

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE SEMITROPIC WATER  
STORAGE DISTRICT AND ITS  
SEMITROPIC, BUTTONWILLOW, POND-POSO,  
AND WILDLIFE IMPROVEMENT DISTRICTS

Convened at 12:30 p.m. on Wednesday,  
November 10, 2021

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, November 10, 2021, at 12:30 p.m. Pursuant to Government Code section 54953(e) (AB361), and due to the State of Emergency declared by Governor Newsom on March 4, 2020, the meeting was conducted by teleconference for those Board members unable to attend in person and for the public. The District offices are located at 1101 Central Avenue, Wasco, California. Those joining the meeting included:

Directors Present: Phil Portwood, Tim Thomson, Tom Toretta, Todd Tracy,  
Dan Waterhouse and Rick Wegis;

Via Teleconference: Jeff Fabbri;

Other Participants: General Manager, Jason Gianquinto;  
District O & M Superintendent, John Lynch;  
District Controller, Bobby Salinas;  
District Engineer, Isela Medina;  
District Contract Administrator, Becky Ortiz;  
District Accounting Supervisor, Mariela Garza;  
District Executive Secretary, Marsha Payne;  
District's Legal Counsel, Steve Torigiani;

Via Teleconference: District's Consulting Engineers, GEI Consultants,  
Inc., Represented by Larry Rodriguez;  
Balance Public Relations Representative, Dean Florez;  
REDTrac Representative, Greg Allen;  
Lindsay Cedarquist, Floyd Wicks, Don Wright,  
Mike Gallow, Liz Gonzales and Andrew Garcia.

President Waterhouse opened the meeting, welcomed all guests, and led the flag salute. Attendance was taken and recorded.

ACTION ITEMS

Note: The President announced all Action Items will be conducted by a Roll Call vote.

**Consider Renewing Use of Remote Teleconference Meetings Under AB361 & Adoption of Resolution No. ST 21-11**

District’s legal counsel, Steve Torigiani, stated that on October 13, 2021, the District invoked the provisions of AB361 to authorize teleconference meetings of the Board and certain committees subject to the modified standard of Government Code section 54953(e).

The state of emergency continues to directly impact the ability of the Board members, staff and the public to meet safely in person. Therefore, the District reconsidered the circumstances of the state of emergency and renewal of use of AB361 remote teleconference provisions.

On motion by Director Wegis, seconded by Director Tracy, the Board adopted Resolution No. ST 21-11:

RESOLUTION RENEWING USE OF REMOTE  
TELECONFERENCE MEETINGS UNDER AB361

The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: None

The President announced that the motion carried.

**Approval of Agenda**

Manager Gianquinto stated that two new items came to staff’s attention after posting the Agenda and require immediate action: 1) Landowner request to move Contract Water, 2) Resolution of Commendation for Marsha Payne upon her retirement.

On motion by Director Tracy, seconded by Director Portwood, the Amended Agenda was approved as presented. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: None

The President announced that the motion carried.

## **Minutes**

The Minutes of the Regular Semitropic Water Storage District Board Meeting and Semitropic Water Storage District GSA Board Meeting on October 13, 2021 were presented for approval.

On motion by Director Tracy, seconded by Director Toretta, the Minutes of the Regular Semitropic Water Storage District Board Meeting and Semitropic Water Storage District GSA Meeting on October 13, 2021 were approved as presented. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis

Noes: None

Abstain: None

Absent: None

The President announced that the motion carried.

## **Treasurer's Reports**

The Treasurer's Reports for October 2021 were presented for review and approval.

On motion by Director Toretta, seconded by Director Portwood, the Treasurer's Reports for October 2021 for Semitropic Water Storage District and Semitropic Improvement District were approved for filing. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis

Noes: None

Abstain: None

Absent: None

The President announced that the motion carried.

## **Financial Reports**

District Controller, Bobby Salinas, reviewed the Financial Reports, including the Income Statement along with the Actual and Projected Cash Flow Report for October 2021. At this time, the year-end balance is projected to be about \$23.8 M.

**Accounts Payable**

The Cash Disbursement List for November 10, 2021 was presented for review and payment. Discussion followed regarding multiple PG&E billings.

On motion by Director Wegis, seconded by Director Toretta, the Board authorized payment of the Accounts Payable as listed on the November 10, 2021 Disbursement List for Semitropic Water Storage District and Semitropic Improvement District. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

- Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: None

The President announced that the motion carried.

A copy of the Disbursement List presenting the payments that were approved is attached hereto as "Exhibit A."

**Consider Resolutions to Order Filing of List of Delinquent Tolls and Charges**

Manager Gianquinto stated that this is the time to adopt the Resolutions to start the process to Order Filing of Delinquent Tolls and Charges for Water Year 2021.

