SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY

District Office: 286 W. Cromwell Ave., Fresno, CA 93711-6162
Phone: 559-449-2700 Fax: 559-449-2715

REGULAR MEETING OF THE BOARD OF DIRECTORS

May 9, 2018; 3:00 PM

1. CALL TO ORDER – CHAIR WILLIAM PHILLIMORE

2. PUBLIC PARTICIPATION – NON AGENDIZED ITEMS

Members of the public are permitted to address the Board on items of interest that are within the jurisdiction of the Board, whether or not such items are on the agenda. If any such item is on the agenda, a member of the public may address such item before or during the Board's consideration of that item. To not unduly delay the meeting, individuals requesting the opportunity to address the Board are requested to keep their comments to a maximum of five minutes per person.

3. MINUTES

The Board will be asked to review and approve the Minutes of the February 14, 2018 Regular Board Meeting.

4. DIRECTOR POSITIONS

The Board will hear a report and be asked to consider action on the following items:

a. Acknowledge the two new directors from the RD 761 board;
b. Appoint directors to the positions of Vice Chair and Secretary.

5. FINANCIAL REPORTS

The Board will hear reports and be asked to approve or consider action on the following items:

a. Treasurer's Reports for March, April, and May (approve);
b. Payment of bills for march and April (ratify) and May (approve);
c. Budget for 2019;
d. Set date for Benefit Assessment hearing (July 11, 2018).

6. SUBASIN ISSUES

The Board will hear reports and be asked to approve or consider actions on the following items:

a. Update on draft hydrologic model;
b. Authorizing payment of GSP expenses needed for cash flow until DWR grant funds are received (then the GSAs would be reimbursed);
c. Outreach program to interested parties;
d. Designation of main point of contact for GSP development.

7. REPORT OF COUNSEL

The Board will hear a report from legal counsel and may be asked to approve or consider actions related to current issues and legislation.

8. OTHER BUSINESS AND CORRESPONDENCE

a. The Board will be asked to reconsider whether to provide a call-in phone line to the Board meeting for public (non-Board) participation.
b. The Board may hear a report on correspondence and various issues, none of which are action items.

9. DATE, TIME AND LOCATION OF NEXT BOARD MEETING

The next scheduled regular Board is anticipated to be July 11, 2018.

10. ADJOURNMENT

Notes:

1) *Written materials related to an item on this agenda to be considered in open session that are public documents and that are distributed to board members after the posting of the agenda will be made available for public inspection when they are so distributed at the offices of the Southwest Kings Groundwater Sustainability Agency located at the above address during normal business hours. Documents that are public documents provided by others during a meeting will be available at the same location during business hours after the meeting.*
2) *A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the Agency to provide disability related modifications of accommodations in order to participate in any public meeting of the Agency. Such assistance includes appropriate alternative formats for the agendas and agenda packets. Requests for disability related modification or accommodation, in order to attend or participate in an Agency meeting, should be made to Southwest Kings Groundwater Sustainability Agency at the above address or by telephone to 559-449-2700, at least 48 hours before a public meeting of the Agency.*
3) *Meeting notification requests: If you would like to be notified of future Southwest Kings Groundwater Sustainability Agency meetings and events, please contact Dale Melville at 559-449-2700 or email at dmelville@ppeng.com.*

POSTED 5/4/2018 BY LF (Agency office) & JB (in Agency)

MINUTES of the regular meeting of the Board of Directors of Southwest Kings Groundwater Sustainability Agency held on February 14, 2018. at the office of the Agency Office, 286 W. Cromwell Avenue, Fresno, California.

DIRECTORS PRESENT:

William Phillimore, Dudley Ridge Water District
Steven Jackson, White Areas representative
Bernard Puget, Dudley Ridge Water District

DIRECTORS NOT PRESENT:

Vacant, Tulare Lake Reclamation District 761
Vacant, Tulare Lake Reclamation District 761

OTHERS PRESENT:

Dale Melville, Provost & Pritchard Consulting Group
Joe Hopkins, Provost & Pritchard Consulting Group
Rick Besecker, Provost & Pritchard Consulting Group (by phone)
Riley Jones, Tulare Lake Compost
Jorge Montezuma, Tulare Lake Compost
Julianne Phillips, Kings County
Kim Brown, Wonderful Orchards
Andrew Edstrom, Wonderful Orchards

Chair Phillimore called the Board meeting to order at 3:50 p.m. and initiated a round of self-introductions by the Board and attendees.

MINUTES

Upon a motion by Director Jackson and second by Director Puget, the minutes from the August 14, 2017 meeting of the Agency were approved as presented by the following vote:

Phillimore	Puget	Jackson
Aye	Aye	Aye

TREASURER'S REPORTS

Mr. Hopkins and Executive Director Melville discussed the warrants to be paid and the warrants to be ratified. After some confusion, Mr. Besecker was phoned for clarification. It was then realized that a clerical error had been made causing deposits to be included with warrants. After a short discussion, Director Jackson motioned to pay and ratify warrants upon the Board President's approval of the revised warrants list (attached to and made part of these minutes). The motion was seconded by Director Puget and the Board voted to adopt the motion. Following the vote, Chairman Phillimore announced that the Directors voted as follows:

Phillimore	Puget	Jackson
Aye	Aye	Aye

BUDGET

Mr. Hopkins presented to the proposed 2018 budget that was developed based on the recently adopted Proposition 218 Engineer's Report. After a short discussion, Director Jackson motioned to approve the budget (attached to and made part of these minutes). The motion was seconded by Director Puget and the Board voted to adopt the motion. Following the vote, Chairman Phillimore announced that the Directors voted as follows:

