

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 13, 2019

The regular meeting of the Board of Directors was called to order by President Wegis on Wednesday, February 13, 2019, 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 Receptionist, Mayra Torres;  
District's Consultants Will Boschman and John Jones;  
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;  
North Kern Water Storage District  
Representative, Dana Munn;  
North-West Kern Resource Conservation  
District Representative, Brian Hockett;  
Milk Producers Council Representative, Geoff  
Vanden Heuvel; and,  
District Landowners, Representatives and  
Others: John Wedel, Brant Hankins, Garrett  
Busch and Alan Becker.

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

## **PUBLIC COMMENT**

Dana Munn, General Manager of Shafter-Wasco Irrigation District, thanked Jason Gianquinto for attending the SWID Board Meeting on Tuesday, February 12, 2019 to lead discussion on Sustainable Groundwater Management Act (SGMA).

## **ACTION ITEMS**

### **Approval of Agenda**

Two new items came to Staff's attention after posting the Agenda and require immediate action: 1) Approve Minutes of Special Board Meeting on January 22, 2019; and 2) Consider Water Transfer/Exchange Agreement with Shafter-Wasco Irrigation District, Exempt per CEQA Guidelines § 15061(b)(3), 15301, Water Code §1729.

On motion by Director Tracy, seconded by Director Portwood, to add the above two items 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 13, 2019 Board Meeting, was unanimously approved and the Agenda was amended accordingly.

### **Minutes**

The Minutes of the Regular Board Meeting on January 9 and Special Board Meeting on January 22, 2019 were presented for approval.

On motion by Director Toretta, seconded by Director Tracy, the Minutes of the Regular Board Meeting on January 9 and Special Board Meeting on January 22, 2019 were approved as presented.

The Minutes of the GSA Board Meeting of January 9, 2019 were presented for approval.

On motion by Director Toretta, seconded by Director Tracy, the Minutes of the GSA Board Meeting on January 9, 2019 were approved as presented.

### **Treasurer's Report**

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

On motion by Director Waterhouse, seconded by Director Fabbri, the Treasurer's Reports for January 2019 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. Mr. Salinas stated that at this time, the end-of-year 2019 cash balance is projected to be about \$1M under Budget. No doubt, there will be many cash flow changes throughout the year.

### **Accounts Payable**

The Cash Disbursement List for February 13, 2019 was presented for review and payment. Discussion followed regarding the benefits of membership in the Agricultural Energy Consumers Association (AECA).

On motion by Director Waterhouse, seconded by Director Fabbri, the Board authorized payment of the Accounts Payable as listed on the February 13, 2019 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 2018 irrigation season. There have been many requests for help in the Poso Creek area already in 2019. In order to continue the service for the benefit of the landowners, the RCD asked for financial support of \$10,000 from the District.

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

### **Consider GEI Task Order 03-2019 for Poso Creek IRWM Annual Budget**

District Engineer, Isela Medina, presented Task Order 03-2019 from GEI Consultants for Poso Creek Integrated Regional Water Management Plan Implementation for 2019 activities. This Task Order defines the Scope of Services, Schedule and a total not-to-exceed Budget amount of \$60,000 to be shared by Integrated Regional Water Management Group members in accordance with the Poso Creek MOU cost-sharing Agreement.

On motion by Director Waterhouse, seconded by Director Tracy, the Board authorized execution of GEI Task Order 03-2019 for Poso Creek IRWM Annual Budget of a not-to-exceed amount of \$60,000.

### **Consider Cost Proposal for Additional Meter at SWRU ST #3 Turnout**

District Engineer, Isela Medina, presented the Stored Water Recovery Unit Amendment No. 17 for installation of an additional flow meter at #3 Turnout at the California Aqueduct and the Junction Pumping Plant. The estimated cost is around \$150,000. Discussion followed.

On motion by Director Fabbri, seconded by Director Tracy, the Board authorized execution of SWRU Amendment No. 17 for installation of an additional flow meter at Turnout #3 at an estimated cost of around \$150,000.

