

Merced Subbasin Groundwater Sustainability Agency Governing Board

County of Merced Board Chambers, Third Floor

2222 M Street, Merced, California

April 11, 2019

Regular Meeting

2:00 PM

AGENDA

Bob Kelley, Stevinson Water District

Chair

Nic Marchini, Western White Area Representative

Vice Chair

George Park, Lone Tree Mutual Water Company
Lloyd Pareira, County of Merced

Kole Upton, Le Grand-Athlone Water District
Michael Gallo, Eastern White Area Representative

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1. CALL TO ORDER/ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT PERIOD

Public opportunity to speak on any matter of public interest within the Board's jurisdiction including items on the Board's agenda. Testimony limited to three minutes per person.

4. APPROVAL OF MINUTES

Action to approve the meeting minutes from March 22, 2019.

5. MERCED SUBBASIN GSA LOGO

Action to select a logo for the Merced Subbasin GSA from options drafted by Provost and Pritchard.

6. GROUNDWATER SUSTAINABILITY PLAN UPDATE

Informational presentation by Woodard and Curran updating on the Merced Groundwater Sustainability Plan (GSP) development progress along with water budget and the framework for groundwater allocation. No action required.

7. PROJECT TO MODEL DEMAND REDUCTION

Discussion item for Board members to consider how the Merced Subbasin GSA will meet a lower pumping allocation and reduce demand. Project is for modeling purposes in the GSP. No action required.

8. COORDINATION COMMITTEE UPDATE

9. STAFF UPDATE

10. COMMENTS FROM THE BOARD

11. NEXT REGULAR MEETING: JULY 11, 2019

12. ADJOURNMENT

**MERCED SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY JOINT POWERS
AUTHORITY (JPA)
GOVERNING BOARD**

MINUTES FOR MEETING OF MARCH 22, 2019

The agenda, original minutes, and all supporting documentation (for reference purposes only) of the Merced Subbasin Groundwater Sustainability Agency Governing Board meeting of March 22, 2019 are available online at www.countyofmerced.com/MercedSubbasinGSA.

I. CALL MEETING TO ORDER

The regular public meeting of the Merced Subbasin Groundwater Sustainability Agency Joint Powers Authority Governing Board was called to order at 10:14 a.m., on March 22, 2019, in the Board Chambers located at 2222 "M" Street, Third Floor, Merced, California. Merced County Board Chairman, Daron McDaniel, swore in Merced Subbasin GSA Board Members Kole Upton (Le Grand-Athlone water District), Michael Gallo (Eastern White Area Representative) and Nic Marchini, (Western White Area Representative).

II. ROLL CALL OF BOARD MEMBERS

Board Members

Present: Bob Kelley- Chairman (Stevinson Water District)
Nic Marchini- Vice-Chair (Western White Area Representative)
George Park- (Lone Tree Mutual Water Company)
Kole Upton- (Le Grand-Athlone Water District)
Michael Gallo- (Eastern White Area Representative)
Supervisor Lloyd Pareira- (Merced County)

Board Members

Absent: None

Staff Present:

Mark Hendrickson, Secretary
Ana Muniz-Laguna, Recording Secretary
Lacey Kiriakou, Merced County Water Resources Coordinator

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT PERIOD

Mr. Michael Thomason spoke to the Board on behalf of Barley LLC. and Thomason Ranch regarding 5,500 acres of ranch that sits between the MID area and the White Area. Mr. Thomason stated that they submitted a water transfer purchase request for 3,000-4,000-acre feet of water from MID and MID responded with a voicemail from MID staff that they were not interested in selling water to them this year. Mr. Thomason asked for the Board's help to inquire the reason for this decision.

V. ELECTION OF OFFICERS

Action to Elect a Chairman for a two-year term ending March 2021.

Board-member Nic Marchini nominated Board-member Bob Kelley for Chairman of the GSA Board.

MOTION: M/S MARCHINI– GALLO, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD APPROVES BOB KELLEY AS CHAIRMAN TO THE MERCED SUBASIN GROUNDWATER SUSTAINABILITY AGENCY BOARD.