District Controller, Bobby Salinas, reported that there are currently four delinquent accounts totaling about \$144,000 including Noncontract Water Charges, and 2019 Basin Sustainability Charges with penalties and interest charges on both. All certified mail to the last known addresses has been returned and there has been no attempt by the landowners to bring the accounts current.

On motion by Director Portwood, seconded by Director Tracy, the Board adopted Resolutions BW 21-07 and PP 21-07:

ORDERING THE FILING OF LIST OF DELINQUENT  
TOLLS AND CHARGES (WATER YEAR 2021)

The President called for a roll call vote on the motion. The following is a record of the roll call vote:

- Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: None

The President announced that the motion carried. The resolutions, among other things, authorize staff to file a notice of delinquency establishing a lien on the subject lands.

**Consider Landowner Request to Move Contract Water**

The Manager reported that the District received a request from Norm Pressley Trucking to transfer contract water from a parcel sold to High Speed Rail to his remaining parcel.

On motion by Director Tracy, seconded by Director Thomson, the Board authorized the transfer of contract water from one parcel to another as requested by Norm Pressley Trucking. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

- Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: None

The President announced that the motion carried.

**Consider Resolution of Commendation for Marsha Payne Upon Her Retirement**

Manager Gianquinto presented a resolution commending Marsha Payne upon her retirement after more than 24 years of service to the District as its Executive Secretary.

On motion by Director Fabbri, seconded by Director Portwood, the Board adopted Resolution ST 21-12:

COMMENDING AND EXPRESSING SINCERE APPRECIATION TO MARSHA PAYNE FOR HER MORE THAN 24 YEARS OF DEDICATED SERVICE ON THE OCCASION OF HER RETIREMENT FROM THE SEMITROPIC WATER STORAGE DISTRICT

The President called for a roll call vote on the motion. The following is a record of the roll call vote:

- Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: None

The President announced that the motion carried. Many congratulations and well wishes for a long and happy retirement were extended to Ms. Payne who also voiced her appreciation to the Board and District Staff.

**SEMITROPIC WSD GSA UPDATE**

At 12:55 p.m., the Board President, Dan Waterhouse, declared a meeting of the Semitropic Water Storage District Groundwater Sustainability Agency.

Manager Gianquinto gave a brief update on the Semitropic WSD GSA Landowner Budget Workshops held in October, the Basin Yield Study being prepared by Todd Groundwater, and the

Data Management System being developed by the Kern Groundwater Authority GSA.

The Semitropic Water Storage District GSA meeting concluded at 1:05 p.m. See the separate Minutes of the Semitropic Water Storage District GSA Meeting for discussion topics and any action taken.

## **CONSULTANT REPORTS**

### **Build/Design Team Construction Update**

W.M. Lyle's Representative, Rick Amigh, was not able to attend the Board meeting but submitted his written report. Manager Gianquinto reported on the operations of the raw water processing plant, the status of the Pond Road solar interconnection facilities, and progress on the XYZ System Extension Project.

District Engineer, Isela Medina, explained that the final test by PG&E at the Pond Road solar interconnection facilities in August was aborted due to a problem with the RTAC programming and the issue has been traced to the solar contractor's programming service. District staff has directed the solar contractor to restore the RTAC programming and the final test will be rescheduled with PG&E once completed.

### **Consulting Engineer's Report**

Larry Rodriguez from GEI Consultants, Inc. presented the "Consulting Engineers Report on Projects for Semitropic Water Storage District" for work during October 2021, which was accepted for filing.

Construction management services on the Cox Canal Intertie continued during October with observation of construction activities and contract administration. Pumps and motors were installed at the intake structure and AC Electric completed the electrical connections to the pump motors and controls.

GEI continued with final edits to the Poso Creek IRWM Drought Contingency Plan. GEI continued to work on the final proposal for design and preparation of a construction bid package on the Leonard System Extension. There have been meetings and discussions regarding hydraulic analysis, preliminary pump selection, surge analysis, existing utilities, and engineering calculations.

On the evaluation of subsurface recharge, cross sections for the Premiere project site were revised to incorporate soil boring data. A presentation is being prepared to be presented to the Board next month.

GEI completed the development of the MoD Flow groundwater mode land its integration with the IDC input model. GEI is currently going through the calibration process to ensure performance relative to historic conditions.

### **Balance Public Relations**

Dean Florez of Balance Public Relations reported that the legislative bills have been completed for the year. Governor Newsom is making appointments to various leadership

positions but not much activity towards the water leadership positions. Discussion followed on the water initiative and possible candidates contending for David Valadao's seat.

