

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

Convened at 12:30 p.m. on Wednesday,  
October 14, 2020

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, October 14, 2020, at 12:30 p.m., via Conference Call. Pursuant to Executive Order N-29-20, Issued by Governor Newsom on March 17, 2020, and guidance by the California Department of Public Health dated March 16, 2020, the meeting was conducted by teleconference due to the COVID-19 Virus Pandemic. The District offices are located at 1101 Central Avenue, Wasco, California. Those joining the meeting included:

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

Directors Absent: Jeff Fabbri & Tom Toretta;

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 Consultant, Will Boschman;  
District's Legal Counsel, Steve Torigiani;  
District's Consulting Engineers, GEI Consultants,  
Inc., Represented by Larry Rodriguez;  
W.M. Lyles Representative, Rick Amigh;  
Balance Public Relations Representative, Dean Florez;  
Aviva Representative, Greg Allen;  
Jon Reiter, Kevin Assemi, Lindsay Cedarquist, Molly  
Thurman, Don Wright, Garrett Bush, Geoff Vanden  
Heuvel, Stacie Ann Silva, Rhett Anderson, Eric  
Leitterman, and Joseph Gellegos

President Waterhouse opened the meeting and welcomed all guests. Roll call was taken for Board Members, District Staff and Consultants.

**ACTION ITEMS**

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

## **Approval of Agenda**

There being no new items to consider, the Agenda for the October 14, 2020 Board of Director's meeting was unanimously approved as posted.

## **Minutes**

The Minutes of the Regular Semitropic Water Storage District Board Meeting on September 9, 2020 were presented for approval.

On motion by Director Tracy, seconded by Director Thomson, the Minutes of the Regular Semitropic Board Meeting on September 9, 2020 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 Portwood, Thomson, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Directors Fabbri and Toretta

The President announced that the motion carried.

The Minutes of the GSA Board Meeting on September 9, 2020 were presented for approval.

On motion by Director Tracy, seconded by Director Thomson, the Minutes of the GSA Board Meeting on September 9, 2020 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 Portwood, Thomson, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Directors Fabbri and Toretta

The President announced that the motion carried.

## **Treasurer's Report**

The Treasurer's Reports for September 2020 were not presented and will be reviewed for approval at the November Board Meeting.

## **Financial Reports**

District Controller, Bobby Salinas, reviewed the Financial Reports along with the Actual and Project Cash Flow Report for September 2020. The year-end balance is projected to be about \$4.4M. The Manager reported that the Banking Partners have decreased their amounts for recovery, making it necessary for the District to use about \$6.9M from the Reserve Account to meet anticipated expenditures for capital projects.

**Accounts Payable**

The Cash Disbursement List for October 14, 2020 was presented for review and payment. Several items were discussed, including replacement of stolen copper wire at the Reverse Flow Facility and BayWa invoices completing the Pond Road Solar Project.

On motion by Director Portwood, seconded by Director Wegis, the Board authorized payment of the Accounts Payable as listed on the October 14, 2020 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 Portwood, Thomson, Tracy, Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: Directors Fabbri and Toretta

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 Resolution Directing Publication of Notice of Election of Directors**

Manager Gianquinto reported that there are three Board Member positions whose term will expire and will require either appointment or elections on March 2, 2021.

Tom Toretta	Division 2
Phil Portwood	Division 5
Rick Wegis	Division 7

On motion by Director Tracy, seconded by Director Portwood, the Board adopted Resolution ST 20-07:

DIRECTING PUBLICATION OF NOTICE OF ELECTION OF DIRECTORS OF THE SEMITROPIC WATER STORAGE DISTRICT AS PRESCRIBED BY THE PROVISIONS OF SECTION 41308 OF THE CALIFORNIA WATER CODE

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

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

The President announced that the motion carried.

**Consider 2021 Budget, Set Preliminary Water Rates and Adopt Related Resolutions**

Manager Gianquinto reported that the Finance Committee met with staff to review the 2021 Budget. Controller Bobby Salinas reviewed the highlights of the 2021 Budget to the Board based on a 60% water allocation from the State and no banking activity, as well as projected income, expenses, capital and debt service. GASC and GPSC rates would remain the same as 2020.

Staff proposed Contract Water Rates be set at \$125.00/AF (SWP Charge \$68.00 and Additional Use Charge \$57.00) as consistent with the methodology adopted for setting the Contract Water Rate per the Semitropic Water Storage District Resolution No. ST 15-10 adopted on December 2015, and the subsequent Proposition 218 hearing held on February 10, 2016.

