th</sup> day of July, 2020, by the following vote to wit:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**CERTIFICATE OF SECRETARY  
OF  
SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY,  
a California joint powers agency**

I, Kimberly Brown, do hereby certify that I am the duly authorized and appointed Secretary of the Southwest Kings Groundwater Sustainability Agency, a California joint powers agency (the "Agency"); that the following is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the Agency on the 28<sup>th</sup> day of July, 2020; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this 28<sup>th</sup> day of July, 2020.

\_\_\_\_\_  
Kimberly Brown, Secretary

**BEFORE  
THE BOARD OF DIRECTORS  
OF SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**

**RESOLUTION NO. 20-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHWEST KINGS  
GROUNDWATER SUSTAINABILITY AGENCY AUTHORIZING ADMINISTRATIVE  
CHANGES IN THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, Southwest Kings Groundwater Sustainability Agency currently maintains an account with the Local Agency Investment Fund (LAIF) for investing funds for liquidity purposes.

WHEREAS, LAIF is an investment pool managed by the California State Treasurer's Office and is available to all public agencies in California.

WHEREAS, given the approval and execution of the Cooperation and Administrative Service Agreement with Tri-County Water Authority and changes in the Board of Directors, it is desirable (1) to change the authorization for LAIF access and (2) to make agency address change, both as shown in the forms attached hereto and incorporated herein as Exhibit A.

NOW THEREFORE BE IT RESOLVED, on 28th day of July, 2020, the Southwest Kings Groundwater Sustainability Agency Board of Directors does hereby approve the change in authorization for access to funds in LAIF and the agency address change, both as shown in **Exhibit A**.

Approved this day, the 28<sup>th</sup> day of July, 2020

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Steven D. Jackson, Chairman  
Board of Director

ATTEST:

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Deanna Jackson  
Executive Director



**California State Treasurer's Office  
Local Agency Investment Fund (LAIF)**

**Authorization for Transfer of Funds**

Effective Date  
July 28, 2020

Agency Name  
Southwest Kings Groundwater Sustainability Agency

LAIF Account # \_\_\_\_\_

Agency's LAIF Resolution # 20-03 or Resolution Date July 28, 2020

**ONLY** the following individuals whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. **This authorization REPLACES AND SUPERSEDES all prior authorizations on file with LAIF for the transfer of funds.**

Name	Title
Steven Jackson	Chair
Mark Grewal	Vice-Chair
Kimberly Brown	Secretary-Treasurer
Jim Wilson	Director
Bernard Puget	Director
Deanna Jackson	Executive Director

**Two authorized signatures required.** Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature  
Steve Jackson

Print Name  
Chair

Title  
559-762-7240

Telephone \_\_\_\_\_

Signature  
Deanna Jackson

Print Name  
Executive Director

Title  
559-762-7240

Telephone \_\_\_\_\_

Please provide email address to receive LAIF notifications.

Name	Email

**Please email a scanned copy for review to [laif@treasurer.ca.gov](mailto:laif@treasurer.ca.gov).  
After approval is received, mail the original form to: State Treasurer's Office  
Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001**





California State Treasurer's Office  
Local Agency Investment Fund (LAIF)

Request for Agency Address Change

Date: July 28, 2020

LAIF Account #: \_\_\_\_\_

Agency Name: Southwest Kings Groundwater Sustainability Agency

Attention (title only): Executive Director

New Address: 944 Whitley Ave., Suite E, Corcoran, CA 93212

Telephone: 559-762-7240 Fax: \_\_\_\_\_

**Two authorized signatures required.** Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

\_\_\_\_\_  
Signature  
Steve Jackson  
Print Name  
Chair  
Title  
559-762-7240  
Telephone

\_\_\_\_\_  
Signature  
Deanna Jackson  
Print Name  
Executive Director  
Title  
559-762-7240  
Telephone

Please provide email address to receive LAIF email notifications.

Name	Email
Deanna Jackson	djackson@tcwater.org

**Please email a scanned copy for review to [laif@treasurer.ca.gov](mailto:laif@treasurer.ca.gov).**  
**After approval is received, mail the original form to: State Treasurer's Office  
Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001**



# CUTTONE & MASTRO

CERTIFIED PUBLIC ACCOUNTANTS

June 18, 2020

To the Board of Directors  
Southwest Kings Groundwater Sustainability Agency  
Fresno, California

We have audited the financial statements of Southwest Kings Groundwater Sustainability Agency for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 31, 2020. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Southwest Kings Groundwater Sustainability Agency are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2019. We noted no transactions entered into by the Southwest Kings Groundwater Sustainability Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of the audit procedures were corrected by management:

Amounts receivable and payable at December 31, 2019 were not recorded. The District does this primarily to keep records on the cash basis until conversion to accrual is needed.

##### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

##### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 18, 2020.

7543 North Ingram, Suite 102  
Fresno, California 93711

phone 559-261-4300

fax 559-261-4301

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Southwest Kings Groundwater Sustainability Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Southwest Kings Groundwater Sustainability Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

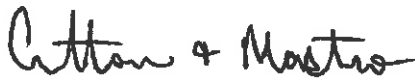
### **Other Matters**

We applied certain limited procedures to the Management Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Restriction on Use**

This information is intended solely for the use of the Board of Directors and management of Southwest Kings Groundwater Sustainability Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY  
BOARD OF DIRECTORS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Board of Directors**

**Kimberly Brown**

**Chairman**

**Mark Grewal**

**Vice Chair**

**Steven D. Jackson**

**Secretary/Treasurer**

**Bernard Puget**

**Director**

**Jim Wilson**

**Director**



# CUTTONE & MASTRO

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

To the Board of Directors  
Southwest Kings Groundwater Sustainability Agency  
Corcoran, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Southwest Kings Groundwater Sustainability Agency (the Agency), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

7543 North Ingram, Suite 102  
Fresno, California 93711

phone 559-261-4300

fax 559-261-4301

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Southwest Kings Groundwater Sustainability Agency as of December 31, 2019, and the changes in financial position and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

***Other-Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



June 18, 2020



**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**  
**Management's Discussion and Analysis**

As management of the Southwest Kings Groundwater Sustainability Agency (the Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the Agency's financial performance during the fiscal year ended December 31, 2019. Please read it in conjunction with the Agency's financial statements, which follow this section.

***Financial Highlights***

- The Agency's total Net Position increased \$44,453 or 10.17% during the year.
- The Agency's operating revenue for the year ended December 31, 2019 was \$137,195 while operating expenses were \$101,296.

***Overview of the Financial Statements***

This annual financial report includes this management's discussion and analysis, the independent auditor's report and the basic financial statements of the Agency. The financial statements also include notes that explain in more detail some of the information in the financial statements.