Action to elect a Vice-Chairman for a two-year term ending March 2021.

Board-member George Park nominated Nic Marchini for Vice Chairman of the GSA Board.

MOTION: M/S PARK– UPTON, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD APPROVES NIC MARCHINI AS VICE-CHAIRMAN TO THE MERCED SUBASIN GROUNDWATER SUSTAINABILITY AGENCY BOARD.

Action to elect a Secretary for a two-year term ending March 2021.

MOTION: M/S PARK– PAREIRA, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD APPROVES MARK HENDRICKSON AS SECRETARY TO THE MERCED SUBASIN GROUNDWATER SUSTAINABILITY AGENCY BOARD.

VI. APPROVAL OF MINUTES

MOTION: M/S PAREIRA– MARCHINI, AND CARRIED BY A VOTE OF 4 – 0, WITH GALLO-UPTON ABSTAINING IN THE VOTE, THE BOARD APPROVES THE MINUTES FROM THE JANUARY 10, 2019 MEETING.

VII. COMMITTEE APPOINTMENTS

Action to appoint Board Members to fill vacant committee positions on the Coordination Committee.

Ms. Lacey Kiriakou explained the purpose of the Coordination Committee in the goal of GSP development and went over representatives that make up membership of the group while discussing the roles of the Chairman and Vice-Chair as ex officios of the Coordination and the Technical and Advisory Committees. Ms. Kiriakou informed that there is currently a vacancy for a primary member and alternate to the Coordinating Committee.

No public comment.

MOTION: M/S PEREIRA– MARCHINI, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD APPROVES TO APPOINT BOB KELLEY AND NIC MARCHINI AS PRIMARY MEMBERS TO THE COORDINATION COMMITTEE AND APPOINT MIKE GALLO AS THE THIRD SEAT AND GEORGE PARK AS ALTERNATE TO THE COORDINATION COMMITTEE.

VIII. BROWN ACT OVERVIEW

Informational presentation by GSA attorney Jeanne Zolezzi on the Brown Act.
No action required.

Ms. Jeanne Zolezzi, discussed the purpose and the rules governing the Brown Act and explained how and when it applied to Board members and answered questions from the Board.

IX. PROPOSITION 218 PROGRESS

Action to direct staff and consultants to move forward with the outreach mailings and public workshops based on the preferred alternative, and return to the Board with a fee study report and set the public hearing.

Mr. Joe Hopkins from Provost and Pritchard gave a presentation on Proposition 218 and discussed the proposed budget, alternatives, billing procedures and next steps. Mr. Hopkins explained the purpose of a Prop 218 fund is for GSP development, staff, monitoring, annual reports and studies. Mr. Hopkins discussed the three different fee alternatives which were Fees Equal Per Acre, a Fixed Fee Minimum Plus Extra for Irrigated Ag, and a Sliding Scale Fee and compared the differences between each of these. He further discussed billing procedure options whether the GSA chooses to bill based on a County property tax bill to each individual landowner or bill the GSA member agencies directly.

Ms. Lacey Kiriakou informed that funding from the 218 Process would assist in funding the GSA administration and staff and anticipates an MOU with Merced County in the future. She also stated that monies would help fund GSP development, including annual reports, five-year updates, help pay for studies, monitoring, legal costs, and updates for

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water resources model, among others. Ms. Kiriakou clarified that staff has reached out to each GSA to inquire who wants to be included in the Prop 218 proceedings and informed that those who participate would have an opportunity to receive mailings and notifications of public workshops and be able to have a protest vote at public hearings.

Chairman Bob Kelley discussed that the funds to drill monitoring wells were not anticipated to come from the 218 Process budget, however some funds could be used for grant applications to build monitoring wells.

Board-member Pereira asked about the likelihood of those with non-irrigated land exercising water rights in the future without actually irrigating. Ms. Jeanne Zolezzi clarified that this scenario will be discussed as Prop 218 gets further developed and revised in the coming years, but current Prop 218 funds will be used for preparation of the GSP. Ms. Kiriakou specified that the determination from irrigated and non-irrigated land has been obtained from Merced County's Assessor's coding list.