Phillimore	Puget	Jackson
Aye	Aye	Aye

AUDIT

Executive Director Melville informed the Board of the requirements of JPAs to perform financial audits. It was discussed that an audit could be performed on a 2-year cycle rather than annually. This change would require either unanimous consent of the Board, or that the bylaws be amended to state a 2-year period. After discussion, Director Puget motioned to conduct a 2-year audit in 2019 for years 2017 and 2018. The motion was seconded by Director Jackson and the Board voted to adopt the motion. Following the vote, Chairman Phillimore announced that the Directors voted as follows:

Phillimore	Puget	Jackson
Aye	Aye	Aye

BOARD VACANCIES

DRAFT

Executive Director Melville lead a discussion regarding recent Board vacancies, in that Directors Ceil Howe Jr. and Jamie Howe have resigned from the RD 761 board and are therefore no longer on the SWKGSA board. Director Jackson, noted that RD 761 is in the process of reconstructing its board, with its current make-up consisting of Jan Kahn, Mike Nordstrom, and Steve Jackson. The RD 761 board will discuss and appoint new SWKGSA board representatives at an upcoming meeting.

OFFICER APPOINTMENTS

Executive Director Melville discussed the need to appoint new officers to the Board for the positions of Chair, Vice Chair, and Secretary. The topic was tabled until RD 761 representatives are appointed to the SWKGSA.

OUTREACH TO INTERESTED PARTIES

- Chairman Phillimore brought up concerns regarding methods of keeping interested parties informed on the progress of the GSP development and the actions of the GSA. It was noted that the website is online and hosts all notices, agendas, and minutes.
- A discussion ensued mainly noting that since the SWKGSA Board meetings are infrequent, perhaps a monthly status report be prepared by GSA staff and circulated to interested parties. Staff was directed to develop status report.
- An email (attached to and made part of these minutes) and was received from Larry Easterling (landowner) stating his concerns of having to participate in GSA. Executive Director Melville was directed to draft a response for Board review, then send the response to Mr. Easterling (attached to and made part of these minutes).
- With regards to coordinating with other Tulare Lake Subbasin GSAs, it was recommended that discussions be had among Executive Director Melville and the neighboring GSAs to identify each GSA's approach to some of the fundamental SGMA issues.
- Julianne Phillips of Kings County discussed the status of the County's proposed groundwater ordinance. She noted that an ad-hoc committee of their board and staff members will be formed to review and develop a path forward to vet with stakeholders.

PRELIMINARY WATER BUDGET

Mr. Hopkins provided an update on the water budget that is being developed for SWKGSA. It was noted that a few data gaps still existed; staff was reaching out to landowners to fill those gaps. Completion of the water budget was contingent on receiving outstanding data.

INTERIM OPERATING AGREEMENT

Executive Director Melville gave an update on the revised "Interim Operating Agreement for the Tulare Lake Subbasin to Develop and Implement a Groundwater Sustainability Plan" (attached to and made part of these minutes), noting the agreement previously approved by the Board has been modified to include El Rico GSA's request for unanimous vote instead of 4/5. After a short discussion, Director Jackson motioned to execute the agreement. The motion was seconded by Director Puget and the Board voted to adopt the motion. Following the vote, Chairman Phillimore announced that the Directors voted as follows:

Phillimore	Puget	Jackson
Aye	Aye	Aye

PAYMENT TO KINGS COUNTY WATER DISTRICT

Executive Director Melville discussed the need to pay the SWKGSA portion (1/6th) of the Kings County Water District (Mid-Kings River GSA) invoice for grant development. The SWKGSA portion was $3,779.85. It was also discussed the desire to advance money, based on the SWKGSA's share as stated in the Interim Operating Agreement, to Mid-Kings River GSA for GSP development, as Mid-Kings River GSA will be the contracting agency with the potential GSP consultant. The advanced money would then be reimbursed by the DWR grant at a later date. This proposed approach shares the cost burden among all Tulare Lake Subbasin GSAs, while awaiting reimbursement from DWR. After a short discussion, Director Jackson motioned to pay KCWD the $3,779.85 and, as needed until DWR funds are available, advance funds for payment of GSP consultant, to be reimbursed when DWR grant funds arrive. The motion was seconded by Director Puget and the Board voted to adopt the motion. Following the vote, Chairman Phillimore announced that the Directors voted as follows:

Phillimore	Puget	Jackson
Aye	Aye	Aye

OTHER BUSINESS

- The board was reminded to submit their 700 forms
- A recommendation was made to provide a call-in phone number for public (not board). This recommendation was tabled for future consideration

- Executive Director Melville discussed a letter drafted and signed by all of the GSAs in the Tulare Lake Subbasin that was sent to the Kings County Board of Supervisors in opposition to the proposed groundwater ordinance.

DATE, TIME AND LOCATION OF NEXT BOARD MEETING

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

ADJOURNMENT

There being no further business to come before the Board, at 4:45 p.m. Chairman Phillimore adjourned the meeting.