***Required Financial Statements***

The financial statements of the Agency report information of the Agency using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The Statement of Net Position includes all of the Agency's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Agency creditors (liabilities). It also provides the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. The majority of operating funds is currently derived from advances and assessments and the majority of expenses are associated with administration of the Agency.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement can be used to determine whether the Agency has successfully recovered all of its costs through its fees, assessments and other charges, its profitability, and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

***Financial Analysis of the Agency***

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide an indication of the Agency's financial condition. The Agency's Net Position reflects the difference between assets and liabilities. An increase in Net Position over time typically indicates an improvement in financial condition.

***Net Position***

A comparison of the Statement of Net Position can determine the change in the components of financial position (the assets and liabilities) of the Agency from year-end to year-end. This comparison is presented in the following table:

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**  
**Management's Discussion and Analysis**  
**(Continued)**

**Condensed Statements of Net Position December 31, 2019 and 2018**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current Assets	\$ 492,084	\$ 441,862	\$ 50,222	11.37%
Capital Assets	-	-	-	-
<b>Total Assets</b>	<b><u>492,084</u></b>	<b><u>441,862</u></b>	<b><u>50,222</u></b>	<b><u>-</u></b>
Current Liabilities	10,593	4,824	5,769	119.59%
Long Term Debt	-	-	-	-
<b>Total Liabilities</b>	<b><u>10,593</u></b>	<b><u>4,824</u></b>	<b><u>5,769</u></b>	<b><u>119.59%</u></b>
<b>Total Net Position</b>	<b><u>\$ 481,491</u></b>	<b><u>\$ 437,038</u></b>	<b><u>\$ 44,453</u></b>	<b><u>10.17%</u></b>

The table shows the Agency's Net Position increased for the year ended December 31, 2019 by \$44,453. Factors contributing to this increase include:

- At December 31, 2019, current assets increased \$50,222 while current liabilities increased \$5,769 for 2019. This was primarily due to cash increasing significantly.

***Revenues, Expenses and Changes in Net Position***

A comparison of the Statement of Revenues, Expenses and Changes in Net Position for each year will explain the changes in financial position that resulted from the operating activities during the year. This comparison is presented in the following table:

**Condensed Statements of Revenues, Expenses and Changes in Net Position  
For the Year Ended December 31, 2019**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Operating Revenues	\$ 137,195	\$ 270,560	\$ (133,365)	-49.29%
Operating Expenses	101,296	191,048	(89,752)	-46.98%
<b>Operating Income</b>	<b><u>35,899</u></b>	<b><u>79,512</u></b>	<b><u>(43,613)</u></b>	<b><u>-54.85%</u></b>
Other Income	8,554	3,597	4,957	137.81%
<b>Change in Net Position</b>	<b><u>44,453</u></b>	<b><u>83,109</u></b>	<b><u>(38,656)</u></b>	<b><u>-46.51%</u></b>
Net Position - Beginning of Year	437,038	353,929	83,109	-
<b>Net Position - End of Year</b>	<b><u>\$ 481,491</u></b>	<b><u>\$ 437,038</u></b>	<b><u>\$ 44,453</u></b>	<b><u>10.17%</u></b>

The table shows the Agency's Net Position increased for the year ended December 31, 2019 by \$44,453. Factors contributing to this increase include:

- Operating revenues decreased by \$133,365 while operating expenses decreased by \$89,752.
- Assessments were lower in 2019 due to the rate decreasing from \$5 per acre in 2018 to \$3 per acre in 2019.

**Debt Service Requirements**

The Agency has no long-term debt.

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**  
**Management's Discussion and Analysis**  
**(Continued)**

***Capital Assets***

The Agency has no capital assets.

***Contacting the Agency's Management***

This annual financial report is designed to provide our customers and creditors with a general overview of the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Southwest Kings Groundwater Sustainability Agency, 944 Whitley Avenue, Suite E, Corcoran, CA 93612.

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2019**

**Assets**

**Current Assets**

Cash	\$ 351,531
Assessments Receivable	138,451
Interest Receivable	<u>2,102</u>

**Total Assets** 492,084

**Liabilities**

**Current Liabilities**

Accounts Payable	<u>10,593</u>
------------------	---------------

**Total Liabilities** 10,593

**Net Postion**

Unrestricted	<u>481,491</u>
--------------	----------------

**Total Net Postion** \$ 481,491

The accompanying notes are integral part of these financial statements.

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Operating Revenues</b>		
Assessments	\$	136,498
Penalties		<u>697</u>
<b>Total Operating Revenues</b>		<u><b>137,195</b></u>
<b>Operating Expenses</b>		
Accounting		6,425
Clerical		1,138
Dues		7,500
Groundwater Sustainability Participation		26,758
Legal		3,758
Management		53,742
Miscellaneous		1,046
Website		<u>929</u>
<b>Total Operating Expenses</b>		<u><b>101,296</b></u>
<b>Operating Income</b>		<b>35,899</b>
<b>Other Income</b>		
Interest Income		<u>8,554</u>
<b>Change in Net Position</b>		<b>44,453</b>
<b>Net Position at Beginning of Year</b>		<u><b>437,038</b></u>
<b>Net Position at End of Year</b>	<b>\$</b>	<u><u><b>481,491</b></u></u>

The accompanying notes are integral part of these financial statements.

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Cash Flows from Operating Activities</b>	
Cash Received From Assessments	\$ 272,482
Cash Paid For Operations	<u>(95,527)</u>
<b>Net Cash Flows From Operating Activities</b>	<u>176,955</u>
 <b>Cash Flows From Investing Activities</b>	
Cash Received From Interest Earned	<u>7,509</u>
<b>Net Cash Flows From Investing Activities</b>	<u>7,509</u>
<b>Net Change in Cash</b>	184,464
Cash at the Beginning of Year	<u>167,067</u>
Cash at the End of Year	<u>\$ 351,531</u>
 <b>Reconciliation of Operating Income to Net Cash Flows from Operating Activities:</b>	
Operating Income	\$ 35,899
Adjustments to reconcile operating income to net cash provided by operating activities:	
Net Changes in assets and liabilities	
Assessments Receivable	135,287
Accounts Payable	<u>5,769</u>
<b>Net Cash Flows Provided By Operating Activities</b>	<u>\$ 176,955</u>

The accompanying notes are integral part of these financial statements.

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

(1) **Description of Entity**

(a) **Description of Operations**

Southwest Kings Groundwater Sustainability Agency (the "Agency") was formed March 8, 2017 as an agency created by the State of California Legislature. The Agency operates entirely within central California. The Agency was formed to comply with the requirements of the California Sustainable Groundwater Management Act (SGMA) which is to mandate that groundwater basins throughout the State are managed in a manner that provides long-term stability in groundwater levels while not degrading water quality or creating unreasonable land subsidence. The SGMA gives authority to local government agencies to form GSA's to adopt groundwater sustainability plans to manage and regulate pumping from groundwater basins or subbasins and to charge fees.

(b) **Member Agencies**

In January 2017, the following agencies held a public hearing and signed a joint exercise of powers agreement creating the Southwest Kings Groundwater Sustainability Agency: Dudley Ridge Water District, Tulare Lake Reclamation District No 761, Kettleman City Community Services District, Tulare Lake Basin Water Storage District and the County of Kings. These entities are members of the Agency.

