

**Upper Kings Basin Integrated Regional Water Management Authority
Board Meeting July 18, 2018
Fresno County Farm Bureau, 1274 W. Hedges, Fresno, 93728**

Minutes of the Meeting of the Board of the Upper Kings Basin Integrated Regional Water Management Authority (Water Authority) held July 18, 2018.

1. Call to order

Chair Burluson called the meeting to order at 9:33 am.

Directors/Alternate Directors Present:

Chad Wegley, Alta Irrigation District (alternate)
Paul Armendariz, City of Clovis (alternate)
Emilio Morales, City of Dinuba
Steve Brandau, City of Fresno
Ken Moore, City of Kerman (alternate)
Philip Romero, City of Parlier (alternate)
Mary Fast, City of Reedley
Buddy Mendes, County of Fresno
Steve Worthley, County of Tulare
Bill Stretch, Fresno Irrigation District
Buzz Burluson, Fresno Metropolitan Flood Control District
Paul Peschel, Kings River Conservation District (alternate)
Jerry Rai, Raisin City Water District

Members Absent

City of Sanger
City of Selma
Consolidated Irrigation District
Kings County Water District

Interested Parties Present:

Jim Maciel, Armona Community Services District
Shay Bakman, Bakman Water Company
Don Cameron, Terranova Ranch, Inc.

Interested Parties Absent:

Biola Community Services District
California Native Plant Society, Sequoia Chapter
California State University, Fresno
City of Kingsburg
City of Orange Cove
City of San Joaquin
Community Water Center
County of Kings
Cutler Public Utilities District
East Orosi Community Services District
Easton Community Services District
El Rio Reyes Conservation Trust
Hardwick Water Company
James Irrigation District
Kings River Conservancy
Kings River Water Association
Laguna Irrigation District

Lanare Community Services District
Liberty Canal Company
Liberty Water District
London Community Services District
Malaga County Water District
Mid-Valley Water District
Orosi Public Utility District
Pinedale County Water District
Riverdale Irrigation District
Riverdale Public Utility District
Sanger Environmental Fund
Self Help Enterprises
Sierra Club, Tehipite Chapter
Sierra Resource Conservation District
Sultana Community Services District
Tulare Basin Wildlife Partners
UC Cooperative Extension - Fresno

Others Present:

Bernard Jimenez, County of Fresno
Alan Hofmann, Fresno Metropolitan Flood Control District
Michael Carbajal, City of Fresno
Osvaldo Gutierrez, Price Paige & Co.
Glenn Allen, County of Fresno
Ronald Samuelian, Provost & Pritchard

Randy Shilling, KRCD
Soua Lee, KRCD
Cristel Tufenkjian, KRCD
Rick Hoelzel, KRCD
David Merritt, KRCD

2. Pledge of Allegiance

Alternate Director Paul Armendariz led the Water Authority in the Pledge of Allegiance.

3. Additions to or Deletions from the Agenda

None.

4. Public Presentations

None.

5. Consider approval of the April 18, 2018 Meeting Minutes

It was moved by Alternate Director Cameron, seconded by Alternate Director Peschel and unanimously carried that the minutes of the April 18, 2018 meeting of the Board of Directors be approved as presented.

6. Biennial Audit Report

Oswaldo Gutierrez with Price Paige & Company provided an overview of the biennial audit for the Fiscal Years (FY) ended June 30, 2016 and June 30, 2017. Gutierrez noted that no significant issue or concern stood out in the audit. One area that was closely reviewed was the state revenues and expenditures, but the auditor found that all was in compliance with applicable guidelines. Chair Burleson asked if Kings River Conservation District (KRCD) conducted a separate audit for KRCD finances. Assistant Treasurer Randy Shilling clarified that the Water Authority and KRCD's finances were audited separately, although the same firm was used to perform the audit for both entities. The Board further discussed the status of grant funding to the Water Authority. Assistant Treasurer Shilling provided clarification that for FY 2018-19, the only grant remaining is the Prop 1 IRWM Planning grant. Grant activities have slowed down in recent years, but should be ramping up soon with the upcoming Prop 1 IRWM Implementation grant. Furthermore, Shilling noted that the Water Authority is not dependent on grants to operate. The administrative costs of the organization comes out of Member dues and Interested Party voluntary contributions.

At this point, Director Rai arrived to the meeting.

