

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 14, 2018

The regular meeting of the Board of Directors was called to order by President Wegis on Wednesday, March 14, 2018, at 12:30 p.m., at the office 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 Receptionist, Alicia Reveles;
District Consultants, Will Boschman & John Jones;
District's Legal Counsel, Ernest Conant;
District's Consulting Engineers, GEI Consultants,
Inc., Represented by Larry Rodriguez and Matt
Mayry;
W.M. Lyles Representative, Rick Amigh;
Balance Public Relations Representative, Dean
Florez;
Shafter-Wasco Irrigation District, Dana Munn;
Aviva Energy Representative, Greg Allen;
Maricopa Orchards Representatives, Jon Reiter and
Jason Pucheu;
Agricultural Council of California, Emily Rooney
Wonderful Orchards Representatives, Melissa Poole and
Molly Saso;
District landowners, representatives and others:
John Wedel, Matt Cauzza, Mark Hudson, Matt
Giannelli

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

PUBLIC COMMENT

Emily Rooney of Agricultural Council of California made a presentation on SB 623. The presentation included the purpose of SB 623 is to provide an ongoing source of funding to ensure all Californians have access to safe and affordable drinking water and to provide limited immunities to farmers regarding water quality issues. Emily also talked about the eligibility to receive funding, funding priorities and revenue sources. Ms. Rooney requested a letter of support from the District. The Board commended Ms. Rooney on a job well done and indicated that the Board would consider her request at a later time.

Melissa Poole of Wonderful Orchards gave a presentation on Delta Reliability and Coalition for a Sustainable Delta. Her presentation included the reason for involvement in Delta, the overview of committee activities, scientific publications, studies in progress and the financial impacts of regulatory standards on delta exports as prepared by Dr. Sunding.

ACTION ITEMS

Approval of Agenda

There being no new items to consider, the Agenda was unanimously approved as posted on motion by Director Waterhouse, seconded by Director Tracy.

Minutes

The Minutes of the Regular Board Meeting on February 14, 2018 were presented for approval.

On motion by Director Tracy, seconded by Director Waterhouse, the Minutes of the Regular Board Meeting on February 14, 2018 were approved as presented.

Treasurer's Report

The Treasurer's Reports for February 2018 were presented for review and approval.

On motion by Director Waterhouse, seconded by Director Tracy, the Treasurer's Reports for February 2018 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 was based on the original 2017 Budget but an update is currently being prepared.

Accounts Payable

The Cash Disbursement List for March 14, 2018 was presented for review and payment. There was no discussion.

On motion by Director Waterhouse, seconded by Director Toretta, the Board authorized payment of the Accounts Payable as listed on the March 14, 2018 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 Resolution of Bureau of Reclamation for Grant under WaterSmart Drought Resiliency Projects, FY 2018 (Cox Canal Pumping Plant and Intertie)

District Engineer, Isela Medina, provided an overview of the proposed Cox Canal Pumping Plant and intertie project, which the District is submitting in response to the USBR's WaterSmart Drought Response project solicitation. The District's ability to capture water can be improved with improvements to the District's Primary Intake Canal, referred to as the Cox Canal Pumping Plant and Intertie.

On motion by Director Fabbri, seconded by Director Tracy, the Board authorized Staff to submit an application for grant funding of the WaterSmart Drought Resiliency Projects (FY 2018) adopted Resolution No. SID 18-01:

IN SUPPORT OF FILING AN APPLICATION WITH THE BUREAU OF RECLAMATION FOR A GRANT WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FY 2018.

Consider Resolution of Bureau of Reclamation for Grant under WaterSmart Drought Resiliency Projects (FY 2018)

District Engineer, Isela Medina, provided an overview of the proposed Groundwater Well Extraction Improvements for return of Stored Water, Phase 3 which the District is submitting in response to the USBR's WaterSmart Drought Response project solicitation.

On motion by Director Fabbri, seconded by Director Portwood, the Board authorized Staff to submit an application for grant funding of the WaterSmart Drought Resiliency Projects (FY 2018) adopted Resolution No. SID 18-02:

IN SUPPORT OF FILING AN APPLICATION WITH THE BUREAU OF RECLAMATION FOR A GRANT WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FY 2018.

