

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 Thursday  
December 14, 2017

The regular meeting of the Board of Directors was called to order by President Wegis on Thursday, December 14, 2017, at 12:30 p.m., at the offices of the District, 1101 Central Avenue, Wasco, California. Those in attendance included:

Directors Present: Jeff Fabbri, Tim Thomson, Tom Toretta, Todd Tracy,  
Dan Waterhouse and Rick Wegis

Directors Absent: Phil Portwood;

Others Present: General Manager, Jason Gianquinto;  
District O & M Superintendent, John Lynch;  
District Controller, Bobby Salinas;  
Staff 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;  
District's Consulting Engineers, GEI Consultants,  
Inc., Represented by Ron Eid;  
W.M. Lyles Representative, Rick Amigh;  
Agua Via Representative, Floyd Wicks;  
Shafter-Wasco Irrigation District Representative,  
Dana Munn;  
Maricopa Orchards Representatives, Jason Pucheu;  
Wonderful Orchards Representative, Andrew Edstrom;  
Tal Folgelman, Greystone Equities;  
Aviva Representative, Greg Allen;  
District landowners or representatives:  
John Etchemendy and Mike Pitigliano.

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

### **ACTION ITEMS**

#### **Approval of Agenda**

It was noted that Item #J on the Agenda was revised to read: Consider Extension of Consultant Services Agreement with Land I.Q. for ET Remote Sensing.

On motion by Director Waterhouse, seconded by Director Tracy, the Amended Agenda was unanimously approved.

### **Minutes**

The Minutes of the Regular Board Meeting on November 8, 2017 were presented for approval.

On motion by Director Waterhouse, seconded by Director Toretta, the Minutes of the Regular Board Meeting on November 8, 2017 were approved.

### **Treasurer's Report**

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

On motion by Director Waterhouse, seconded by Director Tracy, the Treasurer's Reports for November 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. To date, the projected end-of-year cash balance is over \$27 M, which is about \$12 M 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 December 14, 2017 was presented for review and payment. Discussion followed regarding professional law services, portable toilet services, and water bank fees with Buena Vista.

On motion by Director Waterhouse, seconded by Director Tracy, the Board authorized payment of the Accounts Payable as listed on the December 14, 2017 Disbursement List, with the exception of a donation to Pacific Legal Foundation which will be discussed under a later Agenda item in the meeting, 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 Continuation of Emergency Declaration (Public Contract Code Sect. 22050 (a)(1) (as Declared May 17, 2017)**

The Manager reported that the small projects covered under the Emergency Declaration were nearly completed and the Declaration could now be discontinued. Discussion followed.

On motion by Director Tracy, seconded by Director Toretta, the Board authorized staff to discontinue the Emergency Declaration.

## **Consider Resolution to Authorize Execution of a Contract with USBR for Section 215 Water**

Manager Gianquinto reported that in years past, temporary water was made available from the U.S. Bureau of Reclamation. With a potential of winter storms on the way and possible flood water, the Board was asked to consider a Resolution to authorize the purchase of surplus water, known as CVP Section 215 Water, if and when it becomes available in early 2018.

On motion by Director Waterhouse, seconded by Director Tracy, the Board authorized execution of a standard agreement with USBR to purchase Section 215 Water, if and when it becomes available under Resolution SID 17-07:

### RESOLUTION AUTHORIZING EXECUTION OF CONTRACT WITH U.S. BUREAU OF RECLAMATION PROVIDING FOR SECTION 215 WATER

## **Consider Financial Support for Pacific Legal Foundation**

District Consultant, Will Boschman, reported on the good work that the Pacific Legal Foundation (PLF) has been performing to protect land and water rights. He reported that two young attorneys who had previously visited the District, Damien Schiff and Paul Beard, have both presented PLF cases to the Supreme Court and both attorneys have been nominated by President Trump for Federal Judge positions.

The PLF has continued to battle in courts nationwide to rein in government at all levels and vindicate individual liberties as guaranteed by the Constitution, including has been involved in a number of cases to protect water rights and supplies. PLF has again requested a donation to help support the PLF staff working across the United States. Discussion followed.

On motion by Director Waterhouse, seconded by Director Toretta, the Board authorized an amount of \$10,000 contribution to the Pacific Legal Foundation to help continue the fight for water south of the Delta for San Joaquin Valley farmers and other California water issues.

## **Consider Financial Support to the Chronicles Group for Promotion of “Beyond the Brink”**

Manager Gianquinto reminded the Board that Jim Thebaut, representing the Chronicles Group, was at the November 8, 2017 Board meeting and presented a 15-minute excerpt of his latest documentary entitled, “Beyond the Brink”. He also presented the film at the Association of California Water Agencies (ACWA) Conference in Anaheim at the end of November where he acknowledged Semitropic and Metropolitan Water District as contributors. The film is gaining positive reviews and Mr. Thebaut has acquired help in promoting it State-wide but needs further financial support to accomplish the goal. Discussion followed.

