



APPROVED BOARD OF DIRECTORS MEETING MINUTES

May 16, 2023

The Board of Directors for the Merced Irrigation-Urban Groundwater Sustainability Agency (MIUGSA) met on the above date, pursuant to notice, at 9:00 A.M.

CALL TO ORDER

At 9:00 A.M., Chair Hicham Eltal called the meeting to order.

ROLL CALL

Roll call showed the following MIUGSA representatives present:

Name	Organization
Hicham Eltal	Merced Irrigation District (Chair)
Ken Elwin	City of Merced (Vice Chair)
Tony Avina	City of Livingston
Carlos Valencia	Winton Water and Sanitary District (WWSD)
Cynthia Benavidez	Le Grand Community Services District (LGCSD) (arrived at approximately 9:15 AM)
Daniel Chavez	Planada Community Services District (PCSD)
Phillip McMurray	General Counsel
Jennifer McMaster	Board Coordinator

Roll call showed the following MIUGSA representatives absent:

Justin Vinson	City of Atwater
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CORRECTIONS OR ADDITIONS TO THE AGENDA

Chair Eltal indicated the agenda will be taken slightly out of order, for convenience. He asked that the Board move that item to be discussed following the Consent Calendar.

PUBLIC COMMENT

Matthew Beaman introduced a newly hired MID Engineering Technician, Ms. Nicole Chance. Mr. Beaman noted Ms. Chance would be working directly with him, initially and primarily

on the development and implementation of rules, regulations, and policies for implementation of the GSP within MIUGSA.

The Board congratulated Ms. Chance on her new position and welcomed her aboard.

CONSENT CALENDAR

1. Cash Transaction Report
2. Quarterly Financial Report

On a motion by Director Elwin, seconded by Director Valencia; the Board voted unanimously to adopt the Consent Calendar, as presented. The votes were as follows:

Ayes:	Eltal, Elwin, Avina, Valencia, Chavez
Noes:	None
Abstain:	None
Absent:	Benavidez, Vinson

ACTION

Mr. Beaman provided a presentation and discussed a proposed MOU between MIUGSA and the La Paloma Mutual Water Company. He provided some background regarding grant funding under DWR's 2021 SGMA Implementation Round 1, reminding the Board that MIUGSA had applied for grant funding for several projects throughout the basin, and on behalf of all 3 GSAs. MIUGSA previously agreed to administer the grant funding. He noted the general purpose of the MOU and discussed key terms and conditions. The Board asked and Mr. Beaman responded to several clarifying questions.

After summarizing the proposed MOU and its key terms, and after responding to several questions from the Board, Mr. Beaman recommended the Board approve negotiation and execution of a final agreement, as presented.

After further discussion and on motion by Director Chavez, seconded by Director Elwin; the Board voted unanimously to approve Resolution 2023-02 and the proposed MOU, as presented. The votes were as follows:

Ayes:	Eltal, Elwin, Avina, Valencia, Chavez, Benavidez
Noes:	None
Abstain:	None
Absent:	Vinson

REPORTS

Chair Eltal provided a brief overview regarding the status of the development of draft rules regulations, and policies for implementation of the GSP within MIUGSA. Mr. Beaman provided background information and an overview of some general concepts including a recap of prior discussions. He discussed a couple of policies that have been approved by the Board so far, namely the allocation of natural yield and the 1st allocation period lasting through December 2025. He stated he remains impressed with the progress made in regard to well registrations.

Mr. Beaman noted input and direction from the Board will be needed on a couple of items moving forward. He then provided a summary of some of the more important rules and policies being developed. Mr. Beaman explained the general purpose of the draft supplemental rules. General Counsel McMurray provided clarifying remarks regarding the ability to adopt supplemental rules when needed, particularly for flexibility.

Mr. Beaman summarized the concepts of pooling and reallocations. He said six pooling zones were identified primarily based on basin characteristics. Mr. Beaman discussed intentional recharge; he said the rules need further development but that the SGC recommend flowmeters shall be required as a precondition to operation of a groundwater well. He discussed draft rules at length. He noted regarding water accounting that there are a number of considerations to be made when determining how groundwater extractions will count against allocations.

