

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,
February 12, 2020

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, February 12, 2020, 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, Tim Thomson Tom Toretta,
Todd Tracy, Dan Waterhouse 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 Contract Administrator, Becky Ortiz;
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;
WM Lyles Representative, Rick Amigh;
REDTrac Representative, Greg Allen;
Agua Via Representative, Floyd Wicks;
North West Kern RCD Representative, Brian Hockett;
Others in Attendance: Greg Wegis, Brent
Hankins, Garrett Busch, Stacie Ann Silva,
Andrew Garcia, Mark Sherty, Molly Therman,
Jon Reiter, Lindsay Cedarquist and Kevin
Assemi.

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

ACTION ITEMS

Approval of Agenda

Two new items came to Staff's attention after posting the Agenda and requires immediate action: 1) Consider approval of December 2019 Treasure's Report, and 2) Consider First Amendment to Restated and First Amended Kern River Watershed Coalition Authority Joint Powers Agreement.

On motion by Director Portwood, seconded by Director Tracy, the above two items were added to the Agenda on the basis that they came to the attention of the District after the Agenda was posted and there is need to take immediate action on such items at the February 12, 2020 Board Meeting, which motion was unanimously approved and the Agenda was amended accordingly.

Minutes

The Minutes of the Regular Board Meeting on January 8, 2020 were presented for approval.

On motion by Director Tracy, seconded by Director Fabbri, the Minutes of the Regular Board Meeting on January 8, 2020 were approved as presented.

The Minutes of the GSA Board Meeting on January 8 and Special GSA Board Meeting on January 13, 2020 were presented for approval.

On motion by Director Tracy, seconded by Director Fabbri, the Minutes of the GSA Board Meeting on January 8 and Special GSA Board Meeting on January 13, 2020 were approved as presented.

Treasurer's Report

The Treasurer's Reports for December 2019 and January 2020 were presented for review and approval.

On motion by Director Toretta, seconded by Director Wegis, the Treasurer's Reports for December 2019 and January 2020 for Semitropic Water Storage District and Semitropic Improvement District were approved for filing.

Financial Reports

District Controller, Bobby Salinas, reviewed the Financial Reports along with the Actual and Projected Cash Flow Report. Mr. Salinas stated that at this time, the end-of-year 2020 cash balance is projected to be about \$1 M over Budget. No doubt, there will be many cash flow changes throughout the year.

Accounts Payable

The Cash Disbursement List for February 12, 2020 was presented for review and payment. Discussion followed, and it was noted in particular that general counsel's invoice included significant reimbursable amounts associated with California High Speed Rail.

On motion by Director Portwood, seconded by Director Tracy, the Board authorized payment of the Accounts Payable as listed on the February 12, 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 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 2019 irrigation season. 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.

Mr. Hockett also reported that recently, the RCD received approval from FEMA to do repair work in Poso Creek due to levee failures in 2017. Clean up work has already begun, and a cost estimate is being updated for the remaining repairs, of which FEMA will pay up to 75% of the costs.

On motion by Director Wegis, seconded by Director Fabbri, the Board authorized financial support of \$10,000 for the North-West Kern RCD Mobile Lab.

Consider Draft Agreement with State Water Contractors for 2020 Dry Year Water Transfer

Manager Gianquinto presented a Draft Agreement with the State Water Contractors for a 2020 Dry Year Water Transfer for the Board to consider. Water has become available from State Water Contractors north of the Delta who are willing to fallow ground for southern contractors to purchase. The price has not yet been set but it has been requested that interested parties declare their interest in participation. Discussion followed.

On motion by Director Wegis, seconded by Director Portwood, the Board authorized execution of an Agreement with State Water Contractors in substantially the form presented for participation in up to 10,000 AF of 2020 Dry Year Water Transfer, subject to final legal review.

Consider Continuation of Emergency Declaration for Addressing Structural Support Maintenance at Designated Pumping Plants

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

On motion by Director Tracy, 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.

Consider Amendment to GEI Task Order 07-2019 for Engineering Services for P-1030 Canal Design Review, HSR Support

District Engineer, Isela Medina, presented Amendment 1 to Task Order 07-2019 from GEI Consultants for additional Engineering Peer Review on the design submittals and construction packages on the High Speed Rail. The additional budget request was no more than \$30,000.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized execution of GEI Task Order 07-2019 Amendment 1 for Engineering Peer Review for an additional budget amount not-to-exceed \$30,000.

Consider GEI Task Order 04-2020 SGMA Implementation Support

Larry Rodriguez of GEI Consultants presented Task Order 04-2020 for Sustainable Groundwater Management Act (SGMA) Implementation Support. The Task Order is intended to cover SGMA implementation activities to be performed in calendar year 2020, including coordination with the Kern Groundwater Authority and other districts in the Kern Sub-basin; coordination with regulatory agencies; stakeholder/landowner outreach activities; groundwater monitoring and reporting activities; and evaluation and implementation of proposed projects and management actions. The total budget is estimated at \$75,000.

