

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,  
January 10, 2018

The regular meeting of the Board of Directors was called to order by President Wegis on Wednesday, January 10, 2018, at 12:30 p.m., at the offices of the District, 1101 Central Avenue, Wasco, California. Those in attendance included:

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

Directors Absent: Tim Thomson;

Others Present: 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 Consultants, Will Boschman;  
District's Legal Counsel, Ernest Conant and  
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;  
Renewable Resources Group Representatives Jim  
James and Dave Dorrance;  
Maricopa Orchards Representative, Jason Pucheu;  
Wonderful Orchards Representative, Tim Gobbler;  
Aviva Representative, Greg Allen;  
Water Wrights Reporter, Don Wright;  
District landowners, representatives and others:  
John Wedel, Jeremy Blackwell, Scott Silva,  
Brandon Spain; and Supporters of the Water  
Bond, Gerald Meral, Jason Phillips, Kent  
Stephens and Edwin Camp.

President Wegis opened the meeting with the flag salute, then introduced and welcomed all guests.

## **PUBLIC COMMENT**

A presentation was made on the “2018 Water Bond Act Initiative - Benefits to Kern County, State Water Project Contractors” by a panel including Gerald Meral, Jason Phillips, Kent Stephens and supporting comments by Edwin Camp. The presentation included the different funding categories, soliciting funds from private landowners and citizens and the various projects that are all part of the solution.

## **ACTION ITEMS**

### **Approval of Agenda**

There being no new items to consider, the Agenda was unanimously approved as posted on motion by Director Waterhouse, seconded by Director Tracy.

### **Minutes**

The Minutes of the Regular Board Meeting on December 14, 2017 were presented for approval.

On motion by Director Waterhouse, seconded by Director Tracy, the Minutes of the Regular Board Meeting on December 14, 2017 were approved as presented.

### **Treasurer's Report**

The Treasurer's Reports for December 2017 were presented for review and approval.

On motion by Director Waterhouse, seconded by Director Fabbri, the Treasurer's Reports for December 2017 for Semitropic Water Storage District and Semitropic Improvement District were approved for filing.

### **Financial Report**

District Controller, Bobby Salinas, reviewed the Financial Reports along with the Actual and Projected Cash Flow Report. Staff is still processing 2017 but it appears that the cash balance will be about \$14M higher than originally budgeted due to construction projects that were budgeted but delayed and refunding of the 2009 Bonds.

### **Accounts Payable**

The Cash Disbursement List for January 10, 2018 was presented for review and payment. Discussion followed regarding maintenance plan renewals for computer software and reimbursement to Metropolitan Water District for temporary program pumpback capacity shares from the agreement with Montecito.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized

payment of the Accounts Payable as listed on the January 10, 2018 Disbursement List for Semitropic Water Storage District and Semitropic Improvement District. A copy of the Disbursement List presenting the payments that were approved is attached hereto as "Exhibit A."

### **Consider GEI Task Order 01-2018 for General Services**

District Engineer, Isela Medina, presented Task Order 01-2018 from GEI Consultants for General Engineering Services. This Task Order defines the Scope of Services, Schedule and Budget for General Engineering Services and Expenses for 2018.

On motion by Director Waterhouse, seconded by Director Tracy, the Board authorized execution of GEI Task Order 01-2018 for General Engineering Services and Expenses for 2018.

### **Consider GEI Task Order 02-2018 for Poso Creek IRWM Annual Budget**

District Engineer, Isela Medina, presented Task Order 02-2018 from GEI Consultants for Poso Creek Integrated Regional Water Management Plan Implementation. This Task Order defines the Scope of Services, Budget and coordinated general activities of the Poso Creek IRWM Group. The Task Order Budget amount is not to exceed \$30,000. The District's share of costs will be about \$7,500 and reimbursement for the balance of expenses will come from other participants in the Poso Creek IRWM Group.

On motion by Director Fabbri, seconded by Director Portwood, the Board authorized execution of GEI Task Order 02-2018 for Poso Creek IRWM Plan Implementation and activities.

### **Consider GEI Task Order 03-2018 for Well Energy Reconciliation Assistance**

The District Engineer also presented Task Order 03-2018 submitted by GEI Consultants to provide staff assistance in completion of energy usage reconciliation for the groundwater payback program. This Task Order defines the Scope of Services, Schedule and a Budget amount not to exceed \$60,000.

On motion by Director Waterhouse, seconded by Director Portwood, the Board authorized execution of GEI Task Order 03-2018 for Well Energy Reconciliation Assistance.

### **Consider Kern River Water Coalition Authority Governance Structure**

Manager Gianquinto reported that the KRWCA is governed by a 10-member Board which consists of water district General Managers and landowners but has been mostly managed by water districts. Discussions indicate it may be in order to change the management structure from a joint powers authority to a non-profit corporation more directly governed by growers. Some landowners have expressed a desire to become more involved and some district General Managers feel it appropriate that the KRWCA (JPA) be managed by the affected growers. However Regional Water Quality Control Board would need to approve the change. Board discussion followed but action was delayed until next meeting.

## **CONSULTANT REPORTS**

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

W.M. Lyle's Representative, Rick Amigh reported on the design update of the SWRU XYZ Intertie Project and the Gun Club and XYZ alignments.

On the project to replace existing canal bridges, soil borings were performed at the locations of the bridge abutments and a geotech report will be submitted to the District. The railroad car bridges have been ordered and are currently in fabrication. Construction is scheduled for early February.

### **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 December 2017, which was accepted for filing.

Mr. Rodriguez also reported on activities related to Poso Creek IRWMP Plan update and work with the "DAC Involvement and Needs Assessment."

