

**SOUTHWEST KINGS
GROUNDWATER SUSTAINABILITY AGENCY**

100.04

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M E M O R A N D U M

DATE: August 3, 2019

TO: Board of Directors & Interested Parties

FROM: Joe Hopkins

SUBJECT: August Status Report

Below is a summary of the current status for various issues for the SWKGSA. Don't hesitate to call Dale Melville, Joe Hopkins, or Rick Besecker if you have any questions or need additional information.

1. Financial

- a. In August 2018, SWKGSA submitted its assessment roll to Kings County for inclusion on the property tax bill in the amount of \$270,560.30 (\$3.00 per acre). SWKGSA received \$145,619.15 from Kings County in January, \$125,148.54 in April, and \$1,225.51 in July. There remain four unpaid assessments from 2017 totaling \$1,019.26 and 11 unpaid assessments from 2018 totaling \$2,639.04. In July 2019, SWKGSA submitted its assessment roll to Kings County for inclusion on the FY 2019-20 property tax bill in the amount of \$135,281.50 (\$1.50 per acre).
- b. Balance in banking accounts as of 8/1/2019:

Bank of America	\$ 4,945.20
Local Agency Investment Fund	<u>394,371.09</u>
Total	\$ 399,316.29
- c. Grants:
 - i. The Tulare Lake Subbasin has been awarded a \$1,500,000 DWR grant to develop a Groundwater Sustainability Plan ("GSP") for the Subbasin. The SWKGSA share of funding the GSP is approximately \$275,000, which may be reimbursed as DWR grant funds are received. A contract to prepare the GSP (see item 3 below) has been awarded to a consultant team ("Wood"). Grant reimbursement requests are submitted quarterly by the consultant. Requests 1 & 2 have been received. Request 3 was submitted in May and includes consultant costs from January through March. Request 4 is being prepared to cover expenses incurred from April through June.

- ii. Since Mid-Kings River GSA (“MKRGSA”) is the contracting agency for the DWR grant on behalf of the Tulare Lake Subbasin, MKRGSA contracted directly with Wood for GSP development. Each GSA has provided MKRGSA “seed funding” for the cash flow necessary to pay Wood for the GSP work until the MKRGSA is reimbursed by DWR.
 - iii. Reimbursement requests were submitted and accepted by DWR for all work completed by the consultant through December. MKRGSA received the reimbursement from DWR in January. However, a distribution will not be made to the GSAs at this time, since cash flow projections do not show sufficient reserves to cover consultant costs. There is also a likelihood of a 10-15% consultant budget overrun that would need to be covered by the GSAs and may potentially be funded from the seed money pool. SWKGSA will likely not see reimbursement of the seed money, and may need to provide an additional contribution to cover budget overrun.
 - iv. SWKGSA has requested that the cost share allocation from the Interim Operating Agreement be renegotiated now that data exist to determine cost as a function of impact to the aquifer. This discussion is tabled with the remaining Tulare Lake Subbasin GSAs until the plan is more nearly complete; approximately September 2019.
- d. Budget report through July 2019 is attached.

2. Subbasin Coordination

- a. Modeling effort: The groundwater model has been calibrated to historic conditions, and includes data that has been made available by neighboring GSAs. The Wood team has also used the model to develop projected groundwater conditions through 2070, based on varying hydrologic conditions. Finally, model iterations have been prepared to include project and management actions based on input from GSAs
- b. The Tulare Lake Subbasin GSAs are continuing to meet bi-monthly.
 - i. At the 7/12/2019 meeting the consultant provided an update on schedule. Next, the group discussed the development and comments of the various GSP chapters. Then it was discussed that the model should be re-ran to better approximate the head conditions of neighboring basins as they also approach sustainability. Finally, it was discussed that SWKGSA would pursue Technical Support Services from DWR on behalf of the subbasin to construct a monitoring well.
 - ii. At the 7/25/2019 meeting the group again received updates on the GSP chapters and schedules. The group also discussed the budget overrun and potential additional work required for the annual report to DWR and future grant applications. Finally, the results of the model modifications were reviewed.
 - iii. The August meetings will be held on 8/9/2019 and 8/22/2019.
- c. All interested parties were notified that our stakeholder survey was placed on our website early last fall and available for several months to seek concerns of affected parties. The deadline was extended to January 15, 2019. However, minimal comments were received. Anyone with concerns

is encouraged to reach out to the SWKGSA staff and/or to join the interested parties list.