Mr. Beaman noted penalties and enforcement will be most important moving forward. He indicated the rules are not likely to identify all violations requiring penalties but will instead be very general. Mr. McMurry clarified penalties and enforcement will be applied on a case-by-case basis under the rules, with options available for enforcement under specific circumstances.

After a thorough discussion regarding the draft rules, Mr. Beaman discussed next steps. He said the final draft rules will be reviewed and brought back to the Board for consideration at a future Board meeting, hopefully in June. He noted significant outreach efforts will continue, especially following adoption of the rules, regulations, and policies.

The Board and Mr. Beaman engaged in a lengthy discussion regarding penalties, enforcement, and a potential appeal process before moving to the next item on the agenda. After a lengthy discussion, the Board generally agreed with the direction headed on the summary of rules and regulations presented.

Mr. Beaman presented and discussed progress made in the development of the FY 2024 budget. He provided a background review of activities occurring within FY 2023, including grant funding received and projects completed and underway. He also discussed potential future projects. He noted a proposed fee increase for FY 2024. He then reminded the Board of the automatic inflator approved at fee adoption. He discussed anticipated revenue and noted activities and costs to be included in the proposed FY 2024 Budget. He said staff is not looking for action today but wanted to provide the Board with an update of where we are heading, and confirm direction.

Mr. Beaman noted monthly monitoring will need to be discussed thoroughly in basin wide meetings. He said historically the GSA has remained under budget but there is likely to be increased costs in FY 2024 due to the need for data collection. Chair Eltal noted the item would be taken to the Coordination Committee for further discussion. Mr. Beaman noted a consultant may be needed in the future.

Mr. Beaman noted the draft budget includes approximately \$900,000 proposed for professional services, approximately \$134,000 for operational needs, and approximately \$400,000 for staffing needs. He then provided an overview of the 5-year budget forecast beginning 2021, he included an overview of the current budget and the anticipated bottom line. He discussed a 15% reserve. He noted an anticipated cash balance of approximately 30% for FY 2024. However, he showed an anticipated cash balance deficit likely to occur in FY 2025. He noted that the budget will be refined prior to presentation to the Board for adoption, but the goal is to prepare for this in advance to minimize impacts to the GSA.

The Board and staff discussed the update very briefly. Chair Eltal noted a proposed budget for FY 2024 is likely to be brought to the Board for consideration at the next Board meeting.

Chair Eltal provided an update on SGMA activities and resources made available by the State. He discussed the status of the GSP, the five-year GSP evaluation report, and the annual report. He noted staff is anticipating a letter from DWR regarding corrective measures and guidelines for the five-year evaluation. Chair Eltal noted DWR is developing several guidance documents, including a summary for interconnected surface and groundwater. He also discussed a toolkit to be released in the future.

Chair Eltal noted DWR is expected to continue to support local groundwater projects. He indicated that under a recent Governor's Executive Order, recharge is now CEQA exempt, which has encouraged agencies throughout the state to consider initiating more recharge projects. He said DWR is working to clarify rules regarding Flood-MAR and that DWR is currently providing pumps for flood water diversions.

Chair Eltal discussed several recent bills regarding management and establishing new groundwater laws, but mostly expanding the authority of the SWRCB from surface water to groundwater. His understanding is that all of those bills are under opposition by most, if not all water agencies.

Mr. Beaman discussed and provided a status update on monitoring and instrumentation within MIUGSA. He noted 4 sites currently have telemetry installed, and that they seem to be working okay generally. However, a subset of the monitoring sites have challenges related to cell phone reception,. Mr. Beaman discussed additional options under review that would solve the issues with the existing sites, and would work well for future telemetry installations throughout the GSA.

Mr. Beaman discussed grant funding to be used to install the first satellite monitoring system. He noted staff will need some flexibility to determine which telemetry communication should be used with regard to flow meters and other monitoring sites in the future. He said staff has identified a additional sites that could telemetry using satellite or low wave radio communication as well.

The Board discussed briefly, and Mr. Beaman responded to a couple of questions generally regarding potential solutions to reception issues.

ADJOURN

The meeting was adjourned at approximately 10:25AM.