Consider Cost-Sharing Agreement for Brackish Groundwater and Oilfield Produced Water Feasibility Study

Manager Gianquinto reported on a cost-sharing agreement with several other water districts to evaluate the potential to develop brackish groundwater as an additional source of water supply for agricultural users, industrial users, disadvantage communities and exportation of municipal users.

On motion by Director Fabbri, seconded by Director Portwood, the Board authorized Agreement for Brackish Groundwater and Oilfield Produced Water Feasibility Study.

Consider GEI Task Order 04-2018 for Pond Poso Spreading Ground Design Phase 2

District Engineer Isela Medina presented Task Order 04-2018 submitted by GEI Consultants to provide staff assistance in completion of Phase 2 of the Pond Poso Spreading Grounds. This Task Order defines the Scope of Services, Schedule and a Budget amount not to exceed \$75,000. The cost associated with this work will be reimbursed by the High Speed Rail Authority (HSRA) as it is necessary to complete this work before the HSRA can initiate removal of borrow material as needed for the High Speed Rail Project.

On motion by Director Tracy, seconded by Director Toretta, the Board authorized execution of GEI Task Order 03-2018 for Pond Poso Spreading Ground Design Phase 2.

CONSULTANT REPORTS

Design/Build Team Construction Update

W.M. Lyle's Representative, Rick Amigh reported on the update of the SWRU Amendment No. 7 operation of raw water processing plant as needed for the 2018 pump back operations. The raw water processing plant has been shut down for about a year. The plant per the Amendment is expected to remain idle until September 2018 and will then operate through December 2018. It was noted that the raw water processing plant may need to be online earlier dependent upon final pump back requests.

On the SWRU XYZ Intertie Project design work continues, 90% of drawings and the final surge analysis are being developed and are due for distribution in late March. The final budget is scheduled to be complete and ready for next board meeting.

With regard to the bridge replacement project, it was noted that the canal bridges have been ordered and are currently in fabrication. Due to soil and groundwater conditions, helical piers with a concrete pile cap will be installed for the bridge abutments.

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 2018, which was accepted for filing.

Mr. Rodriguez reported on activities developing components of the Hydrologic Conceptual Model (HCM), including geologic sections and maps; reviewing geologic conditions as defined in the CVHM and C2VSim numerical groundwater models;

Work activity continued during the month preparing a draft of the Introduction and Basin Setting chapters of the District's GSP. Evaluation of water quality conditions with the District and participating in coordination meetings with District Staff.

Mr. Rodriguez reported that they received the two grant proposals under Reclamation's WaterSmart Drought Resiliency funding program. One proposal involves equipping wells with a maximum available grant funding of \$300,000 and the other grant proposal involves a new pumping plant on Buena Vista WSD's Cox Canal with available grant funding of \$750,000.

Groundwater Storage Services, Inc.

Will Boschman of Groundwater Storage Services, Inc. reported that progress continues on the preparation of the Water Purchase Agreement, between Semitropic and Agua Via. Mr. Jeremy Pelczer will be attending April's board meeting to address the Board.

Mr. Boschman represented the District at various meetings, including Kern Water Bank Authority where it was reported that last year 570,000 acre-feet of water was delivered for storage in 2017. CEQA documents regarding the bike path is in its final stage. In regards to the expenditures for infrastructure improvements \$850,000, has been spent with \$3.14 million remaining.

Mr. Boschman also noted that he attended the State Water Contractors Board Meeting which included presentations of the SWC's 2018 budget of \$6.048 million budget and also included discussion and review of the SWC's Business Objectives relative to the State Water Project.

Developing Water Resources, Inc.

John Jones of Developing Water Resources, Inc. reported that the drilling crew is replacing two hydraulic rams on the backhoe. The drilling crew reinstalled the refurbished guide system on the drilling rig. In addition, the crew completed pulling out the rental pipe from Rain for Rent.

Mr. Jones has been working with Far West Corrosion on their findings about the District's steel pipeline. The report from Far West Corrosion will be submitted to the District in the next few weeks.

Balance Public Relations

Dean Florez of Balance Public Relations reported that the new legