KERN GROUNDWATER AUTHORITY

Special Meeting of Board of Directors
October 24, 2016, 3:00 p.m.
3300 East Belle Terrace, Bakersfield, CA 93307

AGENDA

This meeting is held in accordance with the Brown Act pursuant to Section 54956 of the California Government Code and the Kern Fan Authority Joint Powers Agreement.

1. Roll Call - Quorum Determination

In the absence of a quorum of the Board the meeting will be adjourned.

2. Public Input

This portion of the meeting is set aside to provide the public an opportunity to bring to the attention of the Board matters of which the Board may not be aware and which are not on the current agenda. No action can be taken on any matter raised during this portion of the meeting; however, a Board member may request that the matter be placed on any future agenda for further review and possible action. Members of the public may directly address the Board of Directors on any item of interest within the Board's subject matter jurisdiction, before or during the Board's consideration of the item. The President may limit the time allowed for comment.

3. Minutes

a. Regular Board Meeting: September 28, 2016

4. Treasurer's Report

a. Accounts Payable/Receivable
b. Update on Draft 2017 Budget

5. Sustainable Groundwater Management Act- Manager and Committee Reports

a. Consideration of Withdrawing Member's Request for Budgetary Relief
b. Membership Notice of Intent regarding Groundwater Sustainability Agency
   i. Drafting of KGA Special Activity for GSA Participation
   ii. Proposed Amendment(s) to JPA Agreement
c. Adoption of Kern Groundwater Authority Technical White Papers
d. Update on Basin Modeling Effort – Agreement with KRGSA
e. Update on ITRC METRIC study
f. Urban Committee Report

- Denotes Action Item

g. Coordination Committee Report
   i. Update on Stakeholder Issue Identification
h. GEI Update

6. Discussion on Approach to Implementation of Sustainable Groundwater Management Act

a. State Board Probationary Basin Designation
b. Coordination Requirements Prior to Preparation of GSP

7. Coordination Activities

a. SB4
b. CASGEM
c. ILRP

8. Correspondence

9. New Business

This Portion of the Meeting is set aside to provide each Board member an opportunity to bring to the attention of other Board members and the public matters which have come to their attention and/or which may be appropriate for future consideration. No action can be taken on any matter raised during this portion of the meeting, however, a Board member may request that the matter be placed on any future agenda for further review and possible action.

10. Attorney(s) Report

11. Adjournment

A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the Authority provide disability-related modification or accommodation in order to participate in any public meeting of the Authority. Such assistance includes appropriate alternative formats for the agendas and agenda packets. Requests should be made in person, by telephone, facsimile and/or written correspondence to the Authority office, at least 48 hours before a public Authority meeting. 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 distribution at the office of the Authority located at 849 Allen Road, Bakersfield, California 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.

- Denotes Action Item

JPA Board Meeting Minutes
Kern Groundwater Authority
Wednesday, September 28, 2016

JPA DISTRICT REPRESENTATIVES AND ALTERNATES PRESENT

Kevin Pascoe, Arvin-Edison WSD
Dave Fenn, Cawelo, Cawelo WD
Michael James, City of Shafter
Royce Fast & Marty Milobar, KCWA
Andrew Pandol, Kern-Tulare WD
Bill Taube, Kern Water Bank Authority
Kevin Andrew, North Kern Water Storage District
Jeff Siemens, Olcese WD
Jason Selvidge, Rosedale-Rio Bravo WSD
Rick Wegis, Semitropic WSD
Roger Riley, Shafter-Wasco ID
Jim Regan, SSJMUD
Gary Morris, West Kern WD
Michael Blaine, Wheeler Ridge-Maricopa WSD
Joe MacIlvaine, Westside District Water Authority

JPA DISTRICT REPRESENTATIVES AND ALTERNATES ABSENT

Supervisor Couch, County of Kern
Dennis Atkinson, Tejon-Castaic WD

OTHERS PRESENT

Steve Collup, Arvin-Edison WSD
Jeevan Muhar, Arvin-Edison WSD
Dave Ansolabehere, Cawelo WD
Dave Hampton, Cawelo WD
Steve Dalke, Kern-Tulare WD
Jon Parker, Kern Water Bank Authority
Dick Diamond, North Kern WSD
Eric Averett, Rosedale-Rio Bravo WSD
Lori Honea, Rosedale-Rio Bravo WSD
Dan Bartel, Rosedale-Rio Bravo WSD
Dana Munn, Shafter-Wasco ID
Harry Starkey, West Kern WD
Greg Hammett, Westside District Water Authority
Rob Kunde, Wheeler Ridge-Maricopa WSD
Valerie Kincaid, O'Laughlin & Paris, LLP
Stephanie Lucero, CCP (via conference line)
Dave Ceppos, CCP (via conference line)
Doug Gosling, BHG Law Firm
Larry Rodriguez, GEI Consultants