On motion by Director Waterhouse, seconded by Director Tracy, the Board approved a donation of \$10,000 for promotion of the documentary “Beyond the Brink”. Mr. Thebaut aims to reach a State-wide audience through movie theatres, colleges and universities, social media and private showings in order to make the general population aware of the dire water situation in California which will start action to lead to practicable solutions.

## **Consider Extension of Consultant Service Agreement with Land I.Q. for ET Remote Sensing**

Manager Gianquinto stated that it is time to consider an extension on the Consulting Services Agreement with Land I.Q. for ET Remote Sensing, hydrological modeling, technical

consultation and research, and environmental regulatory compliance, which is based on time and materials.

On motion by Director Tracy, 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, 2018 and expiring December 31, 2018.

**Consider Extension of Consultant Service Agreement with Strategic Policy Advisors**

The Manager presented an extension on the Consulting Service Agreement with Joe Rosso of Strategic Policy Advisors in Washington D.C. to continue with a monthly retainer fee at \$4,000. Mr. Rosso has represented the District well concerning water issues and public policy issues on a Federal level and has been instrumental in helping the District in securing funding through Federal Grants.

On motion by Director Waterhouse, seconded by Director Toretta, the Board authorized an extension of a Consultant Service Agreement with Strategic Policy Advisors through December 31, 2019.

**Consider Extension of Consultant Service Agreement with MKN to Assist with HSR Conflict Resolution**

Manager Gianquinto also requested an extension to the Consultant Service Agreement with Michael K. Nunley & Associates (MKN) who has been providing engineering support to the District for resolving utility conflicts for the HSR design and construction related to Utility Agreements.

On motion by Director Fabbri, seconded by Director Toretta, the Board authorized an extension of a Consultant Service Agreement with MKN to assist with the High Speed Rail conflict resolution.

**Consider Extension of Consultant Service Agreement with Prometheus Advisors**

The Manager presented an extension of the Consultant Service Agreement with Prometheus Advisors on a month-to-month basis. Their work on the Tulare Lake Project may be completed within the coming year.

On motion by Director Waterhouse, seconded by Director Tracy, the Board authorized an extension of a Consultant Service Agreement with Prometheus Advisors on a month-to-month basis.

**Consider GEI Task Order 12-2017 & 13-2017 In Support of Applications for USBR Drought Relief Grants**

Manager Gianquinto presented GEI Task Order 12-2017 for project development and submittal of a grant application in accordance with Reclamation's Funding under WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018 – Funding Group 1

up to \$300,000 per project with a 50% cost match. The Semitropic project to be submitted under Group 1 will be for the equipping phase of several District wells. The Budget for GEI Task Order 12-2017 is for time and materials in a not-to-exceed amount of \$10,000.

GEI Task Order 13-2017 for project development and submittal of a grant application in accordance with Reclamation's Funding under WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018 – Funding Group 2 up to \$750,000 per project. The Semitropic project to be submitted under Group 2 will be for the construction of a new Cox Canal pump station to increase the District's capacity of moving water supplies from West to East. The Budget for GEI Task Order 13-2017 is for time and materials in a not-to-exceed amount of \$40,000.

On motion by Director Tracy, seconded by Director Waterhouse, the Board authorized execution of GEI Task Orders 12-2017 and 13-2017 for development of grant applications under Reclamation's WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018 – Funding Groups 1 and 2.

**Consider Resolution for Governing Body Members and Volunteer Personnel Coverage Under ACWA-JPIA Workers' Compensation**

The Manager presented a letter of request from ACWA-JPIA for a Board Resolution to provide Governing Body Members and Volunteer Personnel Coverage under Worker's Compensation. The District carries its Workers' Compensation Insurance policy through California Special Districts Association, therefore the Board discussed complying with ACWA-JPIA request.

On motion by Director Thomson, seconded by Director Fabbri, the Board authorized Resolution No. ST 17-16:

DECLARING THAT GOVERNING BODY MEMBERS AND VOLUNTEERS SHALL BE DEEMED TO BE EMPLOYEES OF THE DISTRICT FOR THE PURPOSE OF PROVIDING WORKERS' COMPENSATION COVERAGE FOR SAID CERTAIN INDIVIDUALS WHILE PROVIDING THEIR SERVICES

**Consider Policy for early Implementation for Subsurface Recharge Program(s)**

Manager Gianquinto stated that this item is not yet ready for discussion and asked that it be tabled for a later date.

**CONSULTANT REPORTS**

**Design/Build Team Construction Update**

W.M. Lyle's Representative, Rick Amigh reported on the SWRU XYZ Intertie Project, pipeline alignment surveys were performed as well as engineering work. A surge analysis is currently underway to determine the best method of surge suppression. Potholing of existing substructures will occur in December.

A work authorization was executed in November to replace existing canal bridges. Procurement of rail road car bridges is in progress and construction is scheduled for early February.

