

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,  
March 13, 2019

The regular meeting of the Board of Directors was called to order by President Wegis on Wednesday, March 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 Accounting Supervisor, Mariela Garza;  
District Executive Secretary, Marsha Payne;  
District's Consultants, Will Boschman;  
District's Legal Counsel, Steve Torigiani;  
District's Consulting Engineers, GEI Consultants,  
Inc., Represented by Larry Rodriguez;  
W.M. Lyles Representative, Rick Amigh;  
REDTrac Representative, Greg Allen;  
North-West Kern Resource Conservation  
District Representative, Brian Hockett;  
Agua Via Representative, Floyd Wicks;  
Maricopa Orchards Representatives Jon Reitter  
and Lindsay Cederquist; and  
District Landowners, Representatives and  
Others: John Wedel, Dennis Slater, Steven  
Piggott, Pres Brittan, Garth Busch and Molly  
Saso.

President Wegis 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 Contract Change Order for SWRU Lateral Z-B Extension; and 2) Closed Session C-4) Water Banking Agreement – West Water Research.

On motion by Director Tracy, seconded by Director Waterhouse, 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 March 13, 2019 Board Meeting, which was unanimously approved and the Agenda was amended accordingly.

### **Minutes**

The Minutes of the Regular Board Meeting on February 13, 2019 were presented for approval.

On motion by Director Tracy, seconded by Director Fabbri, the Minutes of the Regular Board Meeting on February 13, 2019 were approved as presented.

The Minutes of the GSA Board Meeting of February 13, 2019 were presented for approval.

On motion by Director Tracy, seconded by Director Fabbri, the Minutes of the GSA Board Meeting on February 13, 2019 were approved as presented.

### **Treasurer's Report**

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

On motion by Director Waterhouse, seconded by Director Portwood, the Treasurer's Reports for February 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. Because of an abundant water outlook and possible banking, many changes to the Budget are anticipated throughout the year.

### **Accounts Payable**

The Cash Disbursement List for March 13, 2019 was presented for review and payment. Discussion followed regarding pump repairs at South Plant due to cavitation which caused severe damage; subsurface recharge energy reimbursement; energy reconciliation reimbursement and water transfer agreement to share cost of water purchase with Kern-Tulare I.D.

On motion by Director Portwood, seconded by Director Waterhouse, the Board authorized payment of the Accounts Payable as listed on the March 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 Approval of Template for Landowner Banking Contracts**

Manager Gianquinto outlined changes on a template for a landowner banking contract where a landowner could bank water for his own benefit inside the District. Water could only be moved out of the District with the Board's approval and would be a lower priority agreement subject to Banking Partner's higher priority. Discussion followed.

The Water Supply Committee of the Board will meet to further discuss the landowner banking contract and make any necessary changes. No action was taken at this time.

### **Consider Notice of Exemption for Installation of Hydro Turbine at Existing Facility**

Manager Gianquinto reported that a company called Natel Energy is working on acquiring grant funding for development of new technology for more efficient use of a micro-turbine. Natel contacted the District to discuss using the SWRU Pumping Plant facility to test their new technology and generate power at the Hydro Turbine #3. Staff determined such activity is exempt from CEQA review. Discussion followed.

On motion by Director Fabbri, seconded by Director Waterhouse, the Board issued approval, determined exempt from CEQA review and authorized a Notice of Exemption to be filed with the County of Kern, for installation of a microturbine at the outflow of one of the existing pipes at Hydro Turbine #3.

### **Consider Nomination of Director Dan Waterhouse as the District's Alternate Director for the Kern River Watershed Coalition Authority**

President Wegis stated that a Board Member was needed as an alternate director for the Kern River Watershed Coalition Authority. Director Dan Waterhouse stated that he was willing to attend the meetings when needed.

On motion by Director Tracy, seconded by Director Fabbri, the Board appointed Director Dan Waterhouse to serve as Alternate Director as District representative for the Kern River Watershed Coalition Authority.

### **Consider Authorization to Develop Poso Creek Feasibility Study**

Manager Gianquinto stated that the District does not have authority to do any repairs to Poso Creek other than maintenance on the portion of the Creek that runs through the District. However, Poso Creek could be a sizable water source for recharge during flood events if this water was captured and used for aquifer recharge.

By general consensus of the Board, staff will work with GEI to move forward on a feasibility study.

**Consider Resolution Authorizing Acquisition of Real Property (APN 059-270-06)**

President Wegis moved this item to closed session for further discussion.

**Review 2018 Et Summary for Lands Within the District and Authorize Issuance of Landowners Statement for Basin Sustainability Charges/Credits**

The Manager presented a draft of the 2018 Et Landowner's Statements for review and discussion with the Board. Based on previous water purchases, the valuation was set at \$250.00 per acre-foot credit for water in storage. Discussion followed on how the Basin Sustainability charges and credits would work.

On motion by Director Thomson, seconded by Director Portwood, the Board approved the form of statement and valuation of \$250.00 per acre-feet credits to Landowners for water they purchased for storage.

**Consider Resolution of Emergency Declaration for the District's Assistance in Addressing Poso Creek Flood Impacts and the District's Ability to convey Water per the District's Agreement with North West Kern Resource Conservation District**

Manager Gianquinto presented a Resolution of Emergency Declaration to address Poso Creek flood impacts and the ability to take immediate action to procure the necessary equipment, services and supplies for repairs or mitigate damages without giving notice for bids during a time of crisis. Discussion followed.