## **Consider Water Transfer/Exchange Agreement with Shafter-Wasco Irrigation District**

Manager Gianquinto reported that Shafter-Wasco Irrigation District staff has requested that Semitropic consider a Friant-Kern Canal Water Agreement with SWID. The purpose of the Project is for SWID and Semitropic to enter into an agreement for transfer of approximately 1,700 acre-feet of water available to SWID in the Friant-Kern Canal that can be delivered to the District. The District would use banking and other existing facilities to recharge and store the water pursuant to the Poso Creek Integrated Regional Water Management Plan (Poso Creek IRWMP), with the amount stored being equally split between the District and SWID.

The District and SWID would share the costs of the Project water and incremental operating costs associated with delivery, storage, accounting for and return of Project water. Beneficiaries of the project are landowners and water users within the boundaries of the District and SWID.

District staff and legal counsel determined that the Project is covered by the existing Poso Creek IRWMP environmental documents and/or exempt under CEQA Guidelines §15061(b)(3), 15301, and Water Code §1729.

On motion by Director Tracy, seconded by Director Waterhouse, the house authorized the General Manager to execute a Transfer/Exchange Agreement between the District and SWID, determined the Project was exempt from CEQA review, and authorized filing of a Notice of Exemption pursuant to CEQA.

## **SEMITROPIC GSA UPDATE**

At 12:45 p.m., the Board President, Rick Wegis, declared a meeting of the Semitropic Groundwater Sustainability Agency. Larry Rodriguez, of GEI Consultants, reviewed the outcome of the January 15th Stakeholder Workshop and January 28th and 29th Landowner meetings.

The GSA meeting concluded at 1:22 p.m. See the separate Minutes of the GSA Meeting.

## **CONSULTANT REPORTS**

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

W.M. Lyle's Representative, Rick Amigh reported that at the Raw Water Processing Plant, equipment was removed and will be stored until operations resume in 2019. Flush assemblies on the ferric lines were installed in January. Weather was a factor in January and several days were lost due to muddy conditions along the pipeline right-of-way on the SWRU XYZ Intertie Project. The P667-B1 pump station will be connected to District power and final testing and SCADA programming will occur in March or April.

Engineering of the Pond Road Solar Interconnection Facilities continued during the month. The PG&E interconnection application is in progress.

W.M. Lyles performed field investigations to confirm the flow meter location and coordinate scopes of work with the electrician and SCADA integration subcontractors for the Junction Pumping Plant flow meter. A final budget for the work was then submitted to the District for review and approval.

## **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 2019, which was accepted for filing.

Activity on the Poso Creek RWMG included participation in a DACIP working group meeting as well as a Tulare-Kern Funding Area DACIP meeting in Visalia; and preparation of an updated list of proposed RWMG projects.

SGMA Compliance Support included development of draft GSP sections and coordination with neighboring districts and the Kern Groundwater Authority. A presentation was prepared and presented for a SGMA Landowner Workshop on January 15, followed by two half-day landowner meetings on January 29th and 30th for landowners to engage District and GEI staff on information presented at the Workshop.

GEI Representatives participated in a pre-construction meeting with District Staff and CRB, the Contractor on the Pond-Poso Spreading Grounds, Phase V Project. The meeting was to review quality control procedures in accordance with the approved requirements.

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

Will Boschman of Groundwater Storage Services, Inc. reported that Agua Via is currently in the process of meeting with various local district managers, landowners, consultants in an effort to define where their wells, pipelines, treatment plant, etc. will be located. This effort is in preparation of developing and processing CEQA documentation for the water remediation project.

Regarding the Water Purchase Agreement with West Stanislaus for up to 15,000 acre-feet to be delivered before the end of February 2019, since the Bureau has determined that this type of sale must be to another Federal CVP contractor, Kern-Tulare Water District has stepped up to purchase the water and work with Semitropic on some form of exchange arrangement.

Mr. Boschman represented the District at various meetings during the month, including the Kern Water Bank Authority where they discussed recharge at the Bank and infrastructure activity involving maintenance and new construction including recharge basins.

