

**MINUTES OF THE SAN JOAQUIN RIVER EXCHANGE CONTRACTORS
GROUNDWATER SUSTAINABILITY AGENCY MEETING
HELD FRIDAY, APRIL 5, 2024 AT 8:30 A.M.**

The *San Joaquin River Exchange Contractors Groundwater Sustainability Agency (Exchange Contractors GSA)* met on Friday, April 5, 2024 at the *San Joaquin River Exchange Contractors Water Authority’s* office located at 541 “H” Street, City of Los Banos, County of Merced, State of California. The following persons were present:

Central California Irrigation District (CCID):

Eric Fontana, Director; Jarrett Martin, General Manager

Firebaugh Canal Water District (FCWD):

Mike Stearns, Director (arrived 8:34 a.m.); Jeff Bryant, General Manager

Columbia Canal Company (CCC):

Kimberly Brown, Chair; Chris Cardella, CCC Director/Acting General Manager

STAFF MEMBERS:

Chris White, Executive Director; Steve Chedester, Director of Policy & Programs; Joann White, Director of Finance and Administration; and, Adam Hoffman, Water Resources Specialist

PRESENT:

Kenneth D. Schmidt, Kenneth D. Schmidt & Associates; David Cory, Consultant (arrived 8:35 a.m.); and Michael Palazzo, San Luis Canal Company (SLCC) (arrived 8:49 a.m.)

The following person(s) participated via Conference Call:

Andrew McClure, Minasian Law; Joe Mastro, Cuttone & Mastro CPA; and Rick Iger, Provost & Pritchard (8:34 a.m.)

CALL TO ORDER:

Chair Kimberly Brown called the meeting to order at 8:30 a.m. and asked Eric Fontana to lead the meeting with the Pledge of Allegiance.

REVIEW OF THE AGENDA:

The Executive Director stated that there were no changes proposed to the Agenda.

APPROVAL OF MINUTES:

The unapproved minutes from the December 8, 2023 Exchange Contractors GSA meeting were presented. A motion was made by Director Fontana and seconded by Alternate Director Bryant to approve the minutes as presented. The motion was unanimously carried.

PUBLIC PARTICIPATION:

Introductions by those attending in person and via teleconference were provided.

PRESENTATION OF FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022:

Joe Mastro of Cuttone & Mastro provided a page-by-page summary of the Financial Statements for the years ended December 31, 2023 and 2022.

Following the presentation, a motion was made by Director Fontana and seconded by Director Stearns to approve the Financial Statements and Supplemental Data as presented. The motion was unanimously approved.

BOARD TO APPROVE DECEMBER 2023 AND JANUARY – MARCH, 2024 EXPENDITURES AND FINANCE COMMITTEE REPORT:

Joann White stated that there will be two separate reports to review, the first report covers the end of the year 2023, with the second report comprised of the months from January through March 2024. She then referred to the two Expenditure Lists, followed by summarizing her Financial Memos that recapped the Budget Summaries and Cash Activity Reports.

A motion was made by Director Stearns and seconded by Director Fontana to approve the Financial Report as presented. The motion was unanimously carried.

SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) COORDINATED COSTS INCREASE:

The Executive Director opened the discussions by referring to the information included in the Board packet reflecting recent and forthcoming invoices from San Luis & Delta-Mendota Water Authority (SLDMWA) under the Coordinated Costs Share Agreement. Based on these unanticipated expenses, Mr. White said that the approved 2024 Budget does not sufficiently cover the charges anticipated. With that, he reviewed the matrix outlining the timing of the deficits in cash flow based on the upcoming membership quarterly dues and is recommending an increase to the second and third quarter dues with a potential reduction to the fourth quarter dues. To conclude, Mr. White said that there will be some grant funds of approximately \$106,000 to be received to off-set these costs but are not anticipated until the first of 2025.

Manager Martin provided some background explaining what was driving the changes to the billings that SLDMWA determined was needed, concluding that the previous accounting of the expenses was causing a cash flow issue on their end. The charges shown in SLDMWA's spreadsheet include up to date outstanding invoices. He finished his report by stating there have been no changes in consultant costs, and they remain on track with timing.

A motion was made by Director Stearns and seconded by Director Fontana to approve staff's recommendation of the increase to second and third quarter dues; and to revisit the cash flow

before the fourth quarter dues are issued to determine if a reduction is supported. The motion was unanimously carried.

CONSIDERATION OF RESOLUTION NO. 2024-01:

Executive Director White presented Resolution No 2024-01 to Adopt the Annual Statement of Investment Policy and Guidelines for 2024.

Director Fontana made a motion to approve Resolution No. 2024-01, Adopt Annual Statement of Investment Policy and Guidelines. The motion was seconded by Director Stearns, and unanimously carried.

The December 4, 2023 Finance Committee minutes were included for informational purposes.

DRAFT ANNUAL GROUNDWATER REPORT

Kenneth Schmidt presented his analysis of the 2023 well pumping program which covered excerpts from each of the member entities' data; conditions in the various sub-areas within the Exchange Contractors' service area; and the current conditions of the area's groundwater aquifers. The report also included management recommendations. In conclusion, . Schmidt acknowledged the support and cooperation from each of the entities to complete the reports.

A motion was made by Director Fontana and seconded by Director Stearns to approve the Draft Annual Groundwater Report as submitted by Kenneth D. Schmidt & Associates. The motion was unanimously carried.

WATER YEAR 2023 ANNUAL REPORT FOR THE DELA-MENDOTA SUBBASIN:

Manager Martin reported that the 2023 Annual Report was approved and submitted by the April 1st due date. The report was developed with the coordinated efforts of Kenneth Schmidt and the Delta-Mendota Subbasin Coordination Committee.

STATUS OF SUBBASIN COORDINATION PROGRESS ON DEVELOPMENT OF A SINGLE GROUNDWATER SUSTAINABILITY PLAN (GSP):

Manager Martin provided an update on the development of the single GSP, stating that big developments in moving forward with draft chapters out for review and the Technical Committee is working on dynamics of blending the differences of the various Groundwater Sustainability Agencies (GSA's). He added that there is a meeting scheduled with State Water Resources Control Board staff and a tour has been scheduled with two board members later this month. Next couple of months will consist of a lot of activities.

There being no further business, the meeting was adjourned at 9:18 a.m.

KIMBERLY BROWN, CHAIR

Attest a true record of proceedings had
And taken at the foregoing meeting, our
Presence thereat and our consent thereto.

CHRIS WHITE, SECRETARY

ERIC FONTANA, DIRECTOR

MIKE STEARNS, DIRECTOR