

**MID-KAWEAH GROUNDWATER SUB-BASIN JOINT POWERS AUTHORITY
GROUNDWATER SUSTAINABILITY AGENCY BOARD**

SUMMARY MINUTES

Tuesday, November 9, 2017 3:00 p.m.

Tulare Public Library & Council Chambers
491 North M Street – Tulare, CA 93274

MEMBERS PRESENT: Jose Sigala^{3:04 p.m.}, Greg Nunley^{3:12 p.m.}, Dave Martin, David Bixler, Steve Nelsen, Greg Collins

STAFF PRESENT: Mike Olmos, Leslie Caviglia, Aaron Fukuda, Paul Hendrix, Ken Richardson, Joe Carlini, Roxanne Yoder, Trisha Whitfield, Kathy Artis

OTHERS PRESENT: Larry Rodriguez, GEI Consultants, Howard Stroman (Alt.) and other members of the public.

1. CALL TO ORDER REGULAR SESSION:

Chair Nelsen opened the meeting at 3:00 p.m.

2. PUBLIC COMMENT:

Chair Nelsen called for comments from any members of the public present at the meeting. There were no comments made.

3. GENERAL BUSINESS:

a. Approve Minutes of September 21, 2017 Board Meeting

It was moved by Director Martin, seconded by Director Bixler and carried 4 to 1 (Directors Sigala and Nunley absent; Director Collins abstained due to non-attendance at the 9/21/17 meeting; Alt. Director Stroman present) to approve the minutes as presented.

b. Adoption of Resolution 2017-02 Appointing GSA Treasurer

P. Hendrix indicated the need to reappoint, by resolution, the GSA Treasurer as the term of the first appointment has now expired. It was moved by Director Martin, seconded by Director Sigala and unanimously carried to adopt Resolution 2017-02 as presented, appointing Kathi Artis as Treasurer for a two-year term effective as of this date.

c. Financial Report*

i. Financial Statements – Year To-Date

K. Artis reviewed the balance sheet, profit & loss statement and transactions listing, citing key line items in each. It was moved by Director Sigala, seconded by Director Bixler and unanimously carried to approve the reports as presented.

ii. Approval of Audited Financial Statements – FY 2016-17

K. Artis presented a brief overview of the FY 2016-17 financial statements as audited by the firm of Cuttone & Mastro. It was moved by Director Sigala, seconded by Director Collins and unanimously carried to approve the statements as presented.

d. Liability Insurance Acquisition*

i. Adoption of Resolution 2017-03 Consenting to JPIA Agreement

P. Hendrix provided a written report for the Board's review and consideration. He noted that an action to subscribe to liability insurance may be two-fold, one to consider joining an affiliation in order to gain access to insurance and, two, to open a policy. He proceeded to describe the benefits of joining the Association of Calif. Water Agencies (ACWA), and that its affiliated Joint Powers Insurance Authority (JPIA) quoted the lowest cost liability proposal of those solicited. He added that the initial ACWA membership cost and JPIA premium cost may increase over time, but even with such increases the overall cost would remain competitive with other carriers. Director Collins inquired as to what sort of liabilities a GSA is exposed to, to which Mr. Hendrix responded with litigation of various types. Following discussion, it was moved by Director Collins, seconded by Director Martin and unanimously carried to approve the acquisition of liability insurance through membership in ACWA; it was further moved by Director Sigala, seconded by Director Collins and unanimously carried to Adopt Resolution 2017-03 approving execution of the JPIA joint powers agreement.

e. Amended FY 2017-18 Expense Budget*

P. Hendrix provided a written report for the Board's review and consideration. He noted that, per the sub-basin letter of intent and memorandum of understanding being approved by the three GSAs, Mid-Kaweah's expenses will increase as will revenues from any state grant and from the other two GSAs. He thereupon reviewed the projected budget line items and indicated that total expenses would be about \$660,000 and, with funds on hand, a net of about \$346,000. Following discussion, it was moved by Director Martin, seconded by Director Sigala and unanimously carried to approve the revised expense budget as presented.

f. Determination of Member Contributions to Expense Budget & Call for Funds*

P. Hendrix provided both a written report and PowerPoint slide presentation for the Board's review and consideration. He reviewed the stipulations of the GSA joint powers agreement regarding finance matters, the history of member contributions the last two fiscal years, and alternatives for Member contributions to this year's

budget. He presented the Board with an interim recommendation by the Management Committee consisting of contributions towards the consultant budget of 37% each for Tulare ID and Visalia, and 26% for Tulare. He concluded noting that, pending the timing of any grant award and planning expense reimbursements by the state, no contributions would be needed from the Members for this fiscal year. Discussion ensued concerning the rationale for this percentage split, and Director Sigala then suggested and motioned an alternate percentage contribution allocation of 35% each for Tulare ID and Visalia and 30% for Tulare, which motion failed due to lack of a second.