On motion by Director Tracy, seconded by Director Toretta, the Board authorized Resolution No. ST 19-02:

EMERGENCY CONTRACT WITHOUT BIDS (POSO CREEK)

**Consider Contract Change Order for SWRU Lateral Z-B Extension**

District Engineer, Isela Medina, presented a Contract Change Order to the Stored Water Recovery Unit Lateral Z-B Extension. Discussion followed on the extra pipeline to include the extension of the service area.

On motion by Director Waterhouse, seconded by Director Thomson, the Board approved a Contract Change Order for SWRU Lateral Z-B Extension.

**SEMITROPIC GSA UPDATE**

At 1:40 p.m., the Board President, Rick Wegis, declared a meeting of the Semitropic Groundwater Sustainability Agency. Manager Gianquinto reviewed the 2018 Et Analysis on various crops in the District.

The GSA meeting concluded at 2:25 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 the remaining pipe and fittings for Lateral X-C were delivered and construction is scheduled to be completed in early March. The X-C Booster Pump Station and P667 B-1 Pump Station are making significant progress and it is anticipated they will be operational in April.

The PG&E interconnection application has been submitted and will be finalized after the District executes the EPC contract for the Pond Road Solar Interconnection Facilities.

Procurement of equipment and materials is in progress at the Junction Pumping Plant Flow Meter.

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

As-requested services activities included preparation of a Technical Memo regarding "Valley Floor Water" that provides a summary of water quality sampling methods and guidelines; and a review and evaluation of grant funding opportunity announcements.

A public meeting of the IRWM Group was held where the next round of IRWM funding projects was discussed. The Diltz Intertie Improvement Project continued by moving the design of pipeline laterals toward final draft plans. In addition, work continued on the environmental document coordination with Reclamation which is required to comply with NEPA.

Activity on the Tulare Lake Storage and Floodwater Protection Project was related to providing support to the environmental consultant.

### **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 and 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 implementation of the Water Purchase Agreement with Aqua Planet, Michael S. Young is moving ever closer to complete funding of the project.

Mr. Boschman represented the District at various meetings during the month, including the Kern Water Bank Authority where they discussed realignment of the bike path along Enos Lane north and south of the Kern River.

At the State Water Contractors' Board meeting in Sacramento, it was reported that water Allocations remained at 35% even though snow pack levels were significantly higher. There was a minimum release into the Delta and carry over which has been converted to Table A.

Another meeting followed at ACWA's headquarters, the Groundwater Committee. SGMA was a major item of discussion.

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

John Jones of Developing Water Resources, Inc. submitted a written report, indicating that the drilling completed drilling at another well site then moved the rig back to the well drilling yard for maintenance.

Due to heavy rain, the KW tractor and flatbed had to be pulled out with an extenda forklift. Heavy rain caused electrical problem on the KW tractor and staff repaired and replaced some electrical parts.

### **Balance Public Relations**

Dean Florez of Balance Public Relations submitted a written report on water related legislation and efforts to line up support for Governor appointments for pro water and agriculture legislators.

More legislator education visits will be scheduled for the spring.

### **REDTrac**

Greg Allen of REDTrac reported on preliminary work being done for the Well Telemetry Project, Phase 1. A telemetry box was on display for all to see. The equipment will be installed at the well sites soon.

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

Manager Gianquinto's written report on "District Activity During February" dated March 8, 2019 was accepted for filing. In addition, the following items were presented:

#### **Delta Issues**

All activity relative to the California Water Fix seems to be on hold given the Governor's statements that the CWF would be revised.

#### **State Water Project**

The Manager reported that Article 21 water from the State Water Project was made available in late February on an allocated basis to eligible State Water Contractors.

On March 8, 2019 FEMA announced that it will not provide reimbursement for the repair of the emergency spillway at Oroville dam and will only reimburse portions of the expense associated with emergency response, debris removal and a portion of the spillway repairs. DWR is appealing the decision. The State Water Project may be liable for the remainder of what FEMA won't pay.

## **Outreach**

The General Manager met with Congressman TJ Cox in late February to discuss water related items including SGMA. He also met with representatives of the North West Kern Resource Conservation District regarding the status of Poso Creek, as well as the Tulare Basin Wetlands Association Board to discuss SGMA related issues.

## **Closed Session**

At 2:50 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*
  
- 2) *Property: APN #059-270-06-01*  
*Negotiator: General Manager*  
*Negotiating Parties: Robb Stewart*  
*Under Negotiation: Price and Terms*
  
- 3) *Property: Acquisition of 2019 Supplemental Water Supply for Recharge*  
*Negotiating Parties: SJR Exchange Contractors*  
*Under Negotiation: Price and Terms*
  
- 4) *Water Banking Agreement*  
*Negotiating Parties: West Water Research*  
*Under Negotiation: Price and Terms*

At 4:35 p.m. the Board reconvened to open session. President Wegis stated that several items were discussed including the following matters.

On motion by Director Portwood, seconded by Director Thomson, the Board authorized Resolution No. SID 19-01:

#### ACQUISITION OF LANDS

#### Adjournment

The meeting was adjourned at 4:35 p.m. by President Wegis. The next Adjourned Meeting was scheduled for Wednesday, March 27, 2019 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Fredrick A. Wegis, President

/s/ Todd Tracy, Secretary