District Engineer, Isela Medina, presented the staff proposal for setting Noncontract Water Rates at \$113/AF Winter, \$117/AF Summer, and \$122/AF Allocated (based on 3.5AF/AC).

President Waterhouse stated that the Finance Committee had reviewed the 2021 Budget and Water Rates with staff and recommended adoption of the Budget and Water Rates as presented.

On motion by Director Portwood, seconded by Director Wegis, the Board approved the 2021 Budget and adopted Resolution No. ST 20-08 and Resolution No. SID 20-05 in accordance with staff recommendations:

**RESOLUTION ADOPTING 2021 BUDGET**

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

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

The President announced that the motion carried.

On motion by Director Portwood, seconded by Director Wegis, the Board approved Resolution No. BW 20-04 and Resolution No. PP 20-04:

**RESOLUTION FIXING PRELIMINARY SWP WATER CHARGE AND  
PRELIMINARY ADDITIONAL WATER USE CHARGE FOR 2021 AND  
SETTING NOTICED PUBLIC HEARING THEREON**

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

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

The President announced that the motion carried.

**Consider Resolutions to Adopt Annual Investment and Reserve Policies**

Controller Bobby Salinas reported that the District’s Annual Investment and Reserve Policies have been reviewed and updated accordingly for 2021. There were no significant changes on either the Annual Investment or the Reserve Policies.

On motion by Director Portwood, seconded by Director Tracy, the Board adopted Resolution ST 20-09:

ADOPTING AN ANNUAL INVESTMENT POLICY  
FOR 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 Portwood, Thomson, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Directors Fabbri and Toretta

The President announced that the motion carried.

On motion by Director Wegis, seconded by Director Portwood, the Board adopted Resolution ST 20-10:

ADOPTING AN ANNUAL RESERVE POLICY  
FOR 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 Portwood, Thomson, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Directors Fabbri and Toretta

The President announced that the motion carried.

**Consider Amending Wheeling Rates for 2021**

District Engineer, Isela Medina submitted a Memo to the Board amending the Semitropic wheeling charges for calendar year 2021. Mrs. Medina reviewed a summary of how the charges are determined. Discussion followed.

President Waterhouse moved this item to Closed Session for further discussion. No action was taken.

**Consider Contribution to San Joaquin Valley Water Blueprint**

The Manager reported that San Joaquin Valley Water Blueprint is a coalition of water users, water districts, farmers, commodity groups, and municipalities engaged with environmental non-governmental organization, community-based groups, and academia working to advance common sense water solutions for our state. The coalition has requested donations to help continue its work in 2021. Discussion followed.

On motion by Director Wegis, seconded by Director Tracy, the Board authorized a donation of \$10,000 to San Joaquin Valley Water Blueprint to help facilitate its efforts in 2021.

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

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

The President announced that the motion carried.

**Consider Resolution to Adopt the 2019 Poso Creek Integrated Regional Water Management (IRWM) Plan Update**

The District Engineer, Isela Medina stated that Semitropic partnered with several neighboring water districts and formulated the Poso Creek Integrated Regional Water Management Plan, adopted in 2007 and updated in 2014 and 2019 by each of the districts for their collective area. The District has received Proposition 1 funding to construct the B369 System Extension as part of the Poso Creek IRWM Plan. The Department of Water Resources (DWR) has proposed new requirements which means the District needs to update the 2019 Plan in order to continue to be eligible for grant funding.

On motion by Director Tracy, seconded by Director Wegis, the Board adopted Resolution SID 20-04:

IN SUPPORT OF ADOPTING THE 2019 POSO CREEK INTEGRATED REGIONAL  
WATER MANAGEMENT (IRWM) PLAN UPDATE

**Consider GEI Task Order 11-2020 to Provide for Pursuing NRCS RCPP Grant Funding for the Region**

The District Engineer, Isela Medina presented GEI Task Order 11-2020 to prepare a grant application for funding through Natural Resources Conservation Service (NRCS). On December 20, 2018, the Agricultural Improvement Act of 2018 (the 2018 Farm Bill) was enacted to expand the eligibility for NRCS Conservation Programs to allocate funding for innovative conservation solutions and practices to address resource concerns. The 2018 Farm Bill also authorizes the Regional Conservation Partnership Program (RCPP) to work as a stand-alone program. Under the

RCPP, funding will be available nationwide for 2020 and 2021 that participants named Partners can submit a proposal to align up to \$7 million in funding assistance for district and grower projects and up to \$2.5 million for technical assistance given the Partners can commit up to \$10 million or more in matching contributions. District landowners have a better chance of receiving funding when Semitropic acts as the lead Agency. The Budget is a not-to-exceed amount of \$20,000.