7. Recommendation to Approve Proposed Fiscal Year 2018-19 Budget

Chair Burleson moved the FY 2018-19 Budget agenda item up to immediately follow the Biennial Audit Report, because the required number of directors (supermajority) were present.

Shilling referred to the FY 2018-19 Budget in the agenda packet. The amount of revenue from Member and Interested Party contributions is the same as last fiscal year. It was noted that an audit budget is not included in the expense category because an audit is performed every two years. The Budget Ad-Hoc Committee met on June 20, 2018 to review the budget and recommended that the Board approve the FY 2018-19 Budget. It was moved by Director Worthley, seconded by Director Fast and unanimously carried that the FY 2018-19 Budget be approved as presented.

At this point, Alternate Director Cameron left the meeting.

8. Member/Interested Party Report

David Merritt with the Kings River Conservation District (KRCD) provided a presentation on the 2017 Kings River flood event and an update on KRCD flood projects. Merritt shared pictures of the levee breach that occurred on the South Fork of the Kings River and discussed other high-water related issues that occurred on the Kings River Channel Improvement Levees. KRCD recently completed a LiDAR survey of the Kings River Channel Improvement Levees under a Prop 84 Local Levee Assistance Grant. Development of a Flood Safety Plan for the Kings River Channel Improvement Levees and a LiDAR survey for the section of the Kings River from Pine Flat Dam down to 8th Avenue is also in progress and will be supported by grant funds from the Prop 84 Statewide Flood Emergency Response Grant

Program. Lastly, Merritt shared that the McMullin On-Farm Flood Capture and Recharge Project is moving towards construction, which is estimated to begin in September 2018.

9. Director Reports

None.

10. Advisory Committee Report

Chair Burleson called on Advisory Committee Chair Jim Maciel to provide a report on Advisory Committee activities on June 20, 2018. Maciel highlighted that the Committee discussed the North Fork Kings Groundwater Sustainability Agency's (NFKGSA) request to become an Interested Party of the Water Authority. The Committee unanimously approved a recommendation to the Board for the NFKGSA to become an Interested Party.

11. Staff Reports

a. Planning and Implementation Contracts – Soua Lee referred to the grants matrix included in the agenda packet and reported on the status of each active project under the Prop 84 Round 1 Implementation Grant and the Prop 84 Round 2 Implementation Grant. The grant contracts for both rounds ended on June 30, 2018. Lee highlighted that DWR conducted a project closeout site visit of Fresno Irrigation District and Bakman Water Company projects on July 11, 2018 and a site visit of East Orosi Community Services District project on July 12, 2018. Overall, DWR expressed satisfaction with the completed projects.

b. Inter-regional and Statewide Coordination – Lee reported that the Strategic Planning Workgroup of the Roundtable of Regions met on May 30, 2018 and June 20, 2018 and reached consensus on taking the next step to formalize the group to support the IRWM philosophy, support regions and IRWM efforts, find sustainable funding, and raise the profile of IRWM as a successful model for achieving regional water sustainability. The Planning Workgroup is in the process of drafting a scope of work and general cost information related to formalization. The cost to implement the first phase of formalization is estimated to range from \$60,000 - \$75,000 and fundraising of funds is likely to come from IRWM groups. Lee suggested that the Water Authority continue to work with the Roundtable to look at alternative funding sources for their efforts such as DWR's administration budget or technical assistance funds.

c. Public Information – Lee shared that indoor and outdoor watering tips handouts were still available to Water Authority Members and Interested Parties to take for outreach purposes.

d. Legislation – Cristel Tufenkjian reported that she continues to track AB 2064 (Gloria) and AB 2060 (Garcia). Both bills aim to help Disadvantaged Communities (DACs) receive a portion of their awarded grant money up front. This would allow DACs to participate in grants more easily as well as help with cash flow. Tufenkjian further reported that Proposition 68 passed, though it does not have dedicated IRWM funding. However, the water bond allocated \$290 million for regional sustainability for drought, groundwater and water recycling, which are categories that align with projects on the Water Authority's project list. The Proposition 3 (Gerald Meral) water bond will appear on the November ballot and has \$5 million designated for IRWM. Tufenkjian referred to the letter handout provided to the Board and reported the letter was submitted to Dr. Meral in support of the water bond.

e. Administrative Items – Lee provided an update on the Water Authority's social media accounts. Agendas and minutes for the IRWMP Update Workgroup meetings and Project Advisory Committee meetings for the DAC Involvement grant are posted on the Water Authority's official website: www.kingsbasinauthority.org. Additionally, the Water Authority maintains an active Twitter account (@KingsWater) where relevant news and studies are shared.

f. Other – None.