Patty Poire, Grimmway Farms
Supervisor Mick Gleason, Kern County
Phil Hall, Kern County
Florn Core, Kern County
Beatris Sanders, Kern County Farm Bureau
Holly Melton, KCWA
Gene Lundquist, ID4
Dave Beard, ID4
Mark Mulkay, Kern Delta WD
Kevin Antongiovanni, Kern Delta WD
Joe Hughes, Klein Law
Ravi Patel, Klein Law
Robert Kuhs, Klein Law
Robert Hartsock, McMurtrey, Hartsock & Worth
Justin Birch, Materra Farming
Alan Boyce, Materra Farming
David Halopoff, Provost & Pritchard
Matt Brady, South Valley Farms
Angelica Martin, Tehon-Castaic WD
Sunny Kapoor, West Kern WD
Wendy Adams-Rosengburger, West Kern WD
Melissa Poole, Wonderful Orchards
Robert Goff, Wonderful Orchards
Scott Kuney, Young Wooldridge
Devon Yurosek, Yurosek Farming
Don Wright
Bret Sill, Sil Properties
Joe Ashley, CRC (via conference line)
Phillip Peters

1. **Call to Order** – Director MacIlvaine called the meeting to order at 8:00 a.m. after it was confirmed there was a quorum. We meet the threshold under the JPA and will be operating under it.

2. **Public Comments** – Mr. Averett reported that Kern Delta WD & ID4 asked if they can be relieved from future obligations in regard to budgetary billings. The Authority Board said they would look at the JPA Agreement and confer with legal counsel and put this on next month's agenda for further discussion.

3. **Minutes** – A motion was made by Director Taube and seconded by Director Morris to approve the August 24, 2016 board meeting minutes. A roll call vote was taken and the motion was unanimously carried.

4. **Treasurer's Report** –
    a. **Accounts Payable/Receivable** - Mr. Diamond presented the Treasurers Report and the Accounts Payable/Receivable to the Authority Board. A motion was made by Director Pascoe and seconded by Director Taube to accept the Treasurer's Report as presented. A motion was made by Director Fast and seconded by Director Regan to authorize the disbursements of the accounts payable as of August 31, 2016. The motions were unanimously carried.

5. **Sustainable Groundwater Management Act – Manager and Committee Reports**
    a. **Update on GSA Formation** –Mr. Averett reviewed the DWR response letter that provided further clarity with the Authority Board. He reviewed the following points:
        1. GSAs have to be formed by June 30, 2017 – delinquent on July 1, 2017
        2. Whole point is this needs to be a Basin effort
        3. A GSP *WILL* be coordinated with EVERYONE in the Basin – EVERYONE has to *agree* on the fundamental components

    Mr. Ceppos, from CCP, added that in regard to the GSP regulations for management areas – should develop a minimum threshold (undesirable results) but everybody still has to agree as a whole.
    He also reported that according to SGMA it is completely agnostic. It will always look to collaborative areas as a singular GSP as a "collective agreement" and it must be sustainable.
    b. **Funding agreement with Kern River GSA for Groundwater Modeling** – Mr. Averett reviewed the Funding Participation Agreement with the Authority Board. He reported that the Coordination Committee has two sub-committees formed to further look into this agreement. This would be handled as a Special Project Activity Agreement. He reported that a DWR requirement is that we "will have a numerical model" for each Basin.
    Mr. Mulkay reported that the Kern River GSA is using the Todd Engineering Model. This particular model uses the C2V Sim Model. He said that a meeting has been scheduled for October 11th at 1:30 PM at the KCWA for Todd Engineering to present and further discuss their model. He reported that the Kern River GSA is moving forward with this model for their area and would like everyone's input.
    Discussion from the group questioned if other models were considered or not. Mr. Averett reported that the Coordination Committee will look into this further and decide if the KGA will be going along with the KRGSA Todd Model for the whole Basin or not.
    No action was taken at this meeting.
    c. **Update on ITRC METRIC Study** – Mr. Averett reported that the packet from ITRC has been received. GEI has a task order for this and will be reviewing the data and be bringing it to the Coordination Committee for review.