At the State Water Contractors' Board meeting in Sacramento, it was reported that Water operations were looking good with Orville at 1.1 MAF and San Luis at 0.9 MAF. It was also reported that the window of opportunity to transfer water annually was changed where the first date remained at July 1, but the end date was changed to October 1 each year.

It was reported at the January Southern California Water Bank Authority meeting that CIM Representatives and the County of Kern have been in discussions where Kern County will replace Semitropic as a new Member of the Authority. The next SCWBA Board meeting is set for April 17, 2019 and it is anticipated that a formal announcement will be made at that time.

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

John Jones of Developing Water Resources, Inc. reported that drilling staff completed drilling at another well site then moved the rig back to the well drilling yard. During the drilling operations of the well just completed, Rain for Rent installed a discharge line for about 1½ miles so that no drilling mud would be on the pistachio land, but into a bar ditch instead. The cuttings and the e-log showed very good strata for water development.

## **Balance Public Relations**

Dean Florez of Balance Public Relations reported that Governor Gavin Newsom announced that significant cuts would be made to the High Speed Rail Project. Both the North section from Merced to San Francisco and South connections from Bakersfield to Los Angeles will not be completed, leaving only the portion of the project from Bakersfield to Merced viable at this time.

Mr. Florez stated that many changes are taking place in Sacramento with more water and agriculture advisors being put on the Governor's staff.

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

Manager Gianquinto's written report on "District Activity During January" dated February 9, 2019 was accepted for filing. In addition, the following items were presented:

### **State Water Project**

The Manager reported that in late January, DWR announced an increase in the initial water allocation to 15% for the State Water Project Contractors. An "atmospheric river" is bringing continual storms which has made a good snow pack in the Sierra-Nevada Mountains as well as a good water supply for the whole State. Article 21 Water may be available soon. The District has received many calls for recharging and District Staff is ramping up for a busy water year.

Discussion followed regarding Governor Newsom's comments on cutting the Cal WaterFix from two tunnels to one tunnel. The EIR was done for a two-tunnel project.

### **Well Telemetry Project**

The Well Telemetry Project is going well and Staff is on track to get ET Statements out to Landowners before the end of March.

### **Closed Session**

At 2:20 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))**

- 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. (Sac Sup # 34-2017- 00215965, coordinated as part of JCCP No. 4942) Re: WaterFix Bonds*
- 6) *Food & Water Watch, et al. v. Metro. Water Dist. (MWD) and All Persons Interested, Case No. BC720692 (Los Angeles Superior Court) Re: MWD WaterFix Resolutions*
- 7) *Cal. Dep't Water Res. v. All Persons Interested, Case No. 34-2018-00246183 (Sacramento Superior Court) Re: SWP Contract Extension Amendment*
- 8) *Buena Vista Water Storage District, v. Kern Water Bank Authority, et al. Re: KWBA Kern River EIR (Case No. BCV-19-100122) Re: KWBA Kern River EIR*
- 9) *State of CA Dept. of Trans. v. Semitropic WSD, Case No. BCV-19-100326*

**b. Conference with legal counsel Re: Potential Litigation (Gov't. Code § 54956.9(d)(2) and/or 54956.9(d)(4))**

- 1) Two Potential Suits

**c. 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*
- b. Under Negotiation: Price and Terms*

At 4:40 p.m. the Board reconvened to open session. President Wegis stated that several items were discussed including the following matters.

On motion by Director Waterhouse, seconded by Director Tracy, the Board authorized legal counsel to support and/or seek dismissal of the District from closed session litigation item a.8) by stipulation or other appropriate means.

On motion by Director Tracy, seconded by Director Waterhouse, the Board authorized execution of an Indemnity Agreement between the District and the Kern County Water Agency and the Pioneer Participants for coverage of "white lands" in Kern Groundwater Water Authority GSP chapters pursuant to management agreements with adjacent districts, contingent upon final review by Legal Counsel and the General Manager.

**Adjournment**

The meeting was adjourned at 4:40 p.m. by President Wegis. The next Adjourned Meeting was scheduled for Wednesday, February 27, 2019 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Fredrick A. Wegis, President