12. Status and Discussion of Prop 1 Grants

- A. DAC Involvement – Lee reported that the Project Advisory Committee (PAC) met on June 15, 2018 at the Provost & Pritchard office in Visalia and approved the PAC Program Charter, Scope of Work for the Needs Assessment activity, and directed Self-Help Enterprises to develop a formal proposal for the DAC Engagement and Education Program. Due to Eric Osterling’s departure from Kings River Conservation District, the primary IRWM representative seat on the PAC representing the Water Authority is now vacant. Lee recommended that the Board approve Resolution No. 18-01 to appoint KRCD’s new Water Resources Manager, Charlotte Gallock, as the primary IRWM representative on the PAC. It was moved by Director Morales, seconded by Director Mendes and unanimously carried that Resolution No. 18-01 appointing Charlotte Gallock as the primary IRWM representative on the PAC be approved as presented.
- B. IRWMP Update – Lee reported that the Draft IRWMP was submitted to the Department of Water Resources IRWM Planning Program Manager Ted Daum on June 29, 2018 for preliminary review. The goal of this review is to ensure that the Water Authority is in substantial compliance with the 2016 Plan Standards. Lee noted that as required by the new standards, Members will have to take the updated IRWMP to their respective Boards for re-adoption. Additionally, Interested Parties interested in pursuing Prop 1 IRWM Implementation grant funds must also have their Board adopt the updated IRWMP.

An updated Project Information Form was provided as a handout to the Board and public. The 2016 Plan Standards required that additional information such as a project’s feasibility and climate change benefits be shown on the Project Information Form. The updated Project Information Form is available on the Water Authority’s website: www.kingsbasinauthority.org.

- C. Draft IRWMP Implementation Proposal Solicitation Process Concepts and Schedule – Lee referred to a handout that was prepared for the Board and provided an overview of DWR’s new proposed solicitation process. This round of implementation funding will consist of a pre-application workshop between DWR and each of the twelve Funding Areas (FA) in the State. The workshop will provide a forum for DWR to directly engage with applicants on their proposed projects and provide feedback. Lee reported that at the June 20, 2018 Advisory Committee meeting, the Committee provided consensus to keep the default funding split proposed by DWR for the Tulare-Kern FA. Furthermore, the Committee provided consensus to have the pre-application workshop with DWR as early as available. Hearing that the Committee provided consensus regarding the funding split and timeframe for the pre-application workshop, the Board provided unanimous approval to follow the direction of the Committee. The Board also provided permission for Lee to serve as the point of contact for scheduling, planning and arranging the workshop on behalf of the Tulare-Kern FA in the event that no other entities show interest in being the coordinator. Lee noted that the Draft Proposal Solicitation Package (PSP) is anticipated to be released in September 2018, at which time, the Project Workgroup will reconvene to discuss the Draft PSP and provide any comments. The Project Workgroup will then appoint a Project Review Panel, which will conduct the review and ranking of projects that will ultimately go into the grant application.

13. Recommendation to Approve North Fork Kings Groundwater Sustainability Agency as an Interested Party

The Advisory Committee recommended to the Board approval of the North Fork Kings Groundwater Sustainability Agency as an Interested Party to the Water Authority. It was moved by Director Worthley, seconded by Director Morales and unanimously carried that the North Fork Kings Groundwater Sustainability Agency become an Interested Party of the Water Authority.

14. Request to Approve Quarterly Financial Reports

Randy Shilling provided an overview of the quarterly financial reports for the period April 1 – June 30, 2018. Shilling highlighted that the Water Authority spent 88.19% of the budgeted expenses. It was

moved by Director Mendes, seconded by Alternate Director Peschel and unanimously carried that the quarterly financial reports be approved as presented.

15. Other Items for Discussion or Reporting

Chair Burleson noted that he directed staff to contact Member agencies that have missed the last two Board meetings to make their representatives aware of the upcoming October 17, 2018 Board meeting.

16. Next meeting date: October 17, 2018 at 9:30 am, at the Fresno County Farm Bureau

There being no further business, Chair Burleson adjourned the meeting at 11:00 am.

Respectfully submitted,

Paul G. Peschel
Secretary/Treasurer

Approved