

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 8, 2020

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, January 8, 2020, at 12:30 p.m., at the offices of the District, 1101 Central Avenue, Wasco, California. Those in attendance included:

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

Directors Absent: None;

Others Present: General Manager, Jason Gianquinto;
District O & M Superintendent, John Lynch;
District Controller, Bobby Salinas;
District Engineer, Isela Medina;
District Accounting Supervisor, Mariela Garza;
District Contract Administrator, Becky Ortiz;
District Receptionist, Mayra Torres;
District's Consultants, Will Boschman & John Jones;
District's Legal Counsel, Steve Torigiani;
District's Consulting Engineers, GEI Consultants,
Inc., Represented by Larry Rodriguez;
WM Lyles Representative, Rick Amigh;
REDTrac Representative, Greg Allen;
Balance Public Relations Representative, Dean Florez;
Agua Via Representative, Floyd Wicks;
Others in Attendance: Don Wright, Molly
Thurman, Steven Piggott, Pres Brittian, Geoff
Vanden Heuvel, Garrett Bush, Erik Gaiser,
Chad Carroll and Dana Munn.

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

ACTION ITEMS

Approval of Agenda

There being no new items to consider, the Agenda for the January 8, 2020 Board of Directors' meeting was unanimously approved as posted on motion by Director Fabbri, seconded by Director Tracy.

Minutes

The Minutes of the Regular Adjourned Board Meeting on December 11, 2019 were presented for approval.

On motion by Director Fabbri, seconded by Director Tracy, the Minutes of the Regular Adjourned Board Meeting on December 11, 2019 were approved as presented.

The Minutes of the GSA Board Meeting on December 11, 2019 were presented for approval.

On motion by Director Fabbri, seconded by Director Tracy, the Minutes of the GSA Board Meeting on December 11, 2019 were approved as presented.

Treasurer's Report

The Treasurer's Reports for December 2019 was not presented and will be reviewed in February's Board meeting for approval.

Financial Reports

District Controller, Bobby Salinas, reviewed the December Income Statement and Financial Reports. The Actual/Projected Cash Flow balance at the end of the year is projected to be about \$20M due to increased storage by Banking Partners and Noncontract water sales.

Accounts Payable

The Cash Disbursement List for January 8, 2020 was presented for review and payment. Discussion followed regarding services associated with the Groundwater Hookup Project.

On motion by Director Portwood, seconded by Director Thomson, the Board authorized payment of the Accounts Payable as listed on the January 8, 2020 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 01-2020 for General Engineering Services

District Engineer, Isela Medina, presented Task Order 01-2020 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 2020. The total budget amount is for up to \$115,000.

On motion by Director Tracy, seconded by Director Fabbri, the Board authorized execution of GEI Task Order 01-2020 for General Engineering Services and Expenses for 2020 with a budgeted amount of up to \$115,000.

Consider GEI Task Order 02-2020 for Groundwater Model Update

District Engineer, Isela Medina, presented Task Order 02-2020 from GEI Consultants for Groundwater Model Update through 2019. The work is estimated to be completed by May 31, 2020 with a budget amount not to exceed \$125,000.

On motion by Director Toretta, seconded by Director Portwood, the Board authorized execution of GEI Task Order 02-2020 for Pond Poso Spreading Grounds Phase V Construction Management Support with a budget amount not to exceed \$125,000.

Consider GEI Task Order 03-2020 for Poso Creek IRWMP Plan Implementation – 2020 Activities

District Engineer, Isela Medina, presented Task Order 03-2020 from GEI Consultants for Poso Creek Integrated Regional Water Management Plan Implementation for 2020 activities. This Task Order defines the Scope of Services, Schedule and a total not-to-exceed Budget amount of \$50,000 to be shared by Integrated Regional Water Management Group members in accordance with the Poso Creek MOU cost-sharing Agreement.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized execution of GEI Task Order 03-2020 for Poso Creek IRWM total Annual Budget of a not-to-exceed amount of \$50,000.