(c) **Reporting Entity**

In accordance with the requirements of *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the Agency (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

(2) **Summary of Significant Accounting Policies**

(a) **Basis of Presentation and Accounting**

The Agency is considered a special-purpose government engaged only in business type-activities and uses enterprise fund accounting and reporting. Enterprise fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

The financial statements of the Southwest Kings Groundwater Sustainability Agency (Agency) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(Continued)**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government body is that the cost and expenses of providing goods or services to its customers be financed or recovered primarily through users charges; or where the governing body has decided that periodic determination of revenue earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues are those revenues that are generated from the primary operations of the Agency. The primary operations of the Agency are to facilitate compliance with the Sustainable Groundwater Management Act (SGMA) by creating a Groundwater Sustainability Plan (GSP) and to achieve sustainability goals. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the Agency. All other expenses are reported as non-operating expenses.

**(b) Cash Equivalents and Investments**

The Agency considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents. It is the policy of the Agency to invest only in banks or savings and loans or the California Local Agency Investment Fund (LAIF).

**(c) Assessments Receivable**

Uncollectible accounts included in assessments receivable are considered to be immaterial for financial statement purposes. Therefore, no allowance for uncollectible accounts has been established.

**(d) Net Position**

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is reported in three categories as follows:

*Net investment in capital assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition. At December 31, 2019 there is no net investment in capital assets.

*Restricted* – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments. At December 31, 2019 there is no restricted net position.



**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(Continued)**

*Unrestricted* – This amount is all net assets that do not meet the definition of “net investment in capital assets” or “restricted net position.”

(e) Income Taxes

The Agency is a governmental agency and is not subject to federal or state income taxes.

(f) Economic Dependency

The Agency receives a substantial amount of its support from assessments from landowners. During the period ended December 31, 2019, assessments and penalties were 100% of all operating revenues.

(g) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2019 consisted of the following:

Cash On Hand	\$	2,756
Investment in Local Agency Investment Fund		<u>348,775</u>
Total Cash	\$	<u><u>351,531</u></u>

**Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(Continued)**

Level 2: Inputs to valuation methodology include inputs –other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**Investment in State Investment Pool**

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. This account is considered Level 2.

**Authorized Deposits and Investments**

The Agency's investment policy authorizes investments in the California Local Agency Investment Fund (LAIF). The Agency's investment policy does not contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Agency does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the LAIF is not rated.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Agency's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The Agency's deposit portfolio with governmental agencies, is LAIF at 99.2% as of December 31, 2019, of the Agency's total depository and investment portfolio. The Agency does not have a formal investment policy that would further limit exposure to concentration of credit risk.

**SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**  
**(Continued)**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The Agency did not have cash with banks that exceeded federal depository insurance limits as of December 31, 2019.

**(4) Related Party Transactions**

The members Dudley Ridge Water District and Tulare Lake Reclamation District 761 provided funds and paid several of the expenses of the Agency at startup of the Agency. As of December 31, 2019, such expenses have been reimbursed by the Agency to the members.

**Southwest Kings Groundwater Sustainability Agency  
2021 Draft Budget**

PROJECTED

Description	Proposed 2021 Budget	PROJECTED												Total Actual/ Projected Charges	Total Over/ (Under) Budget		
		Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21				
Management	84,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000	-
Legal	18,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	-
Insurance	3,000	3,000														3,000	-
Website	2,000	167	167	167	167	167	167	167	167	167	167	167	167	167	167	2,000	-
Bookkeeping	7,750	645	645	645	645	645	645	645	645	645	645	645	645	645	645	7,750	-
Audit	5,000					5,000										5,000	-
Tulare Lake Subbasin	25,000					25,000										25,000	-
Annual Report	15,000	5,000		5,000												15,000	-
Monitoring/DMS/Engineering	20,000	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,750	1,750	20,000	-
Grant Applications/Admin	15,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000	-
Consultant	43,200	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	43,200	-
Contingency	36,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000	-
<b>Total Budget Expended</b>	<b>273,950</b>	<b>23,812</b>	<b>21,812</b>	<b>18,812</b>	<b>23,812</b>	<b>43,812</b>	<b>23,812</b>	<b>23,812</b>	<b>18,812</b>	<b>18,812</b>	<b>23,812</b>	<b>18,812</b>	<b>18,812</b>	<b>18,910</b>	<b>18,920</b>	<b>273,950</b>	<b>-</b>
<b>Projected Income</b>																	
Assessments (\$2.00/Acre)	182,362	95,000			87,362											182,362	-
Interest	4,000	1,000			1,000											4,000	-
<b>Total Income</b>	<b>186,362</b>	<b>96,000</b>			<b>88,362</b>											<b>186,362</b>	<b>-</b>
Cash on Hand	353,185	425,373	403,561	384,749	360,937	405,487	381,675	358,863	340,051	321,239	303,427	284,517	265,597				

Proposed 2021 Assessment Rate	\$	2.00	Acre
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CALIFORNIA STRATEGIES  
& ADVOCACY, LLC

**CALIFORNIA STRATEGIES & ADVOCACY CONTRACT**

June 11, 2020

This Agreement (“Advocacy Services Agreement,” or “Agreement”) is hereby entered into and will serve to confirm the engagement of California Strategies & Advocacy, LLC (“Consultant”) as a consultant to Tri-County Water Authority GSA (“Client”) to provide strategic consulting and lobbying services.

**Scope of Work:**

The following activities will be carried out for the client:

1. Conduct strategy sessions to specify goals and objectives for Tri-County Water Authority GSA and Southwest Kings GSA.
2. Review Groundwater Sustainability Plan (GSP), Coordination Agreements, annual reports, and other background materials for Tri-County Water Authority GSA and Southwest Kings GSA.
3. Develop strategies to efficiently carryout GSPs and the goals and objectives of both GSAs.
4. Facilitate with Department of Water Resources and the Resources Agency.
5. Monitor legislation, regulations, policies and funding for groundwater sustainability.
6. Develop targeted messaging and framing.
7. Engage Governor’s Office, Department of Finance, Legislature and/or others.
8. Elevate as needed.
9. Provide a conduit to Sacramento decision-makers to help maximize resources, support implementation of GSPs, and achieve compliance with the goals of the Sustainable Groundwater Management Act.
10. Refine strategy and approach with Client and project team.
11. Provide technical and political advice and guidance.
12. Help protect groundwater resources within Tri-County Water Authority GSA and Southwest Kings GSA.
13. Participate in bi-weekly coordination calls.

**Compensation:**

The Client agrees to provide to the Consultant a fixed fee of \$12,000 per month in return for the services in the Scope of Services above.