Discussion continued, with Directors Nelsen and Martin supporting an equal split since all Members benefit equally from the development of a GSP. Directors Nunley and Sigala expressed their view that Tulare was the smaller of the three members and that this deserves a degree of recognition. It was next moved by Director Collins, seconded by Director Nunley, and by a vote of 5 to 1 (Director Martin voting no) the motion failed to approve the item as presented with a contribution percentage allocation of 37% each for Tulare ID and Visalia, and 26% for Tulare, as it required a unanimous vote of the Board.

Director Sigala thereupon reintroduced his first motion, seconded by Director Bixler, and by a vote of 5 to 1 (Director Collins voting no) the motion failed to approve the item as presented, as it required a unanimous action.

Discussion further ensued amongst board members, and Director Collins expressed his willingness to reconsider his earlier vote. Again Director Sigala, seconded by Director Bixler, motioned for a 35% contribution allocation for Tulare ID and Visalia, and 30% for Tulare. By a vote of 5 to 1 (Director Martin voting no), the motion failed to approve the item as presented.

K. Richardson thereupon advised that per the JPA, the contribution allocation will remain at one-third for each Member.

g. Determination of Grant Fund Award Allocation to Members*

P. Hendrix provided a written report for the Board's review and consideration. It was then moved by Director Sigala, seconded by Director Collins and unanimously carried to table this item, leaving the allocation per entity at one-third.

h. Consideration of Advisory Committee Appointments*

L. Caviglia provided a written report for the Board's review and consideration. She highlighted the current composition of the Committee and the Management Committee's recommendation to fill out the three vacant seats thereon. She summarized the recruitment efforts engaged in this fall, resulting in receipt of seven new applications. Ms. Caviglia named those being recommended for appointment, which are Eric Furtado, Mike Lane and Irene Lemons, all to be considered at-large members. Following discussion, it was moved by Director Sigala, seconded by Director Martin and unanimously carried to approve the appointments as presented.

i. Expression of Support – Self-Help Enterprises for Grant Application*

P. Hendrix provided a written report for the Board’s review and consideration. He noted Self-Help’s quest to obtain a Prop 1 grant, but from a different funding source than the GSP grant that Mid-Kaweah is applying for. He also indicated that, with the funds that may be awarded to them, Self-Help may assist with the stakeholder outreach efforts of Mid-Kaweah and the other sub-basin GSAs. It then was moved by Director Martin, seconded by Director Sigala and unanimously carried to authorize providing the support letter for Self-Help’s grant application purposes.

j. Kaweah Sub-Basin Coordination*

i. Coordination Activities

P. Hendrix summarized recent sub-basin activities, making note of good cooperation in compiling information for a Prop 1 grant submittal. He added that GEI has for the most part completed the application and intends to submit it tomorrow.

ii. Execution of Sub-Basin MOU

P. Hendrix provided a written report for the Board’s review and consideration. He stated that the MOU is essentially in the same form as presented at the September 21st board meeting and has been approved by the East and Greater Kaweah GSAs. Mr. Hendrix recited the key elements of the MOU, those being equal sharing of consultant costs, formation of a sub-basin-wide committee structure, and establishment of a dispute resolution process. Director Sigala expressed his desire that the three GSAs engage in a combined stakeholder outreach process and work alongside entities such as the Community Water Center and Self-Help Enterprises in that regard. Director Martin then moved, seconded by Director Sigala and unanimously carried to approve the item as presented.

iii. Execution of GEI Services Agreement

L. Rodriguez reported to the Board concerning the GEI services agreement for sub-basin coordination technical work. He noted that all three GSAs will sign the agreement and that GEI will report to the Kaweah Sub-Basin Management Team, not to individual GSA representatives. Director Collins sought clarification as to Tulare County’s contribution to this effort, to which Mr. Rodriguez indicated that this is secured via a separate agreement. Mr. Rodriguez also summarized the two task orders needed now to commence GEI’s coordination assignment. Following discussion it was moved by Director Collins seconded by Director Bixler and unanimously carried to approve the item as presented.

k. General Manager Appointment – Execution of Agreements

K. Richardson provided a report for the Board’s review and consideration. It was moved by Director Sigala, seconded by Vice Chair Nunley and unanimously carried to approve the item as presented.

4. ADJOURNMENT:

Chair Nelsen adjourned the meeting at 4:20 p.m.

Groundwater Sustainability Agency
Board Chair

Attest:

Groundwater Sustainability Agency
Board Secretary

* Staff reports and/or other documents provided.