_____

Steven D. Jackson, Secretary-Treasurer

APPROVED:

_____

William D. Phillimore, Chair

DRAFT

ITEM 4b1 (REVISED)

9:10 AM
02/15/18

Southwest Kings Groundwater Sustainability Agency
Warrants to be Ratified as Paid
August 15, 2017 through February 13, 2018

Date	Num	Name	Split	Amount
101 Checking				
08/15/2017		Bank Charge	590 Other	-35.00
09/13/2017	1001	Baker Manock & Jensen PC	503 Legal	-688.50
09/13/2017	1002	Corcoran Publishing Co. Inc.	503 Legal	-137.25
09/13/2017	1003	Provost & Pritchard Consulting Group	-SPLIT-	-4,945.01
09/15/2017		Bank Charge	590 Other	-38.73
10/11/2017	1004	Baker Manock & Jensen PC	503 Legal	-25.50
10/11/2017	1005	Corcoran Publishing Co. Inc.	503 Legal	-183.00
10/11/2017	1006	Provost & Pritchard Consulting Group	501 Management	-3,088.63
10/16/2017		Bank Charge	590 Other	-38.97
11/08/2017	1007	Provost & Pritchard Consulting Group	-SPLIT-	-2,533.80
11/15/2017		Bank Charge	590 Other	-39.13
12/08/2017	1008	Baker Manock & Jensen PC	503 Legal	-51.00
12/08/2017	1009	Provost & Pritchard Consulting Group	501 Management	-1,849.77
12/15/2017		Bank Charge	590 Other	-38.79
01/10/2018	1010	Baker Manock & Jensen PC	503 Legal	-446.00
01/10/2018	1011	Provost & Pritchard Consulting Group	501 Management	-3,433.29
01/16/2018		Bank Charge	590 Other	-39.00
Total 101 Checking				-17,611.37
TOTAL				**-17,611.37**

Southwest Kings Groundwater Sustainability Agency

2017 Budget Comparison (Final)

		ACTUAL															
Description	Adopted 2017 Budget	2015-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug 1 - Aug 9, 2017	Aug 10 - Aug 31, 2017	Sep-17	Oct-17	Nov-17	Dec-17	Total Actual/ Projected Charges	*Total Over/ (Under) Budget*
Management	45,000						5,926	8,527		11,510		4,569	3,089	2,364	1,850	37,834	*(7,166)*
Accounting	-															-	-
Legal	20,000	6,260	809	842	2,128		1,406	427	1,913	587		826	209		51	15,456	*(4,544)*
Clerical	-															-	-
Insurance	-															-	-
Website	3,000					343	85	2,206		43		68		170		2,914	*(86)*
Audit	-															-	-
Startup/Prop 218	40,000	21,436		1,517		2,006	987	7,092		5,925		308				39,270	*(730)*
GSP	25,000							893		1,075						1,968	*(23,033)*
Other	-										35	39	39	39	39	191	*191*
Total Expended	133,000	27,696	809	2,359	2,128	2,348	8,404	19,144	1,913	19,139	35	5,809	3,336	2,573	1,940	97,632	*(35,368)*
Projected Income													*				
DRWD Direct Payments 1)	-	27,696	809	2,359	2,128	2,348	8,404	19,144	1,913	19,139	1,000					84,939	
DRWD Reimbursements 2)	-	-	-	-	-	(17,552)									(24,918)	(42,469)	
RD 761 Payments 2)	-					17,552									24,918	42,469	
DRWD Cash Contributions 3)	-											6,000	3,000	3,000	1,000	13,000	
Assessments	-															-	
Total Income	-	27,696	809	2,359	2,128	2,348	8,404	19,144	1,913	19,139	1,000	6,000	3,000	3,000	1,000	97,939	
Cash on Hand	-	-	-	-	-	-	-	-	-	-	965	1,156	819	1,246	307		

1) DRWD paid all of the SWKGSA formation costs ($84,938.91) from 7/8/15 through 8/9/17, then invoiced RD761 for 50% of the eligible costs (total of $42,469.45) . The remaining portion (net $42,469.45 paid by DRWD) will be reimbursed to DRWD from the assessment proceeds in 2018.

2) RD761 reimbursed DRWD for 50% of the of the eligible SWKGSA formation costs (total of $42,469.45). This amount will be reimbursed to RD761 from the assessment proceeds in 2018.

3) DRWD contributed a total of $13,000 to fund operations from 8/10/17-12/31/17. This amount will be reimbursed to DRWD from the assessment proceeds in 2018.

* WARRANTS TO BE RATIFIED AS PAID (ALSO INCLUDE JANUARY 2018) Σ $17,611

ITEM 4a1 (REVISED)

ITEM 4b2

10:20 AM
02/14/18

Southwest Kings Groundwater Sustainability Agency
Warrants to be Approved for Payment
February 14, 2018

Date	Num	Name	Split	Amount
101 Checking				
02/14/2018	1012	Baker Manock & Jensen PC	503 Legal	-110.00
02/14/2018	1013	DRWD	Accounts Payable	-55,469.47
02/14/2018	1014	RD761	Accounts Payable	-42,469.46
02/14/2018	1015	Provost & Pritchard Consulting Group	-SPLIT-	-11,398.26
Total 101 Checking				-109,447.19
TOTAL				**-109,447.19**

Southwest Kings Groundwater Sustainability Agency

2018 Budget Comparison (February)

		ACTUAL		PROJECTED											
Description	Adopted 2018 Budget	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total Actual/ Projected Charges	Total Over/ (Under) Budget
Management	50,000	3,433	3,418	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	48,518	(1,482)
Legal	20,000	446	110	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	17,223	(2,777)
Clerical	6,000			500	500	500	500	500	500	500	500	500	500	5,000	(1,000)
Insurance	-			-	-	-	-	-	-	-	-	-	-	-	-
Website	2,000	-	27	167	167	167	167	167	167	167	167	167	167	1,694	(306)
Audit	1,000			1,000										1,000	-
GSP	115,000		7,953	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	103,786	(11,214)
DRWD Reimbursements 1)	-		42,469											42,469	42,469
RD761 Reimbursements 2)	-		42,469											42,469	42,469
DRWD Cash Contributed 3)	-		13,000											13,000	13,000
Contingency	20,000	39		1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	16,706	(3,294)
Total Expended	214,000	3,918	109,447 *	18,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	291,865	77,865
Projected Income															
Assessments	455,906	209,401			227,953									437,354	(18,552)
Delinquent Assessments	-							18,552						18,552	18,552
Interest	-				380			811			768			1,959	1,959
Total Income	455,906	209,401	-	-	228,333	-	-	38,780	-	-	768	-	-	457,865	1,959
Cash on Hand	307	205,790	96,343	77,593	288,176	270,426	252,676	273,705	255,955	238,205	221,223	203,473	185,723		
Rate needed	5.00														