The Consultant will submit an invoice to the Client each month for the total amount due. All invoices must be paid within 30 days of receipt. A 5% late fee will be charged for invoices not paid within 30 days. Invoices will be sent to:

U.S. BANK PLAZA  
980 NINTH STREET, SUITE 2000 • SACRAMENTO, CA 95814  
TELEPHONE (916) 266-4575 • FACSIMILE (916) 266-4580

**Other Expenses:**

The Consultant shall be reimbursed by the Client for reasonable expenses incurred in the normal course of business in support of Consultant's efforts on behalf of Client. Prior approval from Client shall be obtained for items costing more than \$500. Any expenses incurred on behalf of Client shall be documented and billed as they occur.

**Duration:**

The services to be rendered by the Consultant under this Agreement, for which a fee shall be paid, commence July 6, 2020. Either party may terminate this Agreement, without liability, with 30-days advance written notice. In the event of such termination, Consultant shall be entitled to any payment due and owing, through the effective date of termination.

**Assignment:**

This Agreement may not be assigned by either party except upon the express written consent of the other party.

**Mutual Indemnification:**

Notwithstanding any provision of this Agreement to the contrary, neither party shall be liable to the other for indirect, incidental or consequential damages. In the event any damage, liability, loss, expense or cost, including attorneys' fees, is the result of a gross negligent act, error, or omission of a party to this Agreement or any person employed by it, and arises out of the performance of this Agreement, the negligent party shall indemnify, defend and hold the other party harmless.

**Lobbying Registration/Reporting:**

Client understands and acknowledges that Consultant may be conducting activities on its behalf which constitute "attempting to influence legislative or administrative action" within the meaning of the Political Reform Act of 1974, as amended (Government Code section 81000, et seq.) and the regulations of the Fair Political Practices Commission. Accordingly, with Client's authorization Consultant will amend its lobbying firm registration statement with the Secretary of State to include Client, and both Client and Consultant will be required to comply with the lobbying reporting requirements and related laws during the term of this contract. In the event Client has no reporting requirements independent of the services provided by Consultant, and at Client's request, Consultant agrees to prepare and file all required lobbying disclosure reports on behalf of Client during the term of this Agreement.

**Confidentiality:**

The Consultant agrees to protect confidential information against unauthorized disclosure. The Consultant will protect such information using a reasonable degree of care as is used to protect its own confidential information of a like nature. The Consultant agrees to protect confidential information disclosed under this agreement in both a) a tangible form, clearly labeled confidential at time of disclosure, and b) in non-tangible form, pertaining to matters disclosed in writing or orally which protect or enhance the competitive position of the Client. This Agreement covers confidential

information the Consultant has obtained to date and will obtain in the future. The Consultant's obligations regarding confidential information received under this Agreement shall survive for two years following any termination hereof.

**Code of Ethics:**

In respect to the performance of its Scope of Services, the Consultant specifically represents, warrants and agrees that, in respect of its involvement with the Client, no payment or offer of payment has been made or shall be approved or made by the Consultant with the intention or understanding that any part of such payment is to be used to influence or attempt to influence, corruptly or unlawfully, any decision or judgment of any official of any government or of any subdivision, agency, or instrument thereof or any political party in connection with the Client. The obligations in this paragraph shall survive the termination of this Agreement.

**Potential Conflicts of Interest:**

Consultant has used its best effort to evaluate potential conflicts related to this Agreement and its existing client base. While Consultant has determined that no conflicts currently exist, it should be noted that because of changing business objectives future conflicts could occur. Therefore, it is Consultants policy to fully disclose any potential conflicts to all parties as soon as they are known and to resolve them as expeditiously as possible.

**Independent Contractor Status:**

By execution of this agreement, the Consultant acknowledges that it is an independent contractor and neither it nor its employees are employees of the Client for any purpose whatsoever. The Consultant has no right or authority to assume or create any obligation or responsibility, express or implied, on behalf of the Client, except as expressly authorized in writing by the Client.

**Governing Law:**

This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of California.

**Amendment:**

This Agreement may be amended only by a written and signed agreement of both the Consultant and the Client.

ACCEPTED & AGREED:

Tri-County Water Authority GSA

California Strategies & Advocacy, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_  
James E. Burton, Managing Partner

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ACCEPTED & AGREED:

Southwest Kings Groundwater Sustainability Agency

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Contact Information:**

Please provide your relevant contact information below:

Contact Name:	
E-mail:	
Office Phone:	
Fax:	
Mobile Phone:	
Address:	

**Contact Information:**

Please provide your relevant contact information below:

Contact Name:	
E-mail:	
Office Phone:	
Fax:	
Mobile Phone:	
Address:	



# KINGS RIVER CONSERVATION DISTRICT ELEVATION MONITORING COST-SHARING AGREEMENT

This Cost Sharing Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, (Effective Date) between the undersigned with respect to the following facts:

## RECITALS

A. Since 2010, Kings River Conservation District ("KRCD") has researched, established, and monitored a network of monuments to observe changes in elevation in its region, including but not limited to the KRCD service area, the Kings Subbasin, and the Tulare Lake Subbasin. KRCD maintains the staff and equipment needed to perform the monitoring and to process and analyze the data at a level deemed acceptable for observing elevation changes in the monitored area. KRCD continues to improve its staff, equipment, and the network to effectively represent the elevation changes in the region monitored.

B. KRCD and the other undersigned parties (collectively referred to as "Parties" and individually as "Party") hereby agree to share the cost of establishing, maintaining, and monitoring a network of monuments to observe elevation changes pursuant to the below terms.

## AGREEMENT

The Parties agree as follows:

1. Scope of Services: KRCD will annually survey the current network of monuments, identified on Exhibit B, and provide the data obtained from such survey to the Parties or their designated representative. The survey will take place annually in September and October unless written notice is provided by KRCD to all parties explaining a schedule change. KRCD will deliver the data obtained from the annual survey by the end of January of the year following the survey unless written notice is provided by KRCD to all parties of a change in the schedule. Parties will receive the data at the physical or email addresses listed in the signature blocks to this agreement unless they notify KRCD of an alternate recipient of the data.
2. Network Revision: KRCD will research the potential for additional monuments, or locations for monument installations, in coordination with the Parties to ensure an optimal network based on existing and collected data, to replace monuments removed from the network due to factors beyond KRCD's control, and/or in response to changing network requirements. The Parties agree to assist KRCD upon KRCD request to find new monument locations, to allow monument installations, and to grant access to the monuments/monitoring locations in a timely manner so that KRCD can meet the schedule set forth above. KRCD shall determine the efficacy of potential changes to meet the needs of the network and shall have the final determination of the network and any necessary changes thereto.
3. Cost Sharing: Costs incurred by KRCD in providing the annual scope of services described herein, including but not limited to costs incurred in removing, replacing, or installing new monuments, will be tracked and recorded for the period beginning on the date the data described in paragraph 1 is delivered to the Parties to the date the next survey's data is delivered. Each Party agrees to pay a percentage share of KRCD's period costs incurred according to the

allocations set forth on Exhibit A, where the total is estimated at \$30,000 for the 2020 year. If the total is anticipated to exceed \$30,000, KRCD will notify the Parties. KRCD will send invoices to each Party for their percentage share after delivery of the data and each Party agrees to pay its respective invoice received from KRCD within 30 calendar days of the invoice date.