- d. The public hearing for the GSP adoption process is scheduled for December 2, 2019 at the Kings County Government Center.
3. Groundwater Sustainability Plan (“GSP”) Development
 - a. The GSA representatives of the Tulare Lake Subbasin selected Wood for GSP development. SWKGSA is working collectively with the other Tulare Lake Subbasin GSAs to develop a single GSP for the Subbasin. The Subbasin is within a critically overdrafted groundwater basin, thus required by SGMA to submit a comprehensive GSP to DWR no later than January 2020. The GSP must develop a preliminary plan to achieve groundwater sustainability with regards to established goals for groundwater elevation, storage, quality, and subsidence. The GSP must also develop measurable objectives, interim milestones, and threshold levels that would trigger mitigation actions to maintain the goals established by the Subbasin and/or Management Areas within the Subbasin.
 - b. The consultant has provided the documents below for internal review and comment. SWKGSA Staff, Board, and Ad hoc committee will review prior to public release:
 - i. Draft GSP outline
 - ii. Draft Communication and Engagement Plan
 - iii. Draft Plan Area chapter
 - iv. Draft Basin Setting chapter
 - v. Discussion material regarding Data Management System
 - vi. Draft Monitoring Network chapter
 - vii. Draft Sustainable Management Criteria chapter
 - viii. Draft Projects and Management Actions chapter
 - c. At the SWKGSA September 2018 Board meeting, an ad-hoc committee was established to provide input to SWKGSA staff on SGMA compliance. The following is a summary of direction provided by the ad hoc committee to date:
 - i. Data Management Systems – A simple spreadsheet (or similar database) to collect the minimum data necessary to comply with SGMA.
 - ii. Monitoring Network – use existing wells to monitor. The Board does not intend to monitor in areas where there is no usable groundwater and where no wells exist.
 - iii. Sustainable Management Criteria – Since this area is not a significant user of groundwater, the potential for undesirable results to occur due to our groundwater pumping are not likely. Therefore, determining thresholds will be a challenge. On a subbasin level, a gradual (versus rapid) transition to sustainability over the 20-year period is preferred.
 - iv. Projects and Management Actions – The ad hoc committee recognized that SWKGSA’s ability for local projects are limited as with minimal groundwater pumping almost all of the water is imported from outside of the Subbasin; accordingly, the committee recommended the SWKGSA explore partnering solutions in and out of the Subbasin that could enhance our water reliability.

- v. The ad hoc committee has been reviewing the draft chapters for the GSP.
- d. Tentative schedule: Attached is an updated list of tasks and the tentative schedule for completion of the GSP; the schedule of individual tasks will be revised based on the GSP consultant's (Wood's) schedule adjustments, but the completion date of September 2019 for public noticing and January 2020 submittal to DWR are fixed.

Attachments: Budget Report through 7/31/2019
Schedule for GSP Development

**Southwest Kings Groundwater Sustainability Agency
2019 Budget**

Description	Adopted 2019 Budget	ACTUAL												PROJECTED												Total Actual/ Projected Charges	Total Over/ (Under) Budget
		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19		
Management	50,000	3,239	3,949	6,762	3,858	3,525	4,877	6,301	4,167	4,167	4,167	4,167	4,167	4,167	53,345	3,345											
Legal	20,000		55	55	138		165	126	1,667	1,667	1,667	1,667	1,667	1,667	8,872	(11,128)											
Clerical	6,000	406	229	375			166	7	500	500	500	500	500	500	3,683	(2,317)											
Insurance	-														-	-											
Website	2,000	122	47	19	47	28	28	69	167	167	167	167	167	1,192	(808)												
Audit	5,000														-	(5,000)											
GSP	152,000	58	1,436	2,050		180	1,620	3,646	12,667	12,667	12,667	12,667	12,667	72,323	(79,677)												
Contingency	50,000	537	40	48	48	52	1,035		4,167	4,167	4,167	4,167	4,167	22,592	(27,408)												
<i>Total Budget Expended</i>	285,000	4,361	5,755	9,308	4,090	3,785	7,891	10,149	23,333	23,333	23,333	23,333	23,333	162,005	(122,995)												
<i>Projected Income</i>																											
Assessments	270,560	143,592			125,018			1,170							269,780	(780)											
Delinquent Assessments	2,977	1,958													1,958	(1,019)											
Penalties		416						46							462	462											
Interest	4,000	1,201			1,938			2,249				2,000			7,388	3,388											
<i>Total Income</i>	277,537	147,166	-	-	126,956	-	-	3,466	-	-	-	2,000	-		279,587	2,050											
<i>Cash on Hand</i>	167,067	309,872	304,117	294,809	417,675	413,891	406,000	399,316	375,983	352,650	329,316	307,983	284,650														

SWKGSA SCHEDULE FOR GSP DEVELOPMENT & SUBMITTAL TO DWR

rev 8/7/2019

Task No.	Task Description	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
1	Subbasin model development & simulation																							
a	Model refinement and calibration							o																
	Forecast simulations																							
	Reporting																							
2	Development of data management system																							
a	Evaluation of systems								XX								o							
b	Selection of system																	h/ h						
c	DMS Setup - Draft																				o			
	DMS Setup - Final																						o	
d	On-going annual updates																							ooo
3	Groundwater Sustainability Plan development																							
a	Selection of consultant	h	h																					
b	Prepare GSP																							
i	Plan Area					o			o															
ii	Basin Setting						XX			o							o							
iii	Sustainable Management Criteria						XX						XX				o							
iv	Monitoring Network									XX			o	o		o								
vii	Projects and Management Actions									XX					o			o						
viii	Draft GSP Document																							
	Preliminary Draft																		o					
	Public Draft																			o				
	Public review period																			oo	oo	oo		
	Final GSP																						o	ooo
	Adoption hearing																						h	
4	Stakeholder outreach & updates		o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
a	Policy discussions affecting SWKGSA																							
5	Coordination within subbasin & neighboring subbasins	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o
6	District administration and updates	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o

- Legend:
- o status report emailed to Board and posted on website
 - ⊕ meeting with interested stakeholders
 - o submittal (for Subbasin/SWKGSA review)
 - oo submittal (for public review)
 - ooo submittal (to DWR)
 - h SWKGSA Board action
 - h Subbasin action
 - XX SWKGSA Board discussion/direction
 - GSP consultant responsibility
 - SWKGSA staff responsibility