1) Reimbursement for the 2017 SWKGSA formation costs from 7/8/15 through 8/9/17 paid by DRWD.
2) Reimbursement for the 2017 SWKGSA formation costs from 7/8/15 through 8/9/17 paid by RD761.
3) Reimbursement for $13,000 DRWD contributed from 8/10/17 thought 12/31/17 to fund operations.

* WARRANTS TO BE APPROVED FOR PAYMENT

ITEM 4.9.2 (REVISED)

SWKGSA
2018 Budget

Description	Proposed 2018 Budget
Management	50,000
Legal	20,000
Clerical	6,000
Insurance	-
Website	2,000
Audit	1,000
GSP	115,000
Contingency	20,000
Total Expenses	214,000
Projected Income	
Assessments	455,906
Reimbursements	(97,939)
Delinquent Assessments	-
Interest	-
Total Income	357,967

From: Lawrence Easterling [mailto:leaster@wildblue.net]
Sent: Saturday, February 10, 2018 2:04 PM
To: Laurie Sales <lsales@ppeng.com>
Subject: Re: Southwest Kings GSA Board Meeting - February 14, 2018

Dale, I am still totally upset about farming operations such as ours, which have NO wells and NO runoff, being subjected to an agency where farms, such as ours, should be exempt. We are being asked to financially support an agency which offers us NOTHING, yet demands our funding. ONE SHOE DOES NOT FIT ALL. It is blatantly obvious. A poll of all GSP members should be taken immediately to identify those of us having no need for your services. These members should then be REMOVED , as unqualified. Our original 1890 acres was part and parcel of the MC CARTHY RANCH, consisting of 25,000 acres planted to a variety of agricultural crops. To the best of my knowledge much of that land also had no water beneath them, but were planted once the SWP water conveyance system was completed adjacent to our property. Surely much of that property, if not all, should be exempt from the GSP.

This memo should be addressed at your meeting on February 14 with a response to my request . In essence, operations, such as ours, are UNQUALIFIED, for GSP membership.

SOUTHWEST KINGS
GROUNDWATER SUSTAINABILITY AGENCY

DIRECTORS
WILLIAM D. PHILLIMORE, CHAIR
CEIL HOWE, JR, VICE CHAIR
STEVEN D. JACKSON, SECRETARY-TREASURER
JAIME HOWE
BERNARD PUGET

286 W. CROMWELL AVENUE
FRESNO, CALIFORNIA 93711-6162

PHONE (559) 449-2700
FAX (559) 449-2715

EXECUTIVE DIRECTOR
DALE K. MELVILLE
ASSESSOR-COLLECTOR
RICK BESECKER
ENGINEER
JOE HOPKINS
LEGAL COUNSEL
LAUREN LAYNE

February 21, 2018

Lawrence Easterling
1681 Andreas Estates Place
Royal Oaks, CA 95076-9321

Dear Larry,

As you requested, your email of February 10, 2018 was reviewed with the Board of Directors of the Southwest Kings Groundwater Sustainability Agency ("SWKGSA") at its regular board meeting on February 14th.

The Board and I are sympathetic to your request. As discussed at the August 14, 2017 Board meeting you attended, previous efforts were made by Dudley Ridge Water District ("DRWD") to exclude areas from compliance with the Sustainable Groundwater Management Act ("SGMA") due to a lack of useable groundwater and absence of wells within DRWD. Regardless of the reasonableness of DRWD's request (which was along the lines you have documented in your email), the facts are that: (1) DRWD and the SWKGSA are located within a hydrologic basin identified by the California Department of Water Resources ("DWR") in Bulletin 118; (2) as legislated by the State, SGMA requires that all lands within the hydrologic basins identified in Bulletin 118 are required to be included in a Groundwater Sustainability Agency ("GSA") and develop, individually or with other GSAs, a Groundwater Sustainability Plan ("GSP") for the basin; and (3) the hydrologic areas within the San Joaquin Valley Groundwater Basin have until January 31, 2020 to submit a GSP to the State.

Landowners in the same situation as you have determined that complying with State law is better done at a local level, versus turning compliance over to the State. This is evidenced by the formation of the SWKGSA and the passage of the land-based assessment to fund the SWKGSA (with over 95% of voting acreage in favor). For lands located within a hydrologic basin identified in Bulletin 118, there is no option to "opt-out" of SGMA. The only choice is for those areas to participate in a locally-formed and controlled GSA or allow the State to assess and control the implementation of the requirements of SGMA.

Larry, if there is any solace in the SGMA process, several neighboring GSAs are assessing or proposing to asses a rate at or near $10/acre, compared to the $5/acre charge levied within the SWKGSA. Additionally, the Tulare Lake Subbasin, of which the SWKGSA is within, just received a preliminary commitment from DWR for a $1.5 million grant for preparation of a GSP(s) for the Subbasin. As discussed at the August Board meeting, we anticipate the assessment rate to decrease after the GSP has been submitted in 2020.

We understand this letter does not satisfy your request to be exempted from the SGMA process. The SWKGSA Board and its landowners must act responsibly to adhere to State law. We hope that you recognize that doing so with local control is in the best interests of all landowners.