4. **Indemnification:** Each Party hereby agrees to defend, indemnify, and hold free and harmless (“Indemnifying Party”) any other Party from and against any and all liability, expense – including defense costs and legal fees – and claims for damages of any nature whatsoever, arising from or connected with Indemnifying Party’s activities under this Agreement.

5. **Notices:** Any notice required to be given under this Agreement may be given via first-class mail, addressed and delivered as set forth below in the signature blocks for each Party, or by email. Email communication shall be considered written communication for all purposes of this Agreement.

6. **Counterparts:** This Agreement may be executed in counterparts and such counterparts shall constitute one and the same instrument. Two (2) duplicate originals of this Agreement shall be executed in full, each of which shall be deemed an original. One original shall be delivered to KRCD.

7. **Authority:** Each Party represents to the other that it has the authority to enter into this Agreement, and that the individual signing this Agreement on behalf of the Party has the authority to execute this Agreement and to bind the Party to the terms and conditions of this Agreement.

8. **Termination:** Any Party may terminate its participation in this agreement upon 30 day’s written notice given to all other Parties, which notice must be received on or before August 1<sup>st</sup> annually. Post-termination, the costs that would otherwise be attributable to the terminating party under this agreement shall be re-allocated equally among the non-terminating parties.. Termination will not absolve the terminating party from responsibility to pay for data already received by that party.

9. **General:** This Agreement (a) is the final and complete expression of the agreement between the Parties regarding its subject matter and may not be contradicted by evidence of any prior or contemporaneous oral or written agreement or representation, (b) may not be amended, nor may any of its provisions be waived, except by an instrument in writing signed by all Parties hereto, (c) will be construed according to the laws of the State of California, and (d) has been jointly negotiated and drafted, and Civil Code section 1654 will not apply in its interpretation. Nothing in this Agreement is intended to or may be construed to (a) establish a partnership, joint venture, business association or other entity between or among the Parties, or (b) make any Party the agent of any other Party. No Party to this Agreement may assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party. The Parties shall take such further action and execute and deliver such additional documents as may be reasonably required to effectuate the terms and conditions of this Agreement.

The parties have entered into this Agreement as of the Effective Date set forth above.

**Central Kings Groundwater Sustainability Agency**

By: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

**El Rico Groundwater Sustainability Agency**

By: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

**James Groundwater Sustainability Agency**

By: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

**Kings River Conservation District**

By: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

**Kings River East Groundwater Sustainability Agency**

By: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

**Mid-Kings River Groundwater Sustainability Agency**

By: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

**North Fork Kings Groundwater Sustainability Agency**

By: \_\_\_\_\_ Address: \_\_\_\_\_  
Title: \_\_\_\_\_ Address: \_\_\_\_\_  
Date: \_\_\_\_\_ Email: \_\_\_\_\_

**North Kings Groundwater Sustainability Agency**

By: \_\_\_\_\_ Address: \_\_\_\_\_  
Title: \_\_\_\_\_ Address: \_\_\_\_\_  
Date: \_\_\_\_\_ Email: \_\_\_\_\_

**South Kings Groundwater Sustainability Agency**

By: \_\_\_\_\_ Address: \_\_\_\_\_  
Title: \_\_\_\_\_ Address: \_\_\_\_\_  
Date: \_\_\_\_\_ Email: \_\_\_\_\_

**South Fork Kings Groundwater Sustainability Agency**

By: \_\_\_\_\_ Address: \_\_\_\_\_  
Title: \_\_\_\_\_ Address: \_\_\_\_\_  
Date: \_\_\_\_\_ Email: \_\_\_\_\_

**Southwest Kings Groundwater Sustainability Agency**

By: \_\_\_\_\_ Address: \_\_\_\_\_  
Title: \_\_\_\_\_ Address: \_\_\_\_\_  
Date: \_\_\_\_\_ Email: \_\_\_\_\_