The Gun Club Reverse Flow Pump #3 Modification work authorization was also executed in November. Procurement of fabricated steel pipe is in progress. Construction is scheduled for late January-early February.

A work authorization was also executed in November on the Junction Pumping Plant Manifold repairs. Procurement of fabricated steel pipe is in progress and construction is scheduled to begin in late January-early February.

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

Ron Eid from GEI Consultants, Inc. presented the "Consulting Engineers' Report on Projects for Semitropic Water Storage District" for work during November 2017, which was accepted for filing.

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

The comment period on the draft EIR for the Tulare Lake Storage and Floodwater Protection Project closed in November with 33 comment letters received. GEI prepared a presentation that Jason Gianquinto presented to the California Water Commission on December 13, 2017. Design activities were focused on the identification of "position papers" on various design-related topics which will ultimately be used to guide design.

Groundwater model update activities included substantial completion of data collection and data entry for 2015 and 2016. Activities on the SGMA – Hydrogeologic Conceptual Model (HCM) focused on data analysis, drafting of maps and geologic cross sections, database development and drafting of the HCM narrative.

In late November, work commenced on development of a preliminary and general site assessment protocol for the subsurface recharge project. Several sites are being considered.

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

Will Boschman of Groundwater Storage Services, Inc. reported that all four parties have signed the Agua Via Term Sheet. Work is continuing with 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 has given notice that funding is essentially secured and they are prepared to proceed with implementation of the agreement. Initial activity will be equipping a minimum of three wells currently idle that produce unacceptable water with pumps, motors and electrical power service.

The Banking Agreement with Montecito Water District has been signed and work has commenced on a Point of Delivery Agreement.

Mr. Boschman represented the District at various meetings, including the local Delta Coalition meeting, Kern Water Bank Authority and State Water Contractors meeting. Mr. Boschman represented the SCWBA and KWBA at the ACWA-JPIA Semi-annual Board Meeting in Anaheim. At the ACWA Conference, he attended the Groundwater and Energy Committee meetings as well as various sessions. The next Southern California Water Bank Authority meeting is scheduled for January 17, 2018. Mr. Boschman also shared a video of the Orville Dan Spillway repair work.

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

John Jones of Developing Water Resources, Inc. was not able to attend today's meeting. The Manager report that drilling staff has continued repair work on the drilling equipment and he reported on Mr. Jones health condition.

### **Balance Public Relations**

The Manager reported that Dean Florez of Balance Public Relations is in meetings in Sacramento and will be lining up legislators to visit the District again after the first of the new year.

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

Manager Gianquinto's written report on "District Activity During November" dated December 8, 2017 was accepted for filing. In addition, the following items were presented:

#### **Irrigated Lands Regulatory Program**

The Farm Evaluation surveys are due March 1, 2018 for the 2017 crop year. Nitrogen Management Plans are also due March 1, 2018 and the plans must be certified.

#### **California Water Fix**

The participating SWC's continued to work on the financing and implementation strategies. The deadline to respond to the validation action has been extended from November 15 to December 15, 2017.

#### **State Water Project**

On November 29, 2017 the DWR announced the initial water allocation of 15% for the 2018 calendar year. The initial allocation will likely be adjusted as the water conditions change.

#### **Duck Club Water**

The District continued delivery of Duck Club Water this month utilizing Poso Creek and North Pintail Slough. It is expected that Duck Club Water will be delivered through the end of the year as needed.

## **Kern Groundwater Authority**

The KGA authorized BHK to conduct the audit for 2016. A draft of the 2018 Budget was presented and it was determined that Semitropic's share of the budget would be approximately \$70,000 to \$75,000.

## **SGMA – Groundwater Sustainability Activities**

District staff met for an initial kick-off with GEI representatives to discuss work plan for development of the GSP for Semitropic. A subsequent meeting with GEI and District Staff will be held on December 19<sup>th</sup> to set up Landowner meetings, outreach meetings and workdays.

## **High Speed Rail**

Isela Medina, Staff Engineer, reported that work on the HSR is in a holding pattern while discussions continued on resolving issues. There is still not a clear plan on how to split systems affected by construction of the HSR through the District.

## **Solar Project**

Ms. Medina also reported that contracts with BayWa Renewable Energy have been reviewed and work will most likely commence sometime early next year.

## **Closed Session**

At 1:45 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

**d. Conference with legal counsel Re: Personnel Matters (Govt. Code §54957)**

At 3:45 p.m. the Board reconvened to open session. President Wegis stated that several items were discussed.

On motion by Director Tracy, seconded by Director Fabbri, the Board unanimously authorized legal counsel to submit a letter to reject claims on the District's behalf from Wilbur-Ellis against the District.

**Adjournment**

The meeting was adjourned at 3:50 p.m. by President Wegis. The next Adjourned Meeting was scheduled for Wednesday, December 27, 2017 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Fredrick A. Wegis, President

/s/ Todd Tracy, Secretary