## **REDTrac**

Greg Allen reported that REDTrac has collected many PG&E Authorizations from landowners but is still having trouble obtaining the necessary authorizations from others. The landowner authorizations are necessary for PG&E to release landowner information to the District enabling the Well Telemetry Project to work at maximum efficiency. Discussion followed on various way to get landowners to set up on-line accounts.

## **INFORMATIONAL AND UPDATE ITEMS**

Manager Gianquinto discussed his written report on "District Activity During October" dated November 5, 2021, which was included as part of the Board packet. In addition, the following items were presented:

The Manager reported that the District continues to operate in accordance with the Governor's Executive Orders regarding COVID-19.

The State Department of Water Resources (DWR) noted that water years 2020 and 2021 were the driest two consecutive years on record in California for statewide precipitation. On October 19, 2021, Governor Newsom expanded the drought emergency to all counties including those counties serviced by MWD. The Governor also urged all Californians to attain a 15% voluntary water use reduction.

The Manager updated the Board on the banking activities and recovery operations. The District has been working with the Banking Partners regarding planning for the 2022 Banking Program.

Isela Medina reported on engineering activities related to Cox Canal Intertie and closing out the project.

A draft of the 90-percent level package of the Leonard System Project, including plans and specifications were delivered to the District for review. Draft Contract Documents for solicitation of sealed bids are expected to be finalized in January 2022.

Work on resolution of conflicts with the High Speed Rail continued and design packages were transmitted for the District's review. WM Lyles and California Rail Builders (CRB) will be working together on the next phase of the project. There have been discussions on limiting shut-down to a two-week window for routing the District's P1030 canal to minimize impacts to the District's recovery operations. District staff is meeting with HSRA/CRB technical engineering team on a weekly basis and with HSRA management on a monthly basis to discuss and resolve any issues.

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SEMITROPIC WATER STORAGE DISTRICT  
PUBLIC HEARING NOVEMBER 10, 2021  
TO FIX THE SERVICE CHARGE AND  
ADDITIONAL WATER USE CHARGE  
FOR SURFACE WATER SERVICE FOR 2022

President Waterhouse called the hearing to order at 2:00 p.m. He noted that a quorum was present, and that the attendance had been noted in the usual fashion.

**NOTE: Pursuant to Government Code section 54953€ (AB361), and due to the State of Emergency declared by Governor Newsom on March 4, 2020, this meeting is conducted by teleconference for those Board members unable to attend in person and for the public.**

There were no guests who joined the meeting specifically for the hearing.

Steve Torigiani, District’s legal counsel, reported that this is the time and place set by the Board for fixing the Service Charge and Additional Water Use Charge for Surface Water Service for 2022. Mr. Torigiani reviewed the procedures followed by the Board and Staff for determining the rates and the appropriate action for the hearing.

Manager Gianquinto further reported on Staff’s efforts to determine rates for 2022 Contract Water Charges.

The following documents were presented as attachments to the Minutes:

“AFFIDAVIT OF MAILING TO WATER USERS AND PERSONS AUTHORIZED TO RECEIVE WATER BILLINGS FOR WATER SERVICE IN BUTTONWILLOW AND POND-POSO IMPROVEMENT DISTRICTS of November 1, 2021”, attaching a letter to Water Users and persons authorized to receive water billings for water service, which is enclosed, a “NOTICE OF FIXING SURFACE WATER SERVICE AREA SERVICE CHARGE AND ADDITIONAL WATER USE CHARGE FOR 2022, AND THE TIME AND PLACE OF HEARING THEREON”.

The aforementioned affidavit is attached hereto as “Exhibit B”.

A “PROOF OF PUBLICATION” from *The Bakersfield Californian* for Buttonwillow Improvement District and Pond-Poso Improvement District of “NOTICE OF FIXING SURFACE WATER SERVICE AREA SERVICE CHARGE AND ADDITIONAL WATER USE CHARGE FOR 2022 AND THE TIME AND PLACE OF HEARING THEREON”.

The aforementioned proof of publication is attached hereto as “Exhibit C”.

The Board reviewed “Statement of Jason Gianquinto, General Manager, at the November 10, 2021 Public Hearing Fixing 2022 Contract Water Charges”, which is attached hereto as “Exhibit D”.

President Waterhouse opened the public hearing and asked if there were any comments, questions or objections to the fixing of the Surface Water Area Service Charge or Additional Water Use Charge for 2022. There were none presented at the hearing. Legal counsel reported that no written comments, questions or objections had been received by the District or any of its Improvement Districts.

The Public Hearing was closed at 2:10 p.m.

