

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 13, 2021

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, January 13, 2021, 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: Jeff Fabbri, Phil Portwood, Tim Thomson, Tom Toretta,
Todd Tracy, Dan Waterhouse and Rick Wegis;

Directors Absent: None

Other Participants: General Manager, Jason Gianquinto;
District O & M Superintendent, John Lynch;
District Controller, Bobby Salinas;
District Engineer, Isela Medina;
District Accounting Supervisor, Mariela Garza;
District Executive Secretary, Marsha Payne;
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;
REDTrac Representative, Greg Allen;
Jon Reiter, Kevin Assemi, Don Wright,
Brian Hockett, Doug Gosling, Geoff Vanden Heuvel,
Kristie Robinson, Greg Wegis, John Gaugel and
Andrew Garcia.

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 January 13, 2021 Board of Director's meeting was unanimously approved as posted.

Minutes

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

On motion by Director Tracy, seconded by Director Toretta, the Minutes of the Regular Semitropic Board Meeting and GSA Meeting on December 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, Toretta, Tracy, Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Treasurer's Report

The Treasurer's Reports for December 2020 were presented for review and approval.

On motion by Director Toretta, seconded by Director Wegis, the Treasurer's Reports for December 2020 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 Portwood, Thomson, Toretta, Tracy, Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Financial Reports

District Controller, Bobby Salinas, reviewed the Financial Reports along with the Actual Cash Flow Report for December 2020, as well as the Projected Cash Flow Report for 2021. The year-end balance on December 31, 2020 was \$19M, but invoices for anticipated expenditures on capital projects will be coming in right after the new year. The projected Cash Flow Balance for December 2021 is about \$0; however, the financial information will change during the year depending on water banking activity.

Accounts Payable

The Cash Disbursement List for January 13, 2021 was presented for review and payment. Discussion followed regarding fence repair work at 5 separate sites. District employee Greg Ursery was commended on 40 years of service to the District.

On motion by Director Portwood, seconded by Director Tracy, the Board authorized payment of the Accounts Payable as listed on the January 13, 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 Portwood, Thomson, Toretta, Tracy,
Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: Director Fabbri

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 Continuation of Emergency Declaration (Public Contract Code Sect. 22050 (a)(1)) to Address Immediate Replacement of Lateral CE Near HSRA Peterson Road Bridge Overpass

The Manager requested that the Board consider Continuation of Emergency Declaration in order to take immediate action on replacement of Lateral CE near the HSRA Peterson Road Bridge Overpass.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized Continuation of Emergency Declaration (Public Contract Code Section 22050 (a)91)) for immediate action on replacement of Lateral CE Near HSRA Peterson Road Bridge Overpass. 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, Toretta, Tracy,
Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: Director Fabbri

The President announced that the motion carried.

Consider GEI Task Order 01-2021 – General Engineering Services

District Engineer, Isela Medina, reported that GEI Task Order 01-2021 is intended to cover all activities to be performed in calendar year 2021, including Project Management, Groundwater Monitoring Committee, Annual Report on Groundwater Conditions, Water Transfer Assistance

and As-Requested Services. The total annual budget for this Task Order is \$100,000. Discussion followed.

On motion by Director Toretta, seconded by Director Thomson, the Board authorized execution of GEI Task Order 01-2021 for General Engineering Services and Expenses for 2021 with a budget amount of up to \$100,000. 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, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Consider GEI Task Order 02-2021 – Poso Creek IRWM Annual Operating Budget

Isela Medina stated that GEI Task Order 02-2021 includes activities to be performed in calendar year 2021 in support of the Poso Creek Integrated Regional Water Management Group (IRWMG) and implementation of the Poso Creek IRWM Plan. The total requested budget is \$50,000.

On motion by Director Toretta, seconded by Director Thomson the Board authorized execution of GEI Task Order 02-2021 for Poso Creek IRWM Annual Operating Budget with an annual budget amount of up to \$50,000. 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, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Consider GEI Task Order 03-2021 – Provide Grant Management Support Services for Administering the DWR Prop 1 Grant

Isela Medina reported that GEI Task Order 03-2021 is for overall grant management and reporting for the Poso Creek IRWM DWR Proposition 1 IRWM Implementation Grant. The budget amount for this Task Order is \$22,000.

On motion by Director Toretta, seconded by Director Thomson, the Board authorized execution of GEI Task Order 03-2021 to Provide Grant Management Support Services for Administering the DWR Prop 1 Grant with a budgeted amount of up to \$22,000. 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, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Consider GEI Task Order 07-2019 – Amendment 2 – Engineering Peer Review – Budget Augmentation to Assist with HSR Conflict Resolutions for P-1030 Canal

Isela Medina reported that GEI Task Order 07-2019-Amendment 2 includes additional engineering peer review of design related documents and submittals to be issued for construction packages by California Rail Builders LLC, High Speed Train Project Construction Package 4, Semitropic Canal P-1030 Crossing and other High Speed Rail crossing impacting Semitropic facilities. The Budget amount is for a not to exceed amount of \$30,000, which will be reimbursed monthly under the existing Master Agreement with High Speed Rail.

On motion by Director Thomson, seconded by Director Tracy, the Board authorized execution of GEI Task Order 07-2019 Amendment 2 for Engineering Peer Review-Budget Augmentation to assist with HSR Conflict Resolutions for P-1030 Canal with a not to exceed amount of \$30,000. 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, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Consider Cost Proposal from Woodard & Curran to Provide Environmental Services Support for the Leonard Distribution System Project

Isela Medina submitted a proposal from Woodard & Curran to assist with preparation of materials to support completion of a Categorical Exclusion Checklist (CEC) in compliance with the National Environmental Policy Act (NEPA) documentation for the Leonard Extension Project. The Project would be constructed in two phases, the northern and southern portions of the District. The new facilities would include about 8 miles of new PVC pipeline, 2 booster pumps and 21 service connections to convey water from pipe to irrigation system and to connect wells to the B230 and B369 Systems.

Mrs. Medina reported that the District has received grant awards from the Bureau of Reclamation to help with project costs.

On motion by Director Wegis, seconded by Director Toretta, the Board authorized the Manager to accept and execute the cost proposal from Woodard & Curran to provide environmental services support for the Leonard Distribution System Project. 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, Toretta, Tracy,
Waterhouse and Wegis

Noes: None

Abstain: None

Absent: Director Fabbri

The President announced that the motion carried.

Consider Board Resolution in Support of Filing a Grant Proposal Under the Reclamation CalFED Grant Program for the Leonard System, B230 System Extension Component Project

Isela Medina presented Resolution SID 21-01 in Support of Filing a Grant Proposal Under the Reclamation CalFED Grant Program for the Leonard System, B230 System Extension. The Grant, if awarded, would provide operational flexibility and efficiency to deliver surface water to growers depending on groundwater.

On motion by Director Toretta, seconded by Director Thomson, the Board authorized the Manager to submit an application and enter into an agreement for grant funding with the Bureau of Reclamation CalFED Grant Program for the Leonard System, B230 System Extension Component Project and adopted Resolution No. SID 21-01:

IN SUPPORT OF FILING AN APPLICATION WITH THE BUREAU OF RECLAMATION
FOR A GRANT UNDER BAY-DELTA RESTORATION PROGRAM: CALFED
WATER USE EFFICIENCY GRANTS FOR FISCAL 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 Portwood, Thomson, Toretta, Tracy,
Waterhouse and Wegis

Noes: None

Abstain: None

Absent: Director Fabbri

The President announced that the motion carried.

Consider Extension of Consultant Service Agreement with Land I.O. for ET Remote Sensing

Manager Gianquinto stated that it is time to consider an extension on the Consulting Services Agreement with Land I.Q. to continue ET Remote Sensing for 2021 for the purpose of developing a monthly and annual calculation of evapotranspiration (ET) occurring within the District Service Area.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized an extension of a Consultant Service Agreement with Land I.Q. for ET Remote Sensing commencing January 1, 2021 and expiring December 31, 2021, in an amount up to \$145,000 as consistent with the 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, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Consider Extension of Consultant Service Agreement with Strategic Policy Advisors (Joe Rosso)

Manager Gianquinto reported that it is also time to consider an extension on the Consulting Service Agreement with Joe Rosso of Strategic Policy Advisors in Washington D.C. Joe Rosso has been working for the District since 2010 and has represented the District well concerning water issues and public policy issues on a Federal level and is a valuable consultant with the Administration in Congress and the Executive Branch.