Respectfully,

Dale K. Melville, PE
Executive Director

Copy: Board of Directors

Interim Operating Agreement for the Tulare Lake Subbasin to Develop and Implement a Groundwater Sustainability Plan

THIS INTERIM OPERATING AGREEMENT FOR THE TULARE LAKE SUBBASIN TO DEVELOP AND IMPLEMENT A GROUNDWATER SUSTAINABILITY PLAN (this “Agreement") is effective September 1, 2017, among the MID-KINGS RIVER GROUNDWATER SUSTAINABILITY AGENCY, SOUTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY, EL RICO GROUNDWATER SUSTAINABILITY AGENCY, SOUTHWEST KINGS GROUNDWATER SUSTAINABILITY AGENCY, TRI-COUNTY WATER AUTHORITY, and ALPAUGH IRRIGATION DISTRICT. The signatories to this Agreement are hereinafter referred to collectively as the "Parties" or individually as "Party".

RECITALS

WHEREAS, the Parties are all located within the Tulare Lake Hydrologic Region, San Joaquin Valley Groundwater Basin, Tulare Lake Subbasin, a groundwater subbasin recognized by the California Department of Water Resources ("DWR") Bulletin 118 (2016) as Groundwater Basin No. 5-22.12 (hereinafter “Subbasin”) and a depiction of the Subbasin is attached hereto as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, the State of California has classified the entire Subbasin as an Economically Distressed Area and each community within the Subbasin as a Disadvantaged Community; and

WHEREAS, all lands within the Subbasin are included within one of the six groundwater sustainability agencies (“GSAs”) that are the Parties to this Agreement, and each Party has been or are in the process of being determined an “exclusive” GSA by DWR; and

WHEREAS, the Sustainable Groundwater Management Act ("SGMA") requires the development and establishment of groundwater sustainability plans ("GSPs"), which are designed to ensure the sustainability of groundwater basins and subbasins; and

WHEREAS, DWR has identified the Subbasin as a critically overdrafted subbasin; and

WHEREAS, SGMA allows local agencies or a combination of local agencies overlying a groundwater basin to serve as a GSA to develop and implement a GSP over an entire basin, subbasin, or a portion of a basin; and

WHEREAS, pursuant to Water Code §10727, SGMA allows for the preparation of a GSP by three methods: (a) a single GSP covering the entire basin/subbasin developed and implemented by one GSA, (b) a single GSP covering the entire basin/subbasin developed and implemented by multiple GSAs, or (c) multiple GSPs implemented by two or more GSAs that are subject to a single Coordination Agreement that covers the entire basin/subbasin; and

WHEREAS, Water Code §10727.6 requires that if multiple GSPs will be implemented within a subbasin, then a Coordination Agreement must be prepared to ensure that the GSPs utilize the same data and methodologies within that subbasin for the following items: (a) groundwater elevation data, (b) groundwater extraction data, (c) surface water supply, (d) total water use, (e) change in groundwater storage, (f) water budget, and (g) sustainable yield; and

WHEREAS, the Parties acknowledge that multiple GSAs have been formed within the Subbasin and those GSAs currently seek to explore the possibility of developing and implementing a single GSP. The Parties also acknowledge the desire to have a single GSP may not be achievable, but regardless of whether one or more GSPs are developed for the Subbasin, an interim agreement is beneficial to the Parties in proceeding to initially develop and coordinate the data and methodologies required by SGMA for the Subbasin; and

WHEREAS, the Parties acknowledge that the GSAs need to do further data collection prior to making decisions with regard to GSP preparation and implementation, but the Parties agree that in the future a Coordination Agreement or an amendment to or replacement of this Agreement will be necessary based on the additional information obtained and decisions made by the Parties under this Agreement; and

WHEREAS, the purpose of this Agreement is to provide a framework among the Parties for a cooperative means of gathering the initial data and information for a single GSP, applying for grant funding, selecting consultants, and coordinating on other SGMA-related issues for the Subbasin.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth and the above Recitals, which are hereby incorporated herein by this reference, it is agreed by and among the Parties hereto as follows.

SECTION 1. DEFINITIONS

1.1 "Tulare Lake Subbasin" or "Subbasin" refers to that subbasin identified and described in California Department of Water Resources Groundwater Bulletin 118 as part of the Tulare Lake Hydrologic Region, San Joaquin Valley Groundwater Basin, Tulare Lake Subbasin, also identified as Groundwater Basin No. 5-22.12, and is depicted in Exhibit “A” of this Agreement.

1.2 "Groundwater Sustainability Agency" or "GSA" means one or more local agencies that implement the provisions of SGMA as defined by Water Code §10721(j).

1.3. "Groundwater Sustainability Plan" or "GSP" means a plan of one or more GSAs proposed or adopted under SGMA as defined in Water Code §10721(k).

1.4 "Coordination Agreement" shall be the agreement (whether one or more GSPs are developed within the Subbasin) to ensure coordination of the data and methodologies used by each GSA in developing the GSP(s) within the Subbasin for the following assumptions: (a) groundwater elevation data, (b) groundwater extraction data, (c) surface water supply, (d) total water use, (e) change in groundwater storage, (f) water budget, and (g) sustainable yield (Water Code §10721(d); 10727.6).

SECTION 2. PURPOSES AND GOALS

2.1 The Parties are entering into this Agreement to perform the following:

(a) Set forth their mutual intent to work towards the development of a single GSP for the Subbasin.

(b) Authorize research and collection of the data required for the GSP according to a mutually agreeable timeline.

(c) The Parties agree to utilize their best efforts in selecting and fully cooperating with the consultants gathering the information, preparing grant applications, and preparing the GSP.