On motion by Director Wegis, seconded by Director Thomson, the Board authorized the Manager to execute GEI Task Order 11-2020 for preparation of a grant application for funding through NRCS RCPP.

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

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

The President announced that the motion carried.

#### **Consider Cost Proposal from Dee Jasper & Associates for Engineering Study of of TCP Mitigation Measures**

Isela Medina also presented a cost proposal from Dee Jasper & Associates to conduct an engineering study of 1,2,3 TCP mitigation measures. The Budget amount was set at \$98,000. Discussion followed.

On motion by Director Thomson, seconded by Director Tracy, the Board authorized the Manager to execute an Agreement with Dee Jasper & Associates to conduct said study.

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

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

The President announced that the motion carried.

#### **Consider Contract Between KCWA and Semitropic for Potential Delta Conveyance Project Planning & Design Costs**

Manager Gianquinto presented a Contract between the Kern County Water Agency and Semitropic for potential share of cost for the potential Delta Conveyance Project planning and design costs. The KCWA requested Member Units to agree to fund a portion of said costs according to its participation. Discussion followed.

This item was tabled for further discussion and possible action at a later date.

**Consider Cost Share Agreement with Shafter-Wasco Irrigation District for Costs Related to the Leonard Avenue Intertie Project**

The Manager presented a letter agreement with Shafter-Wasco Irrigation District regarding cost share on the Leonard Avenue Intertie Project which would be of benefit to both districts. Shafter-Wasco has received a grant from the US Bureau of Reclamation and both districts are receiving California Department of Water Resources funding through the Poso Creek Integrated Water Resource Management Plan. The agreement states that the districts will split the costs, remaining after grants of this project on a 50% each basis. The project would provide a connection to Shafter-Wasco facilities for water transfers and increase conveyance. Discussion followed.

On motion by Director Wegis, seconded by District Tracy, the Board authorized the Manager to execute the Letter Agreement, contingent upon final legal review, for 50% share of costs after grant receipts.

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

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

The President announced that the motion carried.

**Consider Amendment No. 3 to the Long-Term Yuba Water Purchase Program**

The Manager reviewed Amendment No. 3 to the Long-Term Yuba Water Purchase Program through the Kern County Water Agency which extends the Program through 2025. This amends the February 14, 2012 Long-Term Yuba Water Purchase Program letter agreement between the District and KCWA, and incorporates Amendment 6 of the September 30, 2020 Agreement for the Supply and Conveyance of Water between the KCWA and the Department of Water Resources under the Dry Year Water Purchase Program. Discussion followed.

On motion by Director Wegis, seconded by Director Thomson, the Board authorized execution of Amendment No. 3 to the Long-Term Yuba Water Purchase Program with the KCWA.

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

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

The President announced that the motion carried.

## **SEMITROPIC GSA UPDATE**

At 1:45 p.m., the Board President, Dan Waterhouse, declared a meeting of the Semitropic Groundwater Sustainability Agency. Manager Gianquinto reported that work has continued on the development of Management Action 1) Project Description: The Landowner Water Budget Program.

The GSA meeting concluded at 1:50 p.m. See the separate Minutes of the Semitropic GSA Meeting for discussion topics and any action taken.

## **CONSULTANT REPORTS**

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

W.M. Lyle's Representative, Rich Amigh, reported that chemicals were delivered in September to prepare the Raw Water Processing Plant for operation. It was started up and incrementally ramped up on a weekly basis to allow for balancing of the chemical dosing. The plant is scheduled to operate for about two months during pump-back operations.

On the Pond Road Solar Interconnection Facilities, the District is currently working with PG&E to execute the conditional permission to operation agreement while the telemetry work is in progress. The telemetry design was completed by PG&E and their cabinet was delivered to the District.

W.M. Lyles exposed Laterals CE and CE-4A along the CA High Speed Rail construction right of way near Peterson Road to allow Semitropic staff to inspect for damages along the pipeline.

### **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 September 2020, which was accepted for filing.

Activity during the month included communication with DWR regarding final funding award agreement requirements for funding on the Poso Creek IRWM Grant. GEI worked on reconciliation of the Diltz Laterals grant where Semitropic was the lead agency and the project was administered by Shafter-Wasco.

Construction management services on the Cox Canal Intertie continued with site mobilization and setup. Environmental Awareness Training was conducted for additional Contractor staff as needed.