For a number of years, the monthly retainer fee has remained at \$4,000. The Manager proposed an additional \$1,000 for a total monthly fee of \$5,000 and extending the Service Agreement from January 1, 2021 to December 31, 2022. Discussion followed.

On motion by Director Wegis, seconded by Director Portwood, the Board authorized an extension of a Consultant Service Agreement with Strategic Policy Advisors of \$5,000 per month retainer fee, commencing January 1, 2021 and expiring December 31, 2022. 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, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Consider Resolution Determining No Election Be Held and Request Appointment of Directors for Divisions 2, 5 & 7

District's legal counsel, Steve Torigiani, reviewed the Director's election procedure. He stated that the following Directors' terms of office expire at the regular meeting to be held April 14, 2021:

Division No. 2: Thomas Toretta
Division No. 5: Philip W. Portwood
Division No. 7: Fredrick A. Wegis

Petitions have been submitted and reviewed for Thomas Toretta, Philip W. Portwood and Fredrick A. Wegis and found to be in order.

Mr. Torigiani advised that since no other nominating petitions were filed, the Board could request that the Kern County Board of Supervisors appoint Thomas Toretta, Philip W. Portwood and Fredrick A. Wegis to serve another four-year term of office.

On motion by Director Thomson, seconded by Director Tracy, the Board approved the nomination petitions and adopted Resolution No. ST 21-01:

DETERMINATION THAT NO ELECTION BE HELD
ON MARCH 2, 2021 FOR DIVISIONS 2, 5 AND 7 AND REQUESTING
APPOINTMENT OF DIRECTORS THEREFORE

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, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Consider Financial Support for North-West Kern RCD Mobile Irrigation Lab

Brian Hockett, Manager of the North-West Kern Resource Conservation District, presented the Annual Report on the Mobile Irrigation Lab for the 2020 irrigation season. Mr. Hockett also reported on work done by the on-farm Mobile Lab and Poso Creek restoration. In order to continue the Mobile Lab service for the benefit of the landowners, the RCD asked for financial support of \$10,000 from the District.

On motion by Director Wegis, seconded by Director Thomson, the Board authorized financial support of \$10,000 for the North-West Kern RCD Mobile Lab. 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, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: Director Fabbri

The President announced that the motion carried.

Consider Amendment No. 41 (The Water Management Amendment) to Water Supply Contract Between DWR and KCWA

Manager Gianquinto reported that Amendment No. 41 between DWR and KCWA is an amendment to KCWA’s long-term water supply contract with DWR that will provide greater water management with increased flexibility for future transfers and exchanges of SWP water within the SWP service area. The KCWA is expected to take action on the Amendment at their January 28, 2021 Board meeting and is requesting the District’s support.

On motion by Director Wegis, seconded by Director Portwood, the Board approved support to KCWA for Amendment No. 41 subject to review and approval by legal counsel and the General Manager as to any amendment to the District’s and its Improvement Districts’ long-term water supply contracts with KCWA that may be required to implement the WMA locally. 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, Toretta, Tracy,
Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: Director Fabbri

The President announced that the motion carried.

SEMITROPIC GSA UPDATE

At 1:25 p.m., the Board President, Dan Waterhouse, declared a meeting of the Semitropic Groundwater Sustainability Agency.

The Manager and Larry Rodriguez of GEI Consultants, presented a SGMA implementation update.

The GSA meeting concluded at 2:08 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, Rick Amigh, reported that the Raw Water Processing Plant ceased operations in December 2020 and will not resume until the District commences 2021 pumpback operations. Plant maintenance will continue in preparation for 2021 operations.

On the Pond Road Solar Interconnection Facilities, the District is working with PG&E to execute the Conditional Permission to Operate Agreement while the telemetry work is in progress. The solar team and PG&E are still testing the solar facility.