d. **Urban Committee Report** – Mr. Starkey reported that there was no meeting. The next meeting has been scheduled for October 20th at 9 AM at Oildale Mutual.

e. **Coordination Committee Report**

i. **Task Order No. 11 – GSP Framework** – Mr. Averett reported that the Coordination Committee has reviewed Task Order No. 11 from GEI. Mr. Rodriguez will send it to the whole group for review. Under this TO, GEI will identify all required GSP elements and develop a GSP framework that recommends which element would be included in a KGA GSP (or "Umbrella GSP") and in members' "Chapter GSPs" as broadly described in the Amended and Restated JPA Agreement. All this work would be completed by December 31, 2017. Mr. Rodriguez said GEI will be going back through the DWR regulations and summarize the required roles and responsibilities. They will define the chapters and develop chapter descriptions for coordination. A motion was made by Director Morris and seconded by Director Fenn to authorize the Standard Professional Services Agreement Task Order No. 11 with GEI Consultants for an amount not to exceed $34,000. The motion as unanimously carried.

ii. **Update on Stakeholder Issue Identification** – Mr. Averett reported that the Coordination Sub-Committee group has reviewed Work Order No. 3 regarding the CCP's approach. He reported that DWR will fund everything and they will work for us under contract with DWR.
Mr. Averett and Ms. Lucero reported that we will do a broad stroke with Workshops and then will do direct interviews with stakeholders. This will help us design the workshop agendas. Their tasks are outlined as:

1. Task 1: Background Preparation
2. Task 2: Stakeholder Assessment
3. Task 3: Design and Conduct Public Workshops/Issue Identification
4. Task 4: Prepare Report on Key Basin Issues and Final Next Step Recommendations
5. Task 5: Project Management

f. **GEI Update** – Mr. Rodriguez reviewed the Activity Report with the Authority Board.

6. **Discussion on Approach to Implementation of Sustainable Groundwater Management Act**

a. **Kern Groundwater Authority – GSA & GSP** – Mr. Averett reported that there will need to be a general understanding and agreement with all the GSAs in Kern. This is *NOT NEGOTIABLE!*

b. **Groundwater Banking Projects** - No report

c. **Undesirable Results** - Mr. Averett reported that this is a "coordination" thing – what is acceptable/unacceptable in areas within GSAs.

d. **Basin Coordination – Numerical Model(s)** – This was covered under agenda 5b.

7. **Coordination Activities**
    a. **SB4** – Mr. Averett reported that the State Board came down and gave a presentation at Rosedale's office on SB4 monitoring requirements. They are open to coordination and want efficient monitoring.
    b. **CASGEM** – No report
    c. **ILRP** – No report

8. **Old or New Business** – None

9. **Attorney(s) Report** – No report

10. **Correspondence** - Mr. Averett reviewed the Correspondence letters received with the Authority Board.

11. **Adjournment** – Director MacIlvaine adjourned the board meeting at 9:35 a.m.

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Bakersfield, CA 93380-1435
Administration
Telephone: 661-393-2696
Facsimile: 661-393-6884

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Bakersfield, CA 93308-9575
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NORTH KERN WATER STORAGE DISTRICT

October 24, 2016

TO: Kern Groundwater Authority Members

FROM: Patrick Mize
Controller / Administrative Manager

RECOMMENDED MOTION

Approve the Treasurer's Report and authorize disbursement of accounts payable as of September 30, 2016.

DISCUSSION

Exhibit A is the Treasurer's Report for Authority financial activities since the last report, dated August 31, 2016. A summary of September 2016 accounts payable is below; invoices of which are included following Exhibit A:

GEI Consultants, Inc. – Inv# 3010249 Engineering Services	2,530.52
O'Laughlin & Paris LLP– Inv#8139 Legal Services	3,500.00
Total Approval Requested	6,030.52

Please direct questions regarding the above to the District's General Manager, Richard Diamond at rdiamond@northkernwsd.com or the District Office, 661-393-2696.