Ms. Jeanne Zolezzi explained that there was a letter sent to the water agencies stating that if they opt out of the 218 voting process, they would still be contractually obligated to pay their allotted share.

Mr. Gino Pedretti, Sandy Mush Mutual Water Company, stated they prefer to have the option to pay the fees but have their members participate in the vote.

Board-member Marchini stated he preferred to have all the GSA agencies participate in the election.

During Public Comment Mr. Brad Robeson from Le Grand asked if it was ever discussed to exclude the Grazing Land owners and just include the Farming, Trees or Vines, Dairy, Poultry, and Non-Contract Duck Club owners highlighted in the Land Use Category slide for the fees and Board-member Marchini responded that there were discussions regarding that idea and a decision was made that all categories had an advantage to gain, therefore all categories were eventually included.

Mr. Rick Drayer, with Merced Cattlemen's Association stated he agreed with having grazing land help support the GSA at a minimal fee.

Mr. Michael Thomason with Barley LLC asked what the nexus was to establish a fee to open ground or grazing land if the land is not pumping any water. Ms. Jeanne Zolezzi responded that the GSA has established that all land, whether currently pumping water or not, has a current and future benefit in being able to sustainably pump groundwater and protect these groundwater rights. Ms. Zolezzi commented that landowners have an option to waive all pumping water rights now and in the future, but those that do not abstain, have a benefit by participating in the management and sustainment of groundwater even if the contribution is through a minimal amount.

Mr. Brad Samuelson commented that both water and/or irrigation districts as well as mutual water companies should be treated the same and have no distinctions between these.

Chairman Bob Kelley clarified that those parcels with less than two acres would be excluded from the fee schedule, as it would be cost prohibitive to try and collect fees from this parcel size.

MOTION: M/S MARCHINI– PARK, AND CARRIED BY A VOTE OF 6 – 0, THE BOARD APPROVES TO MOVE FORWARD AND DIRECT STAFF AND CONSULTANTS TO MOVE FORWARD WITH OUTREACH MAILINGS AND PUBLIC WORKSHOPS BASED ON THE SLIDING SCALE FEE OPTION.

X. COORDINATION COMMITTEE UPDATE

Chairman Kelley informed that the Coordination Committee has been meeting to discuss the Groundwater Sustainability Plan (GSP) and determine a framework for water allocation regarding sustainability. He informed that projects and management actions have also been topics of discussions with the group. Further discussions will be had regarding water rights, in particular those with unexercised water rights.

Board member Kole Upton suggested working with areas that have flooding issues and work together in keeping overflowing waters within the Merced County Basin to help reach water sustainability. Chairman Kelley responded that in moving forward, there will be discussions about a water recharge permits with the State Water Resource Control Board.

Board-member Pareira asked if the direction regarding the percentage of allocations had shifted at the Coordination Committee meetings from what was discussed in the GSA working group meetings. Chairman Kelley informed that in the last Coordination Committee meeting, there was discussion on the percentage of allocations for the unexercised dormant rights and negotiations on that percentages are still being discussed by the Committee.

Mr. Brad Samuelson asked that the allocation MID's consultant suggested for their MID's equation, which included a higher percentage allocation due to seepage from developed water, also be projected and applied to other water companies that contribute their own seepage of developed water and receive benefit for it. Mr. Samuelson asked for clarification of projects on the Projects List provided at a Coordination Committee meeting and Ms. Lacey Kiriakou clarified that Woodard and Curran has updated the list to reflect the corrected assigned agency to the project.

XI. TECHNICAL AND ADVISORY COMMITTEES UPDATE

Ms. Kiriakou informed that the Technical and Advisory Committee (TAC) have had regular monthly meetings in January, February and March since the last GSA Board Meeting. The Committee has reviewed the proposed Allocation Framework and their recommendation has been forwarded to the Coordination Committee regarding Developed vs Undeveloped Allocation, which was to have equal allocations throughout the basin. The TAC has also reviewed the Projects and Management Actions and are helping with prioritizing projects and adding projects to the list.