GEI continued development of the Groundwater Model and development of the Integrated Water Flow Demand Calculator (IDC) component.

GEI continued to gather background information and data on the water system analysis tools and development of the new Leonard System Extension 30% design project.

## **Groundwater Storage Services, Inc.**

Will Boschman reported that in early September, Agua Via held an international virtual meeting and decided to meet with local project planners. A meeting was held at the end of September with four individuals that discussed various project locations.

Agua Planet tested a water sample which was recently collected from a currently operating well in the District having the least desirable water quality. The results of this lab test were quite positive in that it appeared to clean up all constituents in the sample from the District well. They would like to demonstrate their technology in a field test in the near future.

Mr. Boschman also reported on several highlights of the State Water Contractors' monthly Board meeting: a report on the Tunnel Project and estimated start of construction and estimated completion dates; a lengthy report on pertinent legislation on water issues; and a management report on California fires by a State representative.

## **Balance Public Relations**

Dean Florez of Balance Public Relations reported the State Legislature session is over but should be back in session in December. Governor Newsom signed an Executive Order to conserve at least 30% of the State of California's land by 2030. Mr. Florez also reported on a coordination conference call with Joe Rosso, Jason Gianquinto and himself to discuss State and Federal issues that might affect the District.

## **REDTrac**

Greg Allen, representing REDTrac, reported on Phase II Well Telemetry Project which is on schedule to conclude in December 2020. The next step will be start-up to calibrate the equipment and site performance testing.

## **INFORMATIONAL AND UP-DATE ITEMS**

Manager Gianquinto's written report on "District Activity During September" dated October 9, 2020 was accepted for filing. In addition, the following items were presented:

The Manager reported that the District continues to operate in accordance with the Governor's Executive Order N-33-20. The District office and field office remain closed to the public and District staff are adhering to the social distancing guidelines. District staff are participating in meetings by conference call or video conferencing. On June 26<sup>th</sup>, in adherence to the updated guidance from the CDPH, the District updated its COVID 19 Policy to include the requirement to wear face coverings per the CDPH guidance.

Regarding the Delta Conveyance Project (DCP) (the successor to California Water Fix), the U.S. Army Corp of Engineers issued a Notice of Intent for the development of an Environmental Impact Statement and have requested comments by October 20, 2020. The California Department of Water Resources (DWR) has updated the program schedule for the DCP which includes a Draft Environmental Impact Report (EIR) in 2022 and a Final EIR in 2023. DWR expects permitting to be completed in 2024.

DWR expects to provide the preliminary State Water Project allocation for 2021 in December. The 2020 water year ended September with 20% allocation. With the new water year, there is concern of a strengthening La Nina condition.

The District initiated pumpback to the Aqueduct on September 23. With the current recovery requests, pumpback may cease at the end of October, however, wells within the District will still be needed to meet in-District demands. The District intends to target a carry-over water supply of 10,000 AF in San Luis Reservoir for 2021 deliveries.

At 2:40 p.m. President Waterhouse adjourned the Regular Board meeting.

### **Closed Session**

At 2:45 p.m. the meeting continued with Closed Session.

Participants included:

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

Directors Absent: Jeff Fabbri and Tom Toretta;

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 pursuant to the following:

#### **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 Bd.*
- 2) *California Department of Water Resources v. All Persons Interested, etc. Case No. 34-2018-00246183 (Sacramento Superior Court) Re: SWP Contract Extension Amendment*
- 3) *State of CA Dept. of Trans. v. Semitropic WSD, Case No. BCV-19-100326*
- 4) *State v. Pond Poso Improvement District of Semitropic Water Storage District, Kern County Superior Court, Case No. BCV-19-1007686*
- 5) *Buena Vista Water Storage District v. Kern Water Bank Authority, et al. Re: KWBA Kern River EIR (Case No. BCV-19-100122)*
- 6) *California Department of Water Resources v. All Persons Interested, etc. "Complaint for Validation" Re: Delta Program Revenue Bonds*

**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.

On motion by Director Wegis, seconded by Director Fabbri, the Board authorized the filing of an answer on behalf of the District and its Improvement Districts in *California Department of Water Resources v. All Persons Interest, etc. "Complaint for Validation" Re: Delta Program Revenue Bonds*, contingent upon approval as to form by the General Manager and legal counsel.

**Adjournment**

The meeting was adjourned at 4:05 p.m. by President Waterhouse. The next Adjourned Meeting was scheduled for Wednesday, October 28, 2020 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Daniel Waterhouse, President