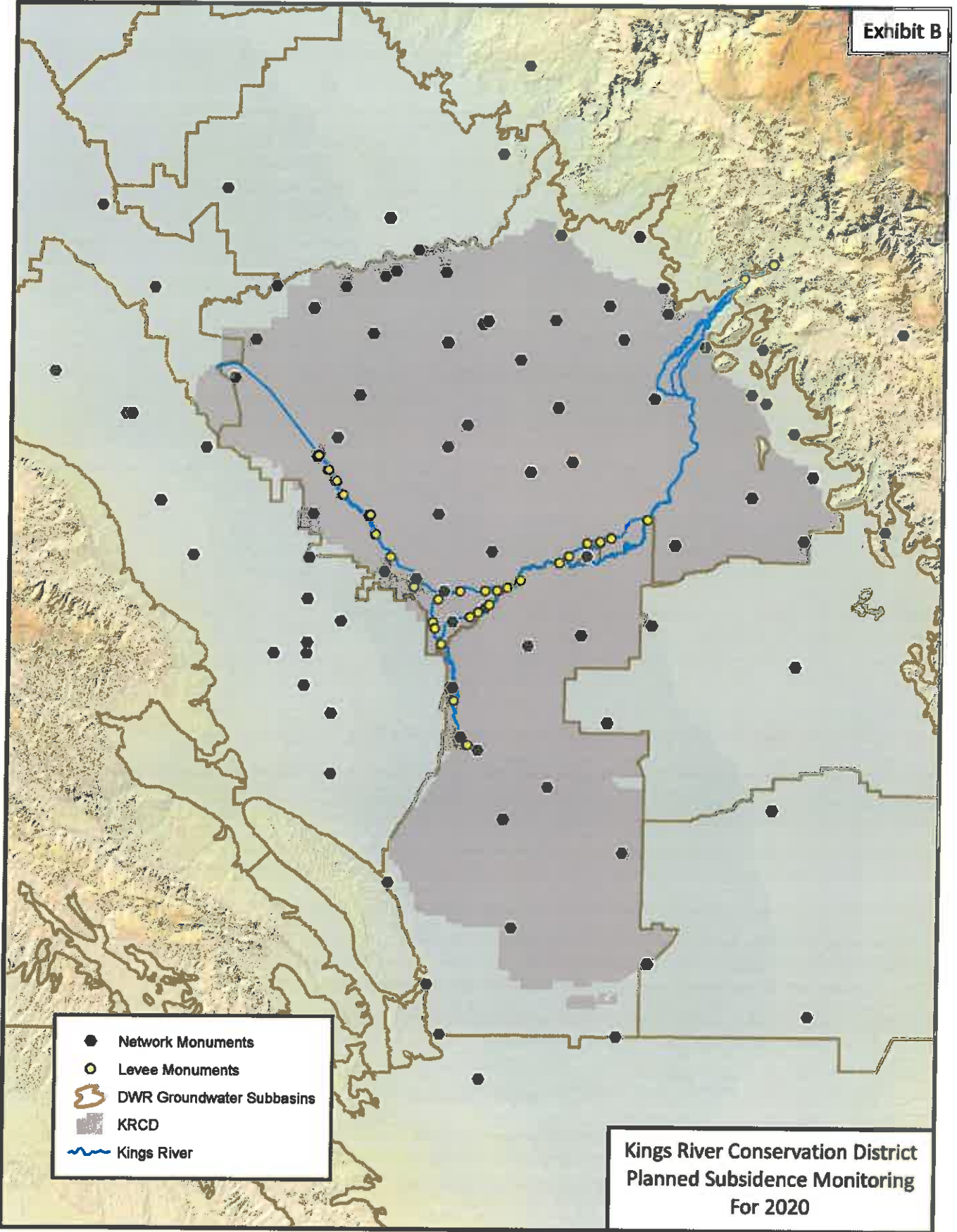
**Tri-County Water Agency**

By: \_\_\_\_\_ Address: \_\_\_\_\_  
Title: \_\_\_\_\_ Address: \_\_\_\_\_  
Date: \_\_\_\_\_ Email: \_\_\_\_\_

## EXHIBIT A

### Cost-sharing

Central Kings GSA	8%
El Rico GSA	8%
James GSA	8%
Kings River East GSA	8%
Mid-Kings River GSA	8%
North Fork Kings GSA	8%
North Kings GSA	8%
South Kings GSA	8%
South Fork Kings GSA	8%
Southwest Kings GSA	8%
Tri-County Water Agency	8%
Kings River Conservation District	12%
<b>Total</b>	<b>100%</b>



- Network Monuments
- Levee Monuments
- DWR Groundwater Subbasins
- KRCD
- Kings River

Kings River Conservation District  
Planned Subsidence Monitoring  
For 2020

**MID-KINGS RIVER  
GROUNDWATER  
SUSTAINABILITY  
AGENCY**

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County of Kings  
City of Hanford  
Kings County  
Water District

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Barry McCutcheon  
Chair  
Michael Murray  
Vice-Chair  
David Ayers  
Steven P. Dias  
Dennis Mills  
Secretary

---

200 North Campus Dr.  
Hanford, CA 93230  
Phone: (559) 584-6412  
Fax: (559) 584-6882



**VIA EMAIL**  
Deanna Jackson, Executive Director  
Southwest Kings GSA

Email: [djackson@tcwater.org](mailto:djackson@tcwater.org)

**RE: *Subbasin Efforts – Revised Bridge Funding Invoice***

Dear Mrs. Jackson:

I previously wrote you about needed Bridge Funding for Tulare Lake Subbasin efforts on June 29. Unfortunately there was a mistake embedded in the Financial Summary that developed the requested funding amounts. I want to apologize for the error and acknowledge that Chantal Ouellet at TLBWSA was kind enough to bring the issue to my attention. Fortunately, the effect of correcting the error reduced the amount of the bridge funding request. MKR GSA staff have gone back through the estimates again and believe the issue is resolved (see attached Financial Summary on page 2). Therefore, I'd ask that you please ignore the previous request dated June 29 and instead consider this revised request instead.

Using the current 2017 Interim Operating Agreement cost sharing provisions and the revised Financial Summary the Southwest Kings GSA would bear 18.398% of the total, which would equate to **\$13,437.29**. Please consider this document the invoice to the Southwest Kings GSA and that it is payable upon receipt. The funds should be made payable to the MKR GSA.

Should you have any questions or concerns about this request for funds, please contact me by email at [dennis.kingscswd@outlook.com](mailto:dennis.kingscswd@outlook.com) or by phone at (559) 584-6412.

Sincerely,

  
Dennis Mills, MKR GSA Secretary

Cc: Ray Carlson, MKR GSA Attorney

## ATTACHMENT - Tulare Lake Subbasin Financial Summary

	2020 GSP Development	2019 SGM Round 3 Grant App	2020 Annual Report	Total
Approved Budgets	\$1,850,000.00	\$30,000.00	\$57,000.00	\$1,937,000.00
Grant Amounts	\$1,500,000.00	\$0.00	\$57,000.00	\$1,557,000.00
Seed Funding	\$466,420.90	\$16,037.10	\$17,542.00	\$500,000.00
Grant Reimbursement	\$1,350,000.00	\$0.00	\$0.00	\$1,350,000.00
Received Invoices	\$1,849,999.60	\$16,037.10	\$59,983.10	\$1,926,019.80
Paid Invoices	\$1,816,420.90	\$16,037.10	\$17,542.00	\$1,850,000.00
<b>Total Outstanding</b>	<b>\$33,578.70</b>	<b>\$0.00</b>	<b>\$42,441.10</b>	<b>\$76,019.80</b>
<b>Approved Outstanding</b>	<b>\$33,578.70</b>	<b>\$0.00</b>	<b>\$39,458.00</b>	<b>\$73,036.70</b>
		Total	Approved	
		Outstanding	Outstanding	
Mid-Kings River GSA	19.084%	\$14,507.62	\$13,938.32	
South Fork Kings GSA	16.652%	\$12,658.82	\$12,162.07	
El Rico GSA	31.328%	\$23,815.48	\$22,880.94	
Southwest Kings GSA	18.398%	\$13,986.12	\$13,437.29	
Tri-County Water Authority	14.538%	\$11,051.76	\$10,618.08	
<b>Total</b>	<b>100.000%</b>	<b>\$76,019.80</b>	<b>\$73,036.70</b>	

Notes received invoices beyond the approved budget  
 – The Approved Outstanding amounts include amounts limited by the Approved Budgets



**BYLAWS  
OF THE  
SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**

**Revised: July 28, 2020**

**Adopted April 12, 2017**

**BYLAWS  
OF THE  
SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY**

**ARTICLE I  
ORGANIZATION**

1.01 **Name.** The name of this joint powers authority is the Southwest Kings Groundwater Sustainability Agency (hereinafter referred to as the “Agency”).

1.02 **Forming Statute; Limitations.** The Agency is created as a joint powers authority pursuant to the provisions of the Government Code of the State of California relating to the joint exercise of powers common to public agencies. (Gov. Code §§ 6500 *et seq.*). On January 10, 2017, Dudley Ridge Water District (“DRWD”), Tulare Lake Reclamation District No. 761 (“RD 761”), Tulare Lake Basin Water Storage District (“TLBWSD”), Kettleman City Community Services District (“CSD”), and the County of Kings (the “County”) (collectively, the “Members”) entered into that certain “Joint Exercise of Powers Agreement Creating the Southwest Kings Groundwater Sustainability Agency” (the “Joint Powers Agreement”). The Agency is a public entity separate from its Members. Pursuant to Government Code section 6509, the County of Kings is the designated agency with respect to the Agency’s exercise of power.