(d) The Parties agree that after they gather data and determine an appropriate governance structure, they will either (1) amend or replace this Agreement to reflect specifics required to finalize a GSP or (2) if a single GSP is not to occur, prepare and enter into a Coordination Agreement setting forth appropriate assumptions based on information gathered and developed as a result of this Agreement.

SECTION 3. COST SHARING AND GOVERNANCE

3.1 The Parties agree that if grant funds are available for grant applications, efforts necessary to develop a GSP(s), facilitation and/or consultant costs, and similar efforts to develop a GSP(s) for the Subbasin, then the Parties have the authority to and shall act jointly in applying for and seeking to obtain such grant funds. Any grant funds received on behalf of the Subbasin and/or all of the Parties, shall first be applied to eligible costs incurred after July 1, 2017; should any funds then remain, the Parties may develop a method for reimbursing relevant costs incurred by the Parties prior to the effective date of this Agreement.

3.2 The Parties agree to the following formula, identified in the table below, for sharing costs to develop and implement the actions taken within the confines of this Agreement. As shown below, after combining the El Rico GSA and Alpaugh Irrigation District, one-half the costs shall be allocated one-fifth to each of the participants and one-half of the costs shall be allocated in proportion to the relative acreage of each Party. The overall proportionate cost of each Party is shown as the Total Cost Allocation in the table below.

GSA	Acres	Acreage Portion	Participant Portion	Total Cost Allocation
Mid-Kings River GSA	97,384.6	0.09084	0.1	0.19084
South Fork Kings GSA	71,310.9	0.06652	0.1	0.16652
El Rico GSA/Alpaugh ID	228,653.4	0.21328	0.1	0.31328
Southwest Kings GSA	90,037.1	0.08398	0.1	0.18398
Tri-County WA	48,656.5	0.04538	0.1	0.14538
Totals	536,042.5	0.50000	0.5	1.00000

3.3 All decisions related to implementing or amending this Agreement shall require a unanimous vote of the authorized representatives of each of the five (5) entities[1] identified in the table shown in Section 3.2 of this Agreement; a quorum is represented by any four (4) authorized representatives of these five (5) entities. Decisions may include, but are not limited to hiring experts or consultants to prepare and draft documents associated with this Agreement that would exceed $100,000, developing the Coordination Agreement (if necessary), applying for grant funding, and/or developing all or portions of a GSP(s).

SECTION 4. GENERAL PROVISIONS

4.1. Term. This Agreement shall become effective on the date first above written and shall remain in effect until superseded by amendment to this Agreement or another agreement among the Parties which shall address more specifics that are not available at this time for the final development and implementation of the GSP(s).

4.2 Withdrawal. Any Party shall have the right to withdraw from this Agreement by giving each of the other Parties written notice at least 30 days prior to its date of withdrawal ("Withdrawal Date"). The withdrawing Party shall be responsible for its share of any costs incurred under this Agreement up to its Withdrawal Date. Except as set forth in the preceding sentence, and except for the withdrawing Party's obligations under Section 5 hereof relating to confidential information, effective as of the Withdrawal Date, the withdrawing Party shall be

[1] For purposes of cost sharing and voting, the El Rico GSA and Alpaugh ID are to be considered as one entity; it shall be up to those two GSAs to determine their internal cost-sharing and voting process.

relieved and released of all obligations under this Agreement.

4.3 Construction of Terms. This Agreement is for the sole benefit of the Parties and shall not be construed as granting rights to or imposing obligations on any person other than the Parties.

4.4 Good Faith. Each Party shall use its best efforts and work in good faith for the completion of the purposes and goals of this Agreement and the satisfactory performance of its terms.

4.5 Rights of the Parties and Constituencies. This Agreement does not contemplate the Parties taking any action that would (a) adversely affect the rights of any of the Parties or (b) adversely affect the constituencies of any of the Parties.

4.6 Counterparts. This Agreement may be executed in counterparts and the signed counterparts shall constitute a single instrument. The signatories to this Agreement represent that they have the authority to sign this Agreement and to bind the Party for whom they are signing.

4.7 Governing Law. This Agreement and all documents provided for herein and the rights and obligations of the Parties hereto shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of California (without giving effect to any choice of law principles).

4.8 Waiver. The failure of any Party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by any Party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by any other Party.

4.9 Recitals and Exhibits. The Recitals and Exhibits are incorporated into the Agreement.

SECTION 5. CONFIDENTIALITY PROVISIONS

5.1 Confidential Information. The confidential information to be disclosed under this Agreement ("Confidential Information") includes data, information, modeling, projections, estimates, plans, that are not public information and in which each Party has a reasonable expectation of confidentiality, regardless of whether such information is designated as Confidential Information at the time of its disclosure.

5.2 Duty to Protect. In addition to the above, Confidential Information shall also include, and the Parties shall have a duty to protect, other confidential and/or sensitive information which is (a) disclosed in writing and marked as confidential (or with other similar designation) at the time of disclosure; and/or (b) disclosed in any other manner

and identified as confidential at the time of disclosure or is summarized and designated as confidential in a written memorandum delivered within thirty (30) days of the disclosure.

5.3 Limited Use. The Parties shall use the Confidential Information only for the purposes set forth in this Agreement.

5.4 Limited Disclosure. The Parties shall limit disclosure of Confidential Information within its own organization to its directors, officers, partners, members and/or employees having a need to know and shall not disclose Confidential Information to any third party (whether an individual, corporation, or other entity) without prior written consent of all the Parties. The Parties shall satisfy their obligations under this paragraph if they take affirmative measures to ensure compliance with these confidentiality obligations through their employees, agents, consultants and others who are permitted access to or use of the Confidential Information.

5.5 Allowable Disclosure. This Agreement imposes no obligation upon the Parties with respect to any Confidential Information (a) that was possessed before receipt; (b) is or becomes a matter of public knowledge through no fault of receiving Party; (c) is rightfully received from a third party not owing a duty of confidentiality; (d) is disclosed without a duty of confidentiality to a third party by, or with the authorization of the disclosing Party; or (e) is independently developed.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective as of the date first above written.

(the remainder of this page has been intentionally left blank)

Mid-Kings River Groundwater Sustainability Agency

By: Barry McCutcheon Title: Chairman

Name: Barry McCutcheon

South Fork Kings Groundwater Sustainability Agency

By: _____ Title: _____

Name: _____

El Rico Groundwater Sustainability Agency

By: _____ Title: _____

Name: _____

Southwest Kings Groundwater Sustainability Agency

By: _____ Title: _____

Name: _____

Tri-County Water Authority

By: _____ Title: _____

Name: _____

Alpaugh Irrigation District

By: _____ Title: _____

Name: _____

Mid-Kings River Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

South Fork Kings Groundwater Sustainability Agency

By: Joe Neves Title: CHAIRMAN

Name: Joe Neves

El Rico Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

Southwest Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

Tri-County Water Authority

By:_____ Title:_____

Name: _____

Alpaugh Irrigation District

By:_____ Title: _____

Name: _____

Mid-Kings River Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

South Fork Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

El Rico Groundwater Sustainability Agency

By: _____ Title: CHAIRMAN

Name: JEOF WYRICK

Southwest Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

Tri-County Water Authority

By:_____ Title:_____

Name: _____

Alpaugh Irrigation District

By:_____ Title: _____

Name: _____

Mid Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

South Fork Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

El Rico Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

Southwest Kings Groundwater Sustainability Agency

By:_____ Title: President

Name: William D Phillimores

Tri-County Water Authority

By:_____ Title:_____

Name: _____

Alpaugh Irrigation District

By:_____ Title: _____

Name: _____

Mid Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

South Fork Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

El Rico Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

Southwest Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name:_____

Tri-County Water Authority

By:_____ Title: Chairman

Name: MATTHEW H. HURLEY

Alpaugh Irrigation District

By:_____ Title: _____

Name: _____

Mid-Kings River Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

South Fork Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

El Rico Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

Southwest Kings Groundwater Sustainability Agency

By:_____ Title:_____

Name: _____

Tri-County Water Authority

By:_____ Title:_____

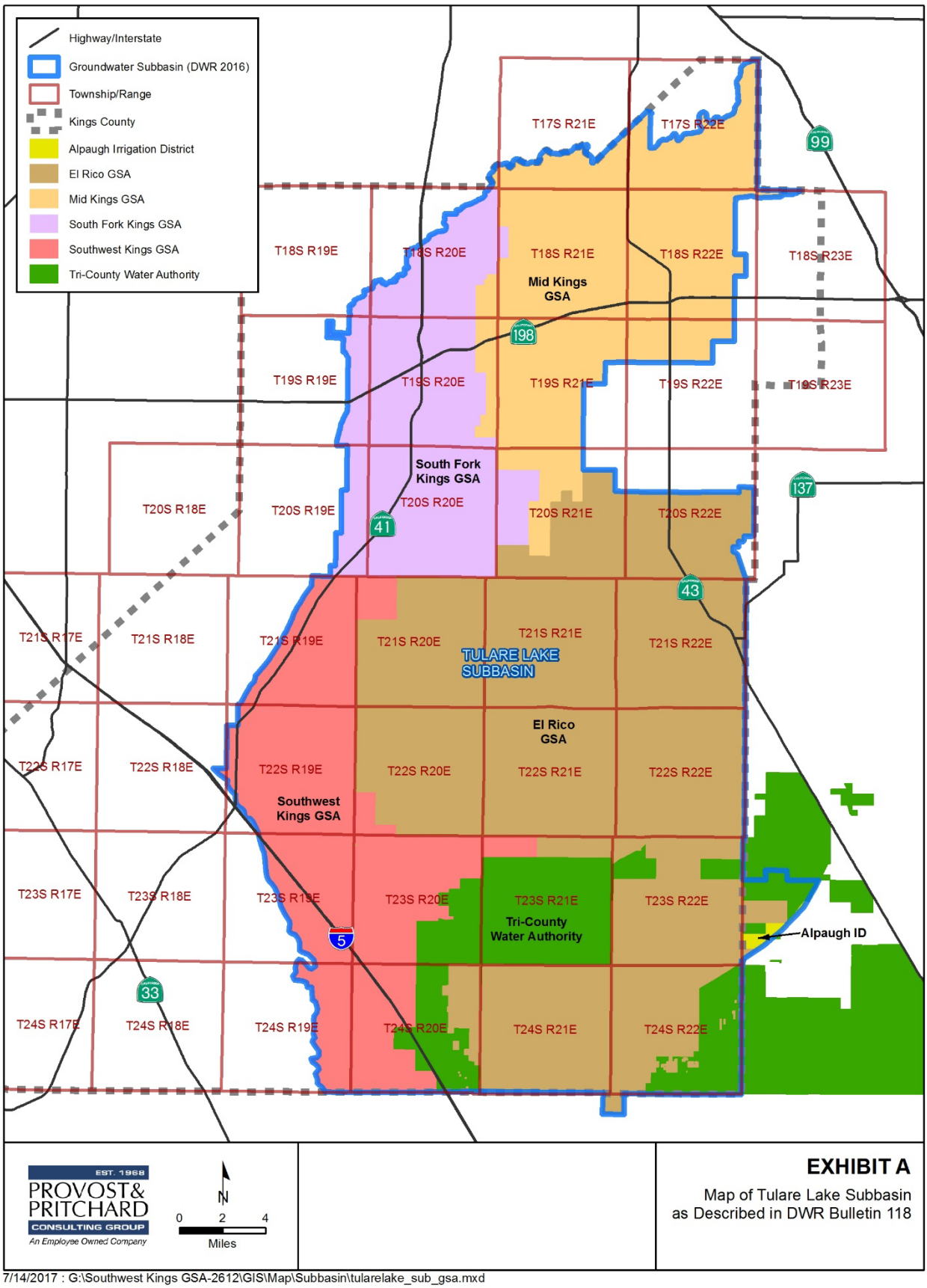
Name: _____

Alpaugh Irrigation District

By: _____ Title: G.M.

Name: BRUCE HOWARTH

Exhibit "A"
Map of Tulare Lake Subbasin as Described in
DWR Bulletin 118



7/14/2017 : G:\Southwest Kings GSA-2612\GIS\Map\Subbasin\tularelake_sub_gsa.mxd

Southwest Kings Groundwater Sustainability Agency

2019 Proposed Budget

Description	Proposed 2019 Budget	Revised 2018 Budget	Approved 2018 Budget
Management	$ 50,000	$ 50,000	$ 50,000
Legal	$ 20,000	$ 20,000	$ 20,000
Clerical	$ 6,000	$ 6,000	$ 6,000
Insurance	$ -	$ -	$ -
Website	$ 2,000	$ 2,000	$ 2,000
Audit	$ 5,000	$ 1,000	$ 1,000
GSP	$ 152,000	$ 245,000	$ 115,000