There being no comments or objections to fixing said charges, Legal Counsel presented Resolutions No. BW 21-06 and PP 21-06 for the Board’s consideration.

On motion by Director Portwood, seconded by Director Tracy, the Board adopted Resolution Nos. BW 21-06:

RESOLUTION FIXING SURFACE WATER SERVICE AREA SERVICE  
CHARGE AND ADDITIONAL WATER USE CHARGE FOR 2022.

The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis

Noes: None

Abstain: None

Absent: None

The President announced that the motion carried.

On motion by Director Portwood, seconded by Director Toretta, the Board adopted Resolution Nos. PP 21-06:

RESOLUTION FIXING SURFACE WATER SERVICE AREA SERVICE  
CHARGE AND ADDITIONAL WATER USE CHARGE FOR 2022.

The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,  
Waterhouse and Wegis

Noes: None

Abstain: None

Absent: None

The President announced that the motion carried.

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At 2:10 p.m. President Waterhouse adjourned the Regular Board meeting.

**Closed Session**

At 2:20 p.m. the meeting continued with Closed Session.

Participants included:

Directors: Phil Portwood, Tim Thomson, Tom Toretta, Todd Tracy,  
Dan Waterhouse and Rick Wegis;

Via Teleconference: Jeff Fabbri;

Others: General Manager, Jason Gianquinto;  
District O & M Superintendent, John Lynch;  
District Controller, Bobby Salinas;  
District Engineer, Isela Medina;  
District Contract Administrator, Becky Ortiz;  
District Accounting Supervisor, Mariela Garza;  
District Executive Secretary, Marsha Payne; and  
District's Legal Counsel, Steve Torigiani.

The District's legal counsel, Steve Torigiani, stated that a closed session was needed to discuss various closed session matters.

The District's legal counsel reported on the following items of pending and anticipated litigation:

**a. Conference with legal counsel Re: Pending Litigation (Gov't. Code § 54956.9(d))**

- 1) *Various applications filed for Kings River Water by Semitropic WSD, et al.; Petition for Change of Points of Diversion, etc. (License 11521) filed by Kings River Water Assn.; and related matters and proceedings, before the State Water Resources Control Board*
- 2) *California Department of Water Resources v. All Persons Interested, "Complaint for Validation" Re: SWP Contract Extension Amendment, Sacramento Superior Court, Case No. 34-2018-00246183*
- 3) *Buena Vista Water Storage District v. Kern Water Bank Authority, et al. Re: KWBA Kern River EIR, Ventura County Superior Court, Case No. BCV-19-100122; Second Appellate District, Division 6, Case No. B309764*
- 4) *Sierra Club v. California Department of Water Resources, etc. Re: Consolidated CEQA Case and "Complaint for Validation" Re: Delta Program Revenue Bonds, Sacramento County Superior Court, Case No. 34-2020-80003517*
- 5) *Rosedale-Rio Bravo Water Storage District v. Kern County Water Agency, et al., Kern County Superior Court, Case No. BCV-21-100418*
- 6) *Central Delta WA v. DWR, et al., 3<sup>rd</sup> Appellate Dist., Case No. C078249; Center for Food Safety v DWR, 3<sup>rd</sup> Appellate Dist., Case No. C086215 (consolidated for oral argument)*
- 7) *KWBA, et al. v. Kern LAFCO, et al., Kern County Sup. Ct., Case No. BCV-21-101310-GP*
- 8) *Semitropic Water Storage Dist. v. The Dow Chemical Co., et al., Kern County Sup. Ct., Case No. BCV-21-102528*

**b. Conference with legal counsel Re: Anticipated Litigation: Possible exposure to litigation pursuant to Gov't. Code § 54956.9 (d) (2).**

1) *Two Potential Cases*

**c. Conference with legal counsel Re: Anticipated Litigation: Possible initiation of litigation pursuant to Gov't. Code § 54956.9 (d) (4).**

1) *Two Potential Cases*

**d. Conference with Real Property Negotiator (Gov't. Code § 54956.8)**

District's Designated Representative: General Manager

Under Negotiation: Price and Terms of Payment

1) *Property: State Water Project Supplies*

*a. Negotiation With: California Department of Water Resources, Kern County Water Agency and its Member Units, And State Water Contractors*

2) *Acquisition of Water Supplies*

*a. Negotiation with: Multiple sellers*

At 4:00 p.m. the Board reconvened to open session.

President Waterhouse stated that several items were discussed. No reportable action was taken in closed session.

### **Adjournment**

The meeting was adjourned at 4:00 p.m. by President Waterhouse.

APPROVED:

/s/ Daniel Waterhouse, President

/s/ Todd Tracy, Secretary