1.03 **Purpose.**

(a) **Purpose.** The Agency is formed with the purpose and intent of the Members jointly forming a separate entity to fulfill the role of a Groundwater Sustainability Agency (“GSA”) pursuant to the Sustainable Groundwater Management Act of 2014 (“SGMA”) so that the Agency may develop, adopt, and implement a Groundwater Sustainability Plan (“GSP”) for the sustainable management of groundwater for that portion of the Tulare Lake Subbasin underlying the jurisdictional boundaries of the Agency, as those boundaries may be amended from time to time. The Agency may enter into coordination agreements or similar agreements with other GSAs in the Tulare Lake Subbasin for the purpose of meeting the sustainability requirements defined in SGMA, and coordinate and cooperate to achieve inter-basin coordination with GSAs operating in neighboring subbasins.

Notwithstanding their intent to collectively develop, adopt, and implement a GSP, the Members shall maintain complete control and autonomy over the surface water and groundwater supply assets to which they are currently legally and individually entitled, and make no commitments by entering into the Joint Powers Agreement to share or otherwise contribute their water supply assets as part of the preparation or participation in a GSP.

The Agency shall not undertake activities unrelated to the sustainable management of groundwater in the Tulare Lake Subbasin as provided in SGMA.

1.04 **Bylaws.** A copy of the Agency’s Bylaws shall be kept at the Agency’s Principal Office and shall be open to inspection by the public at all reasonable times during

office hours. As provided for in Section 8.01 below, the Bylaws of the Agency may be amended, added to, or repealed by a two-thirds (2/3rds) vote of the Board of Directors ("Board") at any meeting of the Board, providing notice of the proposed change or changes is in the notice of the regular or special meeting.

## ARTICLE II OFFICES

2.01 **Principal Office.** The principal office for the transaction of the activities and affairs of the Agency ("Principal Office") is located at ~~944 Whitley Avenue, Suite E, Corcoran, CA 93212286 W. Cromwell Avenue, Fresno, California 93711.~~ The Board may change the Principal Office from one location to another. This Section may be amended to state the new location.

2.02 **Board Meeting Location.** The principal location of the Board meetings will be at ~~944 Whitley Avenue, Suite E, Corcoran, CA 93212-286 W. Cromwell Avenue, Fresno, California 93711.~~

2.03 **Other Offices.** The Board may at any time establish branch or subordinate offices at any place or places, within or outside the Agency's boundaries, where the Agency is qualified to conduct its activities.

## ARTICLE III DIRECTORS

3.01 **Governing Board.** The Agency shall be governed by an initial five-person Board composed of Directors. There shall be two representatives of DRWD, two representatives of RD 761, and one at-large Director selected by a majority vote of the other four Directors on the Board. The at-large Directors shall be a landowner, or a representative of a landowner, who owns land in the White Areas and he or she shall represent lands within the White Areas.

### 3.02 **Non-Voting Members.**

(a) The CSD and TLBWSO are each non-voting Members of the Agency. As non-voting Members, neither of these entities will contribute any financial support for the Agency nor appoint a Director to the Board, but each shall help apply for grant funding for the Agency.

(b) The County is a non-voting Member of the Agency. As a non-voting Member, the County will not be assessed any financial support for the Agency, but the County will continue to help apply for grant funding for the Agency. Should the County decide to take a more active role in the implementation of the Agency's purposes, then the County (i) shall pay its proportionate share for SGMA coverage of the White Areas until the Agency develops a reliable funding stream through assessments, water charges, or other potential fees as provided by SGMA, to wholly fund the Agency's operations, and (ii) may elect to change its status to a voting Member of the Board with the consent of the then-existing voting Members through a majority vote of the Board.

3.03 **Directors.** DRWD shall appoint one alternate to serve on the Board in the absence of one of its two Directors and such alternate shall be a representative of and appointed by DRWD. RD 761 shall also appoint one alternate to serve on the Board in the absence of one of its two Directors and such alternate shall be a representative of and appointed by RD 761. The alternate for the fifth at-large Director seat shall be chosen in the same manner as the at-large Director.

3.04 **Director Terms.** The initial term of office for one DRWD appointee and one RD 761 appointee serving on the Board is four (4) years. For the purpose of providing staggered terms of office, the initial term of one DRWD appointee, one RD 761 appointee, and the at-large Director appointee shall be for a period of two (2) years. Thereafter, the term of office for each Director shall be for a period of four (4) years.

3.05 **Removal of Directors.** Directors and alternate Directors shall serve at the pleasure of the Member appointing him or her and may be removed or replaced as follows:

(a) Directors and alternate Directors may be removed or replaced at any time by their appointing governing board; and

(b) Directors may be removed by the Board for failure to attend at least three consecutive Board meetings without excuse (e.g. illness, medical or family emergency, jury duty, other legally required appearance); and

(c) The office of a Director or alternate Director who is no longer either a member of the governing body of his/her appointing agency nor a representative of such entity that qualified such Director to serve on the Board shall be deemed automatically vacant.

3.06 **Vacancies.** Should a vacancy occur or be found to exist in the office of a Director, that Director's alternate shall assume the position of a Director for the remainder of the fiscal year. Otherwise, a Board vacancy or a vacancy in an alternate Director position shall be filled in the same manner as the initial appointment for that Director seat.

3.07 **Compensation.** No compensation shall be paid to a Director, except for specific, Board pre-approved activities, and only after receipt by the Agency of a specific written request from the Director.

3.08 **Increasing the Number of Directors.** Should the County elect, and the provisions of section 3.02(b) of these Bylaws be satisfied, the then-current Board may by a majority vote elect to increase the number of Director positions from five to a maximum of seven Director positions. Should this occur, the Board shall amend these Bylaws pursuant to Section 8.01 below to state how the Directors are appointed.

3.09 **Increasing the Number of Members.** Additional entities may enter into the Joint Powers Agreement and become a Member of the Agency, provided that the prospective new member, (i) is eligible to enter into a joint powers agreement pursuant to the Government Code, (ii) is eligible to be a GSA or participate in a GSA as provided by SGMA, (iii) receives an affirmative vote from a majority of the Board of the Agency, (iv) pays all previously incurred

costs that the Board determines have resulted in a benefit to the entity, (v) pays all applicable fees and charges associated with the GSA development and implementation of a GSP, and (vi) agrees in writing to the terms and conditions of the Joint Powers Agreement.

3.10 **Officers.** The officers of the Agency are the Chair, Vice-Chair, Secretary, and a Treasurer, if any. The offices of Secretary and Treasurer may be held by the same person. Officers may delegate certain duties and responsibilities to staff in accordance with these Bylaws and/or Board resolutions, and in compliance with all applicable laws.

(a) The Board shall, at its first meeting following January 1 of each year, elect a Chair and Vice-Chair from among its members. The Vice-Chair shall assume the responsibilities of the Chair in the absence of the Chair.

(b) The Board may appoint an Executive Director under whose general supervision and control the activities of the Agency shall be conducted. The Executive Director has such other powers and duties as may be prescribed by the Board or these Bylaws.