EXHIBIT A
Kern County Groundwater Authority
Treasurer's Report - through September 30, 2016

CURRENT ACTIVITY

Valley Republic Bank Checking

Cash Balance, Prior Report (August 31, 2016)			291,989.60	
Deposits - Valley Republic Checking	**Reference**	**Amount**		
			-	
Disbursements - Valley Republic Checking				
			-	
Cash Balance, Current Report (Septbember 30, 2016)			**291,989.60**	
Accounts Receivable				
See Attached "Aged Receivable"			**8,640.34**	(1)
(1) Accounts Receivable collected after issuing this report		-		
Accounts Payable				
See Attached "Aged Payables"			**16,700.17**	(2)
(2) Accounts Payable dispursed after issuing this report		10,669.65		
Net Assets, September 30, 2016			**283,929.77**	

Kern Groundwater Authority
Balance Sheet
September 30, 2016

ASSETS

Current Assets			
Valley Republic Bank Checking	$ 291,989.60		
Accounts Receivable	8,640.34		
Total Current Assets			300,629.94
Property and Equipment			
Total Property and Equipment			0.00
Other Assets			
Total Other Assets			0.00
Total Assets		$	300,629.94

LIABILITIES AND CAPITAL

Current Liabilities			
Accounts Payable	$ 16,700.17		
Total Current Liabilities			16,700.17
Long-Term Liabilities			
Total Long-Term Liabilities			0.00
Total Liabilities			16,700.17
Capital			
Unrestricted Retained Earnings	34,393.81		
Net Income	249,535.96		
Total Capital			283,929.77
Total Liabilities & Capital		$	300,629.94

Kern Groundwater Authority
Income Statement
For the Nine Months Ending September 30, 2016

	Current Month		Year to Date	
Revenues				
Member Contributions	$ 0.00	0.00	$ 365,054.65	100.00
Sales of Materials	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	0.00	0.00
Finance Charge Income	0.00	0.00	0.00	0.00
Other Income	0.00	0.00	0.00	0.00
Sales/Fees Discounts	0.00	0.00	0.00	0.00
Total Revenues	0.00	0.00	365,054.65	100.00
Cost of Sales				
Cost of Sales	0.00	0.00	0.00	0.00
Cost of Sales-Salary & Wage	0.00	0.00	0.00	0.00
Inventory Adjustments	0.00	0.00	0.00	0.00
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	0.00	0.00	365,054.65	100.00
Expenses				
Wages Expense	0.00	0.00	0.00	0.00
Employee Benefit Programs Exp	0.00	0.00	0.00	0.00
Payroll Tax Expense	0.00	0.00	0.00	0.00
Legal	3,500.00	0.00	25,342.00	6.94
Engineering Consultants	2,530.52	0.00	89,932.07	24.64
Bad Debt Expense	0.00	0.00	0.00	0.00
Income Tax Expense	0.00	0.00	0.00	0.00
Other Taxes Expense	0.00	0.00	0.00	0.00
Rent or Lease Expense	0.00	0.00	0.00	0.00
Maintenance & Repairs Expense	0.00	0.00	0.00	0.00
Utilities Expense	0.00	0.00	0.00	0.00
Office Supplies Expense	0.00	0.00	236.62	0.06
Telephone Expense	0.00	0.00	0.00	0.00
Other Office Expense	0.00	0.00	0.00	0.00
Advertising Expense	0.00	0.00	0.00	0.00
Commissions and Fees Expense	0.00	0.00	0.00	0.00
Freight Expense	0.00	0.00	0.00	0.00
Service Charge Expense	0.00	0.00	8.00	0.00
Purchase Disc-Expense Items	0.00	0.00	0.00	0.00
Insurance Expense	0.00	0.00	0.00	0.00
Depreciation Expense	0.00	0.00	0.00	0.00
Gain/Loss - Sale of Assets Exp	0.00	0.00	0.00	0.00
Total Expenses	6,030.52	0.00	115,518.69	31.64
Net Income	$ (6,030.52)	0.00	$ 249,535.96	68.36