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, consistent with the 2020 Budget, up to \$145,000.

On motion by Director Thomson, seconded by Director Fabbri, the Board authorized an extension of a Consultant Service Agreement with Land I.Q. for ET Remote Sensing commencing January 1, 2020 and expiring December 31, 2020, up to \$145,000 as consistent with the 2020 Budget.

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

District Engineer, Isela Medina 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 Tracy, 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 up to \$30,000 which is reimbursable by HSR.

Consider Extension of Consultant Service Agreement with Strategic Policy Advisors

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. For a number of years, the monthly retainer fee has remained at \$3,000. The Manager proposed an additional \$1,000 for a total monthly fee of \$4,000 and extending the Service Agreement from January 1, 2020 to December 31, 2022. Mr. Rosso 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.

On motion by Director Tracy, seconded by Director Toretta, the Board authorized an extension of a Consultant Service Agreement with Strategic Policy Advisors of \$4,000 per month retainer fee, commencing January 1, 2020 and expiring December 31, 2022.

Consider Revised KCWA Fee Schedule for Transfer and Exchanges

Manager Gianquinto reported on a revised KCWA Fee Schedule for Water Transfers and Exchanges Approved Pursuant to the December 18, 2019 Kern County Water Agency Board Action. The Agency will bill the District for setup charges and handling charges upon approval of each Transfer Request Form (TRF).

On motion by Director Toretta, seconded by Director Thomson, the Board authorized an Agreement for a revised fee schedule for Water Transfers and Exchanges Approved Pursuant to the December 18, 2019 Kern County Water Agency Board Action.

Consider Continuation of Emergency Declaration (Public Contract Code section 22050(a) (1)) for Repairs at Designated Pumping Plants

Manager Gianquinto requested that the Board consider Continuation of Emergency Declaration in order to take immediate action on repairs at designated Pumping Plants. Discussion followed.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized Continuation of Emergency Declaration (Public Contract Code section 22050(a) (1)) for immediate action for repairs at Designated Pumping Plants.

SEMITROPIC GSA UPDATE

At 12:50 p.m., the Board President, Dan Waterhouse, declared a meeting of the Semitropic Groundwater Sustainability Agency. Manager Gianquinto gave an update on KGA agreement and discussion followed.

The GSA meeting concluded at 12:57 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 maintenance is scheduled for January 2020 during the District shutdown period on the raw water processing plant. Repairs to the two sulfuric acid tanks and the adjacent canal panels will be addressed at that time.

On the Pond Road Solar Interconnection Facilities, weekly conference calls are being held with the District, WM Lyles and the Solar EPC to discuss coordination of engineering, procurement and construction.

Raw Water Pumping Plant Repairs and Junction Pumping Plant Manifold work is still ongoing and will be completed by March 2020. Work authorization was executed in December for the emergency Pump Platform repairs at North, East, A and B Pumping Plants.

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 2019, which was accepted for filing.

Activity during the month included completion of grant applications for Agricultural Water Conservation and Efficiency Grants and CalFed WUE for the Poso Creek IRWM Group.

SGMA activities included preparation of the final Semitropic GSP and presentation to the Board on December 11, 2019. GEI completed its initial assessment of the Poso Creek managed aquifer recharge project and the results will be presented to the Board.

The Semitropic GSP was submitted to the Kern Groundwater Authority for inclusion in the KGS GSP and to be submitted to DWR by January 31, 2020.

Preparations are underway on drawings, specifications, cost estimates and soil testing for the Cox Canal Intertie Project.

Groundwater Storage Services, Inc.

Will Boschman of Groundwater Storage Services, Inc. reported that there is a pause on the Agua Via Project at this time. Aqua Planet continues to report that financing is expected to occur soon.

Activities during the month included phone calls and meetings with various districts and water interests, and preparation for the semiannual ACWA conference in early December. There was very little activity on the Southern California Water Bank Authority.