On motion by Director Tracy, seconded by Director Fabbri, the Board authorized execution of GEI Task Order 04-2020 for SGMA Implementation Support with a budget of \$75,000.

Consider Request by High Speed Rail for Construction Water for Construction of the SWSD PPSG, Phase V

District Engineer, Isela Medina also reported that the High Speed Rail builders have requested approximately 30 acre-feet of water for continuing construction of the Pond-Poso Spreading Grounds. Discussion followed regarding price and payment requirements.

On motion by Director Wegis, seconded by Director Thomson, the Board authorized providing 30 acre-feet of water at \$1,000 per acre-foot to the High Speed Rail builders for the continuing construction of the Pond-Poso Spreading Grounds, payable up-front.

Consider Request by High Speed Rail for Construction Water for 2020 for HSR Project

The Engineer also stated that the High Speed Rail builders have requested special purpose water for 2020 of 95 acre-feet. Discussion followed.

On motion by Director Wegis, seconded by Director Toretta, the Board authorized providing approximately 95 acre-feet of special purpose water for the High Speed Rail builders in 2020 at a cost of \$1,000 per acre, payable up-front.

Consider Award of Contract for Procurement of Dataloggers for Well Telemetry Project, Phase 2 Project

Isela Medina presented a proposal for the procurement of Dataloggers from Zenseio for the Well Telemetry Project, Phase 2 Project. There are 196 wells to be fitted for equipment. The proposed price is approximately \$273,000.

On motion by Director Fabbri, seconded by Director Wegis, the Board authorized an Award of Contract for procurement of Dataloggers from Zenseio pending staff and legal review of terms and conditions of the purchase at a cost of approximately \$273,000.

Consider Award of Contract for Procurement of Flowmeters for Well Telemetry Project, Phase 2 Project

Isela Medina also presented a proposal for procurement of Flowmeters from Techniflow for the Well Telemetry Project, Phase 2 Project. The cost is approximately \$437,000.

On motion by Director Wegis, seconded by Director Toretta, the Board authorized the procurement of Flowmeters from Techniflow at a cost of approximately \$437,000.

Consider Appointment of General Manager as the District Director for the Kern Water Bank Authority and Director Tracy as the Alternate

Manager Gianquinto stated that the Board President and Vice President had discussed with him about representation on other Boards that the District participates in, with the idea of the District's Directors sharing the load in participating. Therefore, the Board was asked to consider appoint of the General Manager as the District Director for the Kern Water Bank Authority and Director Tracy as the Alternate.

On motion by Director Wegis, seconded by Director Toretta, the Board appointed the General Manager as the District Director for the Kern Water Bank Authority and Director Tracy as the Alternate.

Consider Appointment of Director Toretta as the District Director for the Kern River Watershed Coalition Authority and General Manager as the Alternate

The Manager requested that the Board consider the appointment of Director Toretta as the District Director for the Kern River Water Watershed Coalition Authority and the General Manager as the Alternate.

On motion by Director Wegis, seconded by Director Portwood, the Board appointed Director Toretta as the District Director to the Kern River Watershed Coalition Authority and the General Manager as the Alternate.

Consider Appointment of Director Waterhouse as the District Director for the Kern Groundwater Authority and Director Wegis as the Alternate

The Manager also requested that the Board consider Director Waterhouse as District Director for the Groundwater Authority and Director Wegis as the Alternate.

On motion by Director Fabbri, seconded by Director Tracy, the Board appointed Director Waterhouse as the District Director to the Kern Groundwater Authority and Director Wegis as the Alternate.

Consider First Amendment to Restated and First Amended Kern River Watershed Coalition Authority Joint Powers Agreement

Manager Gianquinto presented a First Amendment to Restated and First Amended Kern River Watershed Coalition Authority Joint Powers Agreement for Board consideration. The Amendment is to provide for separate KRWCA Treasurer and Secretary positions and requires concurrence of 75% of General Members for any amendment to be effective. Discussion followed.

On motion by Director Toretta, seconded by Director Thomson, the Board approved execution of the First Amendment to Restated and First Amended KRWCA Joint Powers Agreement.

SEMITROPIC GSA UPDATE

At 1:05 p.m., the Board President, Dan Waterhouse, declared a meeting of the Semitropic Groundwater Sustainability Agency. Manager Gianquinto gave an update on the 2019 Et analysis on all crops, which shows that there was lower water consumption in 2019 than 2018.

The GSA meeting concluded at 1:22 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 Lyles has continued to work with the PGE transmission department on the Pond Road Solar Interconnection Facilities application; however, progress has been very slow. The interconnection electrical equipment has been delivered and is in storage until needed.