XII. STAFF UPDATE

Ms. Kiriakou gave update that the Amsterdam Water District recently formed and went through the LAFCO process within the Merced Subbasin and staff will continue to work with them and help in their participation with the JPA. Ms. Kiriakou also informed that Merced County has partnered with Tully and Young for assistance in technical expertise representing the White Areas and GSP development pertaining to water budget allocations. Mr. Greg Young was present to answer any questions from the Board. Lastly Ms. Kiriakou reminded the GSA Board that Form 700's are due and originals are needed and can be turned in with Ana Muniz-Laguna, Merced County Admin Staff.

XIII. COMMENTS FROM THE BOARD

None

IV. NEXT REGULAR MEETING

April 11, 2019 at 2:00pm.

V. ADJOURNMENT

There being no further business, the meeting adjourned at 2:52 p.m.

BOARD ACTION ITEM

TO: MEMBERS OF MERCED SUBBASIN GSA GOVERNING BOARD
FROM: MARK HENDRICKSON, SECRETARY
DATE: APRIL 11, 2019

SUBJECT: MERCED SUBBASIN LOGO

SUMMARY:

As a component of the public outreach effort for the Proposition 218 proceeding, consulting firm Provost and Pritchard has drafted options for a Merced Subbasin GSA logo. This logo may be used as branding for the GSA on materials for the Proposition 218 proceeding as well as the website and other educational, outreach and GSA materials.

This item request the Board members consider and select a logo option for GSA use.

REQUEST/RECOMMENDATION/ACTION NEEDED:

Approve a logo selection for the Merced Subbasin GSA's use during the Proposition 218 proceeding and for other educational, outreach and GSA materials.

BOARD ACTION ITEM

TO: MEMBERS OF MERCED SUBBASIN GSA GOVERNING BOARD
FROM: MARK HENDRICKSON, SECRETARY
DATE: APRIL 11, 2019

SUBJECT: GROUNDWATER SUSTINABILITY PLAN UPDATE

SUMMARY:

A consultant with the firm Woodard & Curran will provide an informational presentation on the development of the Merced Subbasin Groundwater Sustainability Plan along with an update on the water budget and the Coordination Committee recommendation for the water allocation framework.

Woodard & Curran has been working in coordination with the three GSA's in the Merced Subbasin on the Groundwater Sustainability Plan since fall 2017. This is an update on plan development and an update on the Merced Subbasin water budget. The Merced Subbasin GSA received a briefing on the Merced Subbasin Water Budget at the November 1, 2018 Governing Board meeting, this presentation will update the Board members on the most recent changes to the water budget. Additionally, the Coordination Committee at the March 25, 2019 meeting made a recommendation for a water allocation framework which will be summarized.

This is an informational presentation with no action required.

REQUEST/RECOMMENDATION/ACTION NEEDED:

No action required.

BOARD ACTION ITEM

TO: MEMBERS OF MERCED SUBBASIN GSA GOVERNING BOARD
FROM: MARK HENDRICKSON, SECRETARY
DATE: APRIL 11, 2019

SUBJECT: PROJECT TO MODEL DEMAND REDUCTION

SUMMARY:

With a recommended framework for water allocation from the Coordination Committee, the GSAs in the basin have an approximation of sustainable groundwater allocation per GSA. The Merced Subbasin GSA will need to consider projects and management actions that both increase supply and reduce demand to meet the lower allocation amount by 2040.

This item presents a Project to Model Demand Reduction for Governing Board discussion. Members of a small working group have considered options for how the GSA may reduce demand to meet the sustainable allocation by 2040. This project is for modeling purposes to be included in the Groundwater Sustainability Plan, to demonstrate the GSA has considered demand reduction as a management action to achieve the sustainability goal.

REQUEST/RECOMMENDATION/ACTION NEEDED:

No action required.