Kern Groundwater Authority
DRAFT Proposed Budget Calendar Year 2017

Budget Item	CY 2015	CY 2016	CY 2017
ADMINISTRATIVE EXPENSES [1]			
General & Administrative Costs			
1 Meetings & Project Management			
1A Attorney Participation	$ 30,000	$ 50,000	$ 50,000
1B Consultant Participation	$ 60,000	$ 75,000	$ 75,000
1C Admin Support		$ 75,000	$ 150,000
2 Governance			
2A JPA Amendments/Coordination Agreement/Lgl Opin.	$ 25,000	$ 40,000	$ 50,000
2B GSA Formation & Submittal		$ 30,000	$ 30,000
3 Miscellaneous			$ -
3A Audit / Financial Reports	$ 1,000	$ 15,000	$ -
3B Website	$ 1,000	$ 2,500	$ 2,500
3d Other Misc. Admin Costs	$ -	$ 25,000	$ 20,000
Subtotals - General & Admin	***$ 117,000***	***$ 312,500***	***$ 377,500***
Technical Work - General [1]			
4 Coordination			
4A Coordination White Papers	$ 25,000	$ 20,000	$ 20,000
4B Draft Coordination Agt.	$ -	$ 50,000	$ -
5 Stakeholder Outreach			
5A Grndwater Users Map & List (GEI TO-3)	$ 20,000	$ -	$ -
5B Future Stakeholder Outreach Mtgs	$ -	$ 40,000	$ 15,000
6 Grant Administration			
6A Prop 1 DWR Application / Admin	$ 30,000	$ 10,000	$ 10,000
6B Placeholder - Future Grants	$ -	$ 60,000	$ 50,000
Subtotals - Technical Work - General	***$ 75,000***	***$ 180,000***	***$ 95,000***
Subtotal - Administrative		***$ 492,500***	***$ 472,500***

1 - Administrative Costs to be allocated proportional to Members as shown on Exhibit A

Budget Item	CY 2015	CY 2016	CY 2017
SPECIAL ACTIVITY EXPENSES [2]			
Technical Work - Special Projects			
7 Water Budget & Tech. Analysis			
7A Basic Basin Water Budget (GEI TO-4)	$ 41,000	$ -	$ -
7B Urban Demand Data (GEI TO-5)	$ 10,000	$ -	$ -
7C Remote Sensing CU Analysis (ITRC)	$ 30,000	$ 265,000	$ -
7D Remote Sensing CU Analysis (GEI Eval of ITRC)	$ -	$ 30,000	$ -
7E C2VSim (or Equivalent) Model Refinement	$ -	$ 350,000	$ 350,000
7F Detailed Water Budget	$ -	$ 200,000	$ -
7G Data Collection and Mgt Framework		$ -	$ -
8 GSP Background Information			$ -
8A Hydrogeology	$ -	$ 20,000	$ -
8B Land Use	$ -	$ 15,000	$ -
8C Water Supply Infrast.	$ -	$ 15,000	$ -
8D Estimation of Safe Yield			$ -
			$ -
9 GSP Framework			$ -
9A GSP Data Collection & Development	$ -	$ 150,000	$ 150,000
9B GSP Mediation			$ 250,000
10 Placeholder - Future Technical Work	$ -	$ -	$ -
			$ -
Subtotals - Special Projects	***$ 81,000***	***$ 1,045,000***	***$ 750,000***
2 - Special Activity Expenses to be invoiced and allocated pursuant to each Special Activity Agreement			
TOTAL EXPENSES (Admin + Special Activity)	**$ 273,000**	**$ 1,537,500**	**$ 1,222,500**

October 12, 2016

Kern Groundwater Authority
c/o Rosedale-Rio Bravo Water Storage District
P.O. Box 20820
Bakersfield, CA 93390-0820

RE: Withdrawing Member's Financial Obligations

Dear Honorable Board of Directors:

An issue has recently arisen related to Kern Delta Water District's (Kern Delta) and Kern County Water Agency Improvement District No. 4's (ID4) financial obligation(s) to the Kern Groundwater Authority (Authority or KGA) subsequent to Kern Delta's and ID4's respective withdrawal from the Authority. While Kern Delta and ID4 are each willing to fund their share of the Authority's costs and liabilities that were incurred by the Authority up to and including the respective dates we each gave notice, it is our opinion that Authority costs and liabilities that were incurred after the respective date of notice should not be an obligation of either Kern Delta or ID4. Our rationale is based upon the following:

Section 6.02 of the Authority's Joint Powers Agreement (JPA) discusses a Member's financial obligation after a Member provides notice of withdrawal. It specifically provides as follows:

> *(b) Notwithstanding anything herein to the contrary, any Member may withdraw from this Agreement by giving 30 days written notice of its election to do so, which notice shall be given to the Board of Directors and to each of the other parties.*
>
> *(c) Upon withdrawal, the Member shall not be relieved of all obligations for assessments to pay costs or liabilities of the Authority which were incurred prior to the date of the withdrawing Member's notice of withdrawal, but shall remain responsible for all obligations for assessments to pay* ***costs or liabilities of the Authority which were incurred prior to the date of the withdrawing Member's notice*** *of withdrawal. (Emphasis added.)*

Based upon the JPA language, it appears that once notice is given, a member is only obligated to pay for the "costs or liabilities of the Authority which were incurred prior to the date of the notice".