The weekly conference calls continue to be held with the District. WM Lyles and the Solar EPC have discussed coordination of engineering, procurement and construction.

The Junction Pumping Plant Flow Meter was installed in January and the final calibration will occur after the system is refilled with water.

The emergency Pump Platform repairs were performed in January. Removal of the existing pumps and platform steel at North & East Plants were completed and the platform steel and pump bases were delivered and installed at both North and East 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 January 2020, which was accepted for filing.

Activity during the month included coordinating with the District on Northern California transfer program in 2020 and contacting potential sellers regarding status of current year's transfer program.

Poso Creek IRWM Group activity included meeting with DWR Staff in Sacramento regarding AgWUE related grants. GEI worked on an evaluation of on-farm recharge activities for 2019 and refinement of the District's on-farm recharge evaluation process. An updated memo of the review will include a summary of the 2019 on-farm activities.

SGMA activities included preparation of the final submittal of the Semitropic GSP to the KGA and uploaded the GSP to DWR as a management area plan under the KGA umbrella. GEI and the District reviewed the DWR 2019 Subsidence Report relative to the California Aqueduct in preparation of the meeting with DWR on February 7, 2020.

Groundwater Storage Services, Inc.

Will Boschman was not available for the meeting but submitted a written report for review. Agua Via is currently in consultation with Dr. Ken Schmidt to find a suitable project location that has a water source that is unsuitable for irrigation purposes and is also located in an area where it can be reasonably conveyed through existing facilities to areas of demand.

For some time, the Southern California Water Bank Authority has attempted to restructure by replacing Semitropic as a Member of the Authority. It appearing that all attempts so far have been fruitless, Mr. Boschman has spent some time developing a plan that may work.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto's written report on "District Activity During January" dated February 7, 2020 was accepted for filing. In addition, the following items were presented:

Delta Issues

The District was notified by the Kern County Water Agency that the State Water Contractors have been meeting to discuss a response to DWR's 6th offer on the Delta Conveyance Project (Formerly California Water Fix).

On February 4, 2020 The State outlined a proposed framework for the Voluntary Settlement Agreement. A related news article noted that Governor Newsome's proposal "would set aside up to 900,000 acre-feet of additional water in California's mightiest rivers each year" which would be funded by State taxpayers, the Federal government and State agricultural and

urban water purveyors. The funds would go primarily to fund habitat restoration projects and to pay farmers to fallow some of their land and to buy irrigation and drinking water to be used for environmental flows.

State Water Project

The Manager noted that on January 24th, DWR issued a Notice to State Water Contractors that the SWP Allocation was increased from 10% to 15%. At this time, it is beginning to look as if we will be facing a “dry” year if the hydrology does not improve.

Kern County Water Agency

It was noted that at KCWA’s January 23, 2020 Board Meeting, Royce Fast by a majority vote of the KCWA Board was selected as KCWA’s President and Gene Lundquist was selected as Vice-President. Director Waterhouse stated that he had an opportunity to speak with President Fast regarding KCWA and Semitropic working together to negotiate with DWR and the SWC on State issues.

Winter Work

District Engineer, Isela Medina, reported that the 2019-2020 Winter Work came to a conclusion at the end of January 2020. Engineering and field staff work effortlessly during the winter to complete all maintenance work and winter projects, including:

- The Wildwood Siphon Removal and Concrete Liner Repairs Project;
- Landowner work order requests and responded to requests for new service turnouts and relocated service connections;
- Continued with system-wide survey which will support the future modeling of the District system;
- Worked on structural repairs at the North Plant, East Plant, A & B Plants; and
- Worked on the raw water processing facility repairs.
- The canals were recharged and returned to service.

Closed Session

At 1:40 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 3:00 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 items.

On motion by Director Portwood, seconded by Director Tracy, the Board authorized the General Manager to execute a Tolling Agreement with the Kern Fan Authority and KFA's Member Agencies in an effort to allow reasonable time to resolve issues with the Negative Declaration and come to a satisfactory agreement by all parties regarding KFA's Integration Project, but if a tolling agreement was not possible then legal counsel was authorized to initiate litigation regarding same.

On motion by Director Wegis, seconded by Director Fabbri, the Board approved the First Amendment to the Water Purchase Agreement between Semitropic and Agua Via and authorized the General Manager to execute the Amendment upon final review by legal counsel.

On motion by Director Toretta, seconded by Director Portwood, the Board authorized the General Manager to enter into an Agreement with South Valley Water Resources Authority and members thereof desiring to participate with Patterson Irrigation District for the purchase and transfer of a water supply for the District and other SVWRA members, subject to final review by legal counsel.

Adjournment

The meeting was adjourned at 3:04 p.m. by President Waterhouse. The next Adjourned Meeting was scheduled for Wednesday, February 26, 2020 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Daniel Waterhouse, President