On the XYZ System Extension, Phase 1 Engineering is moving forward and the initial topo survey is done. Phase 2 construction will commence after completion of engineering work.

Two leaks were discovered on 50-year-old pipelines in the Delta and Wegis Distribution Systems. Lyles investigated and repairs will be completed in January 2021.

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 2020, which was accepted for filing.

Construction management services on the Cox Canal Intertie continued with concrete placements for the new liner at the spillway section.

GEI previously prepared grant applications for Semitropic's Subsurface Recharge and Recovery Project for two funding levels for USBR's Drought Response Program Funding, and the NRCS-RCPP Classic Program to align over ten million dollars of capital improvements that are planned for Semitropic and Shafter-Wasco to leverage for obtaining national funding through the NRCS programs over the next 5 years. The grant applications were submitted and it is anticipated that funding awards will be announced soon.

SGMA Implementation support continued with review of water budget, land use and ET to be included in the Annual Groundwater Sustainability Report.

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

On the Leonard System Extension, the majority of project survey work has been completed by Cornerstone Engineering, the geotechnical exploration work was completed by Krazan, and the utilities survey by PCL has been completed. The hydraulic technical memo is under review by Semitropic.

Groundwater Storage Services, Inc.

Director Rick Wegis gave a report on Will Boschman, who unfortunately, recently had a stroke and is in a rehabilitation facility in Bakersfield, CA. At this time, he is undergoing physical therapy and assessment. All expressed concern and prayers for his recovery.

Balance Public Relations

Dean Florez of Balance Public Relations reported that COVID-19 issue is taking up a lot of time, but the State Legislature is back in session again. He is currently monitoring bills that may be introduced in 2021 that may be of interest to the District.

With the 2020 Election behind us, several vacant legislative positions need to be filled. Alex Padilla, who has served as Secretary of State, has been appointed to fill the vacancy as Senator, with former Senator Kamala Harris moving to Washington DC to serve as Vice-President of the U.S. At this time, the new Secretary of State has not been announced. Discussion followed.

REDTrac Update

Greg Allen, representing REDTrac, reported that energy cost allocations have been completed for 2020. REDTrac is working to collect the PG&E Authorizations forms in preparation to perform the meter calibrations from the well telemetry equipment.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto's written report on "District Activity During December" dated January 8, 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 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 26th, 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 proposed Delta Conveyance Project (DCP), as of the end of December, 18 State Water Project Contractors have taken action and approved their participation in the planning and pre-construction costs for the DCP and have accordingly authorized execution of a funding agreement with the Department of Water Resources (DWR) for this effort.

On the State Water Project, DWR notified the State Water Contractors on December 1, 2020 that the initial SWP allocation for South of Delta Contractors is 10%. As of January 7, 2021, the allocation has not been updated.

In regard to the Banking Project, 2020 Recovery operations ceased on December 28, 2020 and the preliminary total return for Bankers is 57,373 acre-feet. The District has received recovery requests from Zone 7 and Homer for the 2021 Banking operations. Given the expectation of a dry year, the District is preparing its recovery plan for 2021 as a full recovery year, pending receipt of recovery requests from Banking Partners which are due by May 1st.

Isela Medina reported that work under the Well Telemetry Project, Phase 2 has been substantially completed and District staff is working on project closeout. Also, work on the Pond Poso Spreading Grounds Ditch Lining Project has been completed and Engineering staff is working with the contractor on project closeout items, including hosting a punch list walkthrough, filing the Notice of Completion and preparation of as-built drawings.

At 2:35 p.m. President Waterhouse adjourned the Regular Board meeting.

Closed Session

At 2:40 p.m. the meeting continued with Closed Session.

Participants included:

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

Directors Absent: Jeff Fabbri and Rick Wegis;

Others: General Manager, Jason Gianquinto;
District O & M Superintendent, John Lynch;
District Controller, Bobby Salinas;
District Engineer, Isela Medina;
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:

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 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 3:23 p.m. the Board reconvened to open session.

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

Adjournment

The meeting was adjourned at 3:23 p.m. by President Waterhouse.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Daniel Waterhouse, President