(c) The Secretary will (i) keep or cause to be kept, at the principal executive office or such other place as the Board may direct, a book of summary minutes of all meetings and actions of Directors and committees of the Agency, with the time and place of holding, whether regular or special, and if special, how authorized, the notice given, the names of those present at such meetings and the proceedings of such meetings; and (ii) give, or cause to be given, notice of all meetings of the Board and committees of the Agency required by the Bylaws to be given. The Secretary has such other powers and may perform such other duties as may be prescribed by the Board.

(d) The Board shall designate a qualified person to act as the Treasurer of the Agency. In the event that the person designated by the Agency is not a member of the Board, the person serving as Treasurer may be reasonably compensated for performing such work. In the event that the person designated by the Agency to perform such services is an employee of a Member, the governing body of that Member shall determine the reasonable charges to be made against the Agency for the services of Treasurer. The person holding the position of Treasurer of the Agency shall have charge of the depositing and custody of all funds held by the Agency. The Treasurer shall perform such other duties as maybe imposed by provisions of applicable law, including those duties described in Government Code section 6505.5, and that may be prescribed by the Board or these Bylaws.

Officers may delegate certain duties and responsibilities to staff and/or consultants in accordance with these Bylaws and/or the Board's resolutions, and in compliance with all applicable laws. In addition to, or in lieu of, hiring employees, the Agency may engage one or more third parties to manage any or all of the business of the Agency on terms and conditions acceptable to the Board. A third party so engaged may, but need not, be a Member of the Agency. Any third party so engaged shall have such responsibilities as are set forth in the contract for such third party's services.

## ARTICLE IV MEETINGS

4.01 **Regular Meetings.** The Board shall hold regular meetings during the calendar year. Such meetings shall be on the first Friday of every other calendar month commencing at the hour of 10:00 a.m.~~second Wednesday of every calendar month commencing at the hour of 2:00 p.m.~~, or the Board may annually adopt a schedule of regular meetings at the beginning of the calendar year.

4.02 **Special Meetings.** Special meetings may be held on written order of any two (2) Directors and two (2) days written notice to any Director not joining in the order. The order shall specify the business for which the special meeting is called and no other business shall be transacted at that meeting.

4.03 **Compliance with the Ralph M. Brown Act.** All regular and special meetings of the Agency's Board shall comply with the Ralph M. Brown Act codified at California Government Code sections 54950 *et seq.*, as amended.

4.04 **Quorum.** A simple majority of the authorized number of Directors constitutes a quorum of the Board for the transaction of business and a simple majority vote of that quorum shall be required for action to be taken.

4.05 **Committees.** The Board may establish standing committees and ad hoc committees as it deems necessary. The Board shall establish membership of those committees. The Board may also dissolve any committee it deems to be no longer necessary.

## ARTICLE V POWERS

5.01 **GSA Powers.** Once deemed an "exclusive GSA" by the California Department of Water Resources ("DWR"), the Agency may undertake, on behalf of the Members, all actions required by DWR and the State Water Resources Control Board ("SWRCB") for GSA purposes under SGMA. The Agency may conduct research and investigations to compile appropriate reports for preparing a GSP, and for developing Coordination Agreements, as defined in Water Code section 10721(d), with other GSAs. The Agency may develop, adopt and implement a GSP and impose fees as authorized by SGMA.

5.02 **Actions; Property Acquisition; Eminent Domain.** The Agency shall have the power to sue and be sued. The Directors thereof shall have power in the name and on behalf of the Agency to purchase, receive by donation or acquire by condemnation any rights of way or other real or personal property necessary to carry out the purposes for which the Agency was formed, and for that purpose, all of the provisions of the Code of Civil Procedure relating to eminent domain are applicable to proceedings by the Agency to condemn property.

5.03 **Employees; Consultants; Legal Counsel.** The Board shall have the power to employ such engineers, surveyors and others as may be necessary to survey, plan, or locate, or supervise the construction or repair of, the improvements necessary to carry out the purposes for which the Agency was formed; to construct, maintain and keep in repair any and all

improvements, requisite or necessary to carry out the purposes of the Agency; and to do any and all other acts and things necessary or required for the protection of the lands in said boundaries or for the spreading, conserving, storing, retaining or causing to percolate into the soil within such Agency any waters; and to employ the services of any person, legal or otherwise, which in the judgment of said Board may be necessary to carry out said purposes.

5.04 **Accounting.** The Board shall establish and maintain such funds and accounts as may be required by Generally Accepted Accounting Principles and by Federal and State statutes and regulations, as applicable. The Agency shall comply with the accounting and auditing requirements contained in California Government Code sections 6505-6505.6.

5.05 **Auditor.** The Board shall appoint one of its officers to serve as auditor of the Agency. The auditor shall comply with the duties and responsibilities of the office as set forth in subdivisions (a) to (d), inclusive, of California Government Code section 6505.5. The Treasurer also has the authority to contract with a certified public accountant to make an annual audit of the accounts and records of the Agency, which shall be conducted in compliance with Section 6505 of the California Government Code.

5.06 **Bonds.** Whenever the Board deems it necessary for the Agency to incur a bonded indebtedness, it shall, by resolution, so declare and state the proposition to be submitted to the electors, the purpose for which the proposed debt is to be incurred, the amount of the debt to be incurred, the maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed twenty (20) years, and the maximum rate of interest to be paid, which shall not exceed six per cent (6%) per annum, payable semiannually. If any proposed bond rate exceeds six percent (6%), such rate shall require approval of the entire Board.

## **ARTICLE VI** **FISCAL YEAR**

6.01 **Fiscal Year.** The fiscal year for the Agency shall begin on January 1<sup>st</sup> and end December 31<sup>st</sup> of each year. The Agency may change the fiscal year by a majority vote of the Board of Directors.

## **ARTICLE VII** **CONFLICTS OF INTEREST**

7.01 **Conflicts of Interest.** Pursuant to Government Code section 1090, Directors and Officers shall not have an interest in any contract made by the Agency.

## **ARTICLE VIII** **REVIEW AND AMENDMENT**

8.01 These Bylaws shall be reviewed biennially and may be altered, amended, repealed, added to or deleted from, at any regular or special meeting of the Board, with the consent of a majority of the Directors.

**CERTIFICATE OF ADOPTION**

I, the undersigned, certify that I am the duly appointed and authorized Secretary of the SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY, a California joint powers authority (the "Agency"), and the above stated Bylaws, consisting of seven (7) pages, are the Bylaws of this Agency as approved by the Board of Directors on the ~~28~~<sup>12</sup>th day of ~~July~~<sup>April</sup>, ~~2020~~<sup>2017</sup>.

IN WITNESS WHEREOF, I have executed this Certificate on this ~~28~~<sup>12</sup>th day of ~~July~~<sup>April</sup>, ~~2020~~<sup>2017</sup>.

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~~Kimberly Brown~~<sup>Steve Jackson</sup>, Secretary  
Southwest Kings Groundwater Sustainability  
Agency