Mr. Boschman attended the State Water Contractors' monthly Board meeting where it was announced that long time member, Doug Hedricks, representing San Bernardino Valley Muni Water District has retired.

DWR, Inc. John Jones

John Jones of DWR, Inc. reported that the drilling staff has continued its safety meetings and practiced raising and lowering the rig in a safe manner 3 different times. Maintenance work was also done on the rig.

The duck clubs have continued to take water.

Balance Public Relations

Dean Florez of Balance Public Relations reported on, among other things, the differences between the State and the Feds on the U.S. Fish and Wildlife Biological Opinions relating to the operation of the Sacramento-San Joaquin Delta.

Dean Florez also reported that he and Jason have a meeting set with Karla Nemeth and Policy Advisor Bianca Sievers as well as Deputy Director for Integrated Watershed Management Kris Tjernell on January 24th in Sacramento.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto's written report on "District Activity During December" dated January 3, 2020 was accepted for filing. In addition, the following items were presented:

The Manager noted that the initial allocation for the 2020 SWP water year was set at 10% and has not been updated despite the substantial precipitation received in December.

Isela Medina reported that engineering and design work on the winter work continued. Besides the Wildwood Siphon Removal and Concrete Liner Repairs Projects, other projects to be completed during the shutdown include:

- Concrete liner repairs at various locations along the Pond Poso and Buttonwillow Ridge canals.
- Landowner work order requests, to respond to requests for new service turnouts and relocated service connections, which can only be accomplished during a scheduled shutdown period.
- Preparation for completion of an inspection protocol for various facilities, including check structures.
- Painting of facilities

Closed Session

At 3:00 p.m. 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) *Wilbur-Ellis Co. v. Semitropic Water Storage Dist., et al., and related actions (Coordinated as JCCP 4901)*
 - 2) *Central Delta Water Agency et al v. California Department of Water Resources et al. (Sacramento County Superior Court, Case No. 34-2010-80000561: Fifth Appellate District, Case No. C078249) Re: Monterey Plus EIR/Reverse Validation*

- 3) *Center for Food Safety, et al. v. Department of Water Resources, et al. (Sac Sup #34-2016- 80002469; Fifth Appellate District, Case No. C086215)) Re: Monterey Plus KWB EIR*
- 4) *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.*
- 5) *California Department of Water Resources v. All Persons Interested, etc. Case No. 34-2018-00246183 (Sacramento Superior Court) Re: SWP Contract Extension Amendment*
- 6) *State of CA Dept. of Trans. v. Semitropic WSD, Case No. BCV-19-100326*
- 7) *State v. Pond Poso Improvement District of Semitropic Water Storage District, Kern County Superior Court, Case No. BCV-19-1007686*
- 8) *California Department of Water Resources v. All Persons Interested, etc. "Complaint for Validation" Re: WaterFix Bond Validation Action (JCCP 4942)*
- 9) *Buena Vista Water Storage District v. Kern Water Bank Authority, et al. Re: KWBA Kern River EIR (Case No. BCV-19-100122)*

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) One Potential Case

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

District's Designated Representative: General Manager

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: San Luis Canal Company

3) *Property: Acquisition of Water Supplies*

a. Negotiation with: Patterson Irrigation District

At 3:30 p.m. the Board reconvened to open session. President Waterhouse stated that several items were discussed but reportable action was only taken on the following item.

On motion by Director Wegis, seconded by Director Fabbri, the Board authorized the General Manager to execute agreements with San Luis Canal Company and San Joaquin River Exchange Contractors Water Authority for acquisition of supplemental water by the District, subject to approval as to form by legal counsel, and file a notice of exemption for same.

Adjournment

The meeting was adjourned at 3:37 p.m. by President Waterhouse. The next Adjourned Meeting was scheduled for Wednesday, January 22, 2020 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Daniel Waterhouse, President

/s/ Todd Tracy, Secretary