Contingency	$ 20,000	$ 20,000	$ 20,000
Total Expended	255,000	344,000	214,000

Southwest Kings Groundwater Sustainability Agency

2019 Proposed Budget Comparison (With Grant Reimbursement)

		PROJECTED													
														Total	*Total*
Description	Proposed 2019 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	*Actual/ Projected Charges*	*Over/ (Under) Budget*
Management	50,000	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*50,000*	-
Legal	20,000	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*20,000*	-
Clerical	6,000	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*6,000*	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Website	2,000	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*2,000*	-
Audit	5,000				*5,000*	-								*5,000*	-
GSP	152,000	*20,330*	*20,330*	*20,330*	*20,330*	*20,330*	*20,330*	*5,020*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*152,000*	-
Contingency	20,000	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*20,000*	-
Total Expended	255,000	28,497	28,497	28,497	33,497	28,497	*28,497*	*13,187*	*13,167*	*13,167*	*13,167*	*13,167*	*13,167*	*255,000*	-
Projected Income															
Assessments	455,906	225,453				225,453								*450,906*	*(5,000)*
Delinquent Assessments	-							*5,000*						*5,000*	*5,000*
Grant Reimbursement							*275,970*								
Interest	-					635		*1,182*			*1,859*			*3,677*	*3,677*
Total Income	455,906	225,453	-	-	-	226,088	*275,970*	*21,036*	-	-	*1,859*	-	-	*459,583*	*3,677*
Cash on Hand	73,458	270,415	241,918	213,421	179,925	377,516	*624,990*	*632,839*	*619,672*	*606,505*	*595,198*	*582,031*	*568,864*		
Rate needed	5.00														

1) Reimbursement for the 2017 SWKGSA formation costs from 7/8/15 through 8/9/17 paid by DRWD.
2) Reimbursement for the 2017 SWKGSA formation costs from 7/8/15 through 8/9/17 paid by RD761.
3) Reimbursement for $13,000 DRWD contributed from 8/10/17 thought 12/31/17 to fund operations.

Southwest Kings Groundwater Sustainability Agency

2019 Proposed Budget (Without Grant Reimbursement)

		PROJECTED													
														Total	*Total*
Description	Proposed 2019 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	*Actual/ Projected Charges*	*Over/ (Under) Budget*
Management	50,000	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*4,167*	*50,000*	-
Legal	20,000	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*20,000*	-
Clerical	6,000	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*500*	*6,000*	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Website	2,000	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*167*	*2,000*	-
Audit	5,000				*5,000*	-								*5,000*	-
GSP	152,000	*20,330*	*20,330*	*20,330*	*20,330*	*20,330*	*20,330*	*5,020*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*152,000*	-
Contingency	20,000	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*1,667*	*20,000*	-
Total Expended	255,000	28,497	28,497	28,497	33,497	28,497	*28,497*	*13,187*	*13,167*	*13,167*	*13,167*	*13,167*	*13,167*	*255,000*	-
Projected Income															
Assessments	455,906	225,453				225,453								*450,906*	*(5,000)*
Delinquent Assessments	-							*5,000*						*5,000*	*5,000*
Grant Reimbursement							-								
Interest	-					635		*906*			*1,030*			*2,572*	*2,572*
Total Income	455,906	225,453	-	-	-	226,088	-	*20,760*	-	-	*1,030*	-	-	*458,478*	*2,572*
Cash on Hand	73,458	270,415	241,918	213,421	179,925	377,516	*349,020*	*356,593*	*343,426*	*330,259*	*318,123*	*304,956*	*291,790*		
Rate needed	5.00														

1) Reimbursement for the 2017 SWKGSA formation costs from 7/8/15 through 8/9/17 paid by DRWD.
2) Reimbursement for the 2017 SWKGSA formation costs from 7/8/15 through 8/9/17 paid by RD761.
3) Reimbursement for $13,000 DRWD contributed from 8/10/17 thought 12/31/17 to fund operations.