Both ID4 and Kern Delta provided notice of withdrawal in accordance with the JPA on May 3, 2016 and July 19, 2016 respectively (Notice Date). Given the clear language of the above section, and as stated above, both Kern Delta and ID4 are willing to pay their share of all actual costs and legal liabilities of the Authority that were incurred prior to the respective Notice Date, but we dispute any financial obligation to pay generally for "budget amounts" or for either (i) costs or (ii) liabilities actually incurred by the Authority after the respective Notice Date. Budgets are planning tools, not liabilities, and if a Board (either a KGA Member Board or the Authority Board) adopts a budget, it is not required to spend such funds, and the budget itself does not become a "legal liability" of the Member (or the Authority). Again, a budget is a financial planning tool, not a legal liability to expend funds.

Furthermore, and using administrative costs as an example, both Kern Delta and ID4 agree that any administrative costs (such as legal expenses) incurred by the Authority prior to their respective Notice Dates are, in fact, "costs or liabilities of the Authority which were incurred prior to the date of the notice". However, administrative costs (such as legal expenses) which were incurred by the Authority in, say August of 2016, were not incurred by the Authority until after the date notice was given. It seems unrealistic and inappropriate to require Kern Delta or ID4 to pay the Authority's costs related to legal services performed after our withdrawal from the KGA. This same analysis should apply to all of the Authority's administrative costs.

If the JPA language is interpreted in a manner other than as proposed by us, it would seem that once an annual budget is proposed and adopted (no matter at how high an amount), a Member is automatically responsible to fund its share of the Authority for an entire year, even if the Member (1) objects to the budget, (2) votes no on the budget, and (3) immediately gives notice of withdrawal from the Authority after the budget's adoption. Such an interpretation would force a Member to financially support the Authority against its will for an entire year. If this was the intent, it seems the JPA language would have so stated.

Our interpretation with respect to a withdrawing member's financial obligation is also consistent with the ITRC Activity Agreement (Section 8) which allows a member to withdraw and requires the withdrawing member to "... *pay all financial obligations incurred prior to the date of the withdrawing Member's notice of withdrawal* ..." (emphasis added).

Thank you for the opportunity to express the concerns of both Kern Delta and ID4 regarding the above matter. We would be happy to discuss any or all of the foregoing with you.

Sincerely,

By:_____
L. Mark Mulkay

By:_____
David R. Beard

LMM/DRB:gg

WHEELER RIDGE-MARICOPA
WATER STORAGE DISTRICT

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THOMAS R. SUGGS
STAFF ENGINEER

STEPHEN L. DUNN
O&M SUPERINTENDENT

October 17, 2016

by email only lhonea@rrbwsd.com

Kern Groundwater Authority
c/o Rosedale-Rio Bravo Water Storage District
Bakersfield, California

Subject: Notice of Intent Regarding GSA for Lands within District

Ladies and Gentlemen:

The Board of Directors of Wheeler Ridge-Maricopa Water Storage District (a member of the Kern Groundwater Authority - KGA), at its October 12, 2016 Board meeting, took the following action for a Groundwater Sustainability Agency (GSA) within the District.

The Board tentatively approved and elected to have the KGA serve as the GSA for lands within the District and north of the White Wolf Fault, with the District developing and implementing one or more Groundwater Sustainability Plan (GSP)/ Management Plan chapters as part of the KGA GSP in cooperation with the KGA and its members.

Consistent with the *Kern Groundwater Authority for the Tulare Lake Basin Portions of Kern County Amended and Restated Joint Powers Agreement* (KGA JPA) and that certain September 8, 2016 "clarifying letter" to the Authority from the Department of Water Resources, the District reserves the right to form its own GSA at a future time.

Assuming conditions do not materially change, the District anticipates providing formal notice of this election prior to March 1, 2017, pursuant to Section 2.03(e) of the KGA JPA.

This decision does not apply to lands within the White Wolf Subbasin which DWR has recommended be designated as a distinct subbasin separate from the Kern Subbasin. The District will work cooperatively with Arvin-Edison Water Storage District, Tejon-Castac Water District, and the County of Kern on an appropriate GSA and GSP for the White Wolf Subbasin.

The District also intends to work cooperatively with Arvin-Edison Water Storage District on a management plan for those lands lying within both Arvin-Edison and Wheeler Ridge.

Sincerely,

Robert J. Kunde
Engineer-Manager

cc: Authority Members by email
(Filename \\WRM-DC-01\Users\rkunde\A\2016\SGMA\WRM GSA Decision.ltr2)