GEI and the environmental team (with RMC/Woodard Curran) are in the process of reviewing comments submitted on the EIR and developing strategy for response. GEI helped prepare a presentation that Jason Gianquinto presented to the California Water Commission on December 13, 2017.

Work commenced on evaluation of the District's GIS methods and protocols for managing ET data and comparison of methods used by Land IQ and ITRC for the estimation of evapotranspiration.

GEI was authorized to support District staff in preparing and submitting two grant proposals under Reclamation's Watersmart Drought Resiliency funding program. One proposal involves equipping wells with a maximum available grant funding of \$300,000 and the other grant proposal involves a new pumping plant on Buena Vista WSD's Cox Canal with available grant funding of \$750,000. Work commenced on development of preliminary designs and cost estimates.

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

Will Boschman of Groundwater Storage Services, Inc. reported that work continued on preparation of two Water Purchase Agreements, one between Semitropic and Agua Via and another agreement where Semitropic landowners will be given an opportunity to purchase some of the water produced by Agua Via.

Aqua Planet President, Michael S. Young is formulating plans to remediate unusable water to make it suitable for agricultural purposes and also attempting to acquire water right in order to fulfill its agreement.

Montecito Water District has signed a banking agreement with Semitropic and final implementing documents are being processed in anticipation of Semitropic receiving water from Montecito as soon as the District has capacity available. The initial capital payment of \$630,000 has been paid in accordance with the agreement.

Mr. Boschman represented the District at various meetings, including Kern Water Bank Authority where it was reported that approximately 570,000 acre-feet of water was delivered for storage in 2017, approximately 200,000 of which was from the Kern River.

### **Developing Water Resources, Inc.**

John Jones of Developing Water Resources, Inc. reported that the drilling staff installed the main hydraulic rams for lifting the derrick and raised it 3 times during testing. The well yard fence was repaired after vandalism occurred.

Mr. Jones and District staff met with Far West Corrosion to check pipelines and compare the differences in electrical resistance from the last check in 2013. Very few of the test stations were damaged.

### **Balance Public Relations**

Dean Florez of Balance Public Relations reported that the new legislative session started last week with a lot of changes ahead in Sacramento due to resignations and new leadership members. The "Water Committee" will stay the same with one new member joining the group. Discussion followed regarding the Governor's race and other potential candidate positions.

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

Manager Gianquinto's written report on "District Activity During December" dated January 5, 2018 was accepted for filing. In addition, the following items were presented:

### **Water Level Hydrographs**

District Engineer, Isela Medina, gave a presentation on the Water Level Hydrographs for groundwater conditions throughout the District. A total of 50 monitoring wells were tracked. Data shows that overall, water levels are rising.

### **Water Supply**

Becky Ortiz, District Contract Administrator/Dispatch Supervisor, reported that the District broke a record again in December by bringing in approximately 15,000 AF of water to be banked for the District. The total amount received in 2017 was 391,660 AF.

Manager Gianquinto stated that the State allocation is still at 15%. The initial snow survey was pretty weak but the last storm system added a good amount of precipitation. A small increase of allocation may be announced in the near future. Discussion followed.

## **Irrigated Lands Regulatory Program**

The Kern River Water Coalition Authority (KRWCA) met on January 4, 2018. Discussion included the Notices of Violation that were by Central Valley Regional Water Quality Control Board to 90 landowners within the KRWCA area who are not members of KRWCA.

## **California Water Fix**

The participating State Water Contractors continued to work on the financing and implementation strategies. An answer to DWR's Validation Action was filed by Semitropic along with other Kern County Water Agency Member Units and Ag Contractors by the December 15<sup>th</sup> deadline.

The Board reviewed a "Notice" issued by Department of Water Resources to contractors relative to long term transfers. Discussion followed.

The California WaterFix proceedings before the State Water Regional Control Board (SWRCB) are ongoing and Part 2 of the hearing will continue on January 18, 2018.

## **Closed Session**

At 2:30 p.m. the District's legal counsel, Ernest Conant, stated that a closed session was needed pursuant to the following:

- a. Conference with legal counsel Re: Existing Litigation Govt. Code § 54956.9(d)**
  - 1) *Wilbur-Ellis Co. v. Semitropic Water Storage Dist., et al., and related actions*
  - 2) *Central Delta Water Agency et al v. California Department of Water Resources et al*
  - 3) *San Joaquin County Resources Conservation District, et al. v. California Regional Water Quality Control Board, Central Valley Region*
  - 4) *North Kern Water Storage District, et al v. City of Bakersfield and North Kern Water Storage District, et al, v. Kern Delta Water District*
  - 5) *Center for Food Safety, et al, v. Department of Water Resources, et al. (Sac Sup #34-2016-80002469)*
  - 6) *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 Assn.; and related matters and proceedings, before the State Water Resources Control Board.*
  - 7) *California Department of Water Resources v. All Persons Interested, etc. (Sac Sup #34-2017-00215965)*
  
- b. Conference with legal counsel Re: Potential Litigation (Govt. Code § 4956.9(d))**
  - 1) Two Potential Suits

**c. Conference with Real Property Negotiator (Govt. Code § 54956.8)**

District's Designated Representative: General Manager

1) Water Supply Acquisition:

- a. Negotiating Parties: West Stanislaus
- b. Under Negotiation: Price and Terms

2) State Water Project:

- a. Negotiation Parties: California Department of Water Resources, Kern County Water Agency and its Member Units, and State Water Contractors
- b. Under Negotiation: Price and Terms

At 4:25 p.m. the Board reconvened to open session. President Wegis stated that several items were discussed; however, no action was taken.

**Adjournment**

The meeting was adjourned at 4:25 p.m. by President Wegis. The next Adjourned Meeting was scheduled for Wednesday, January 24, 2018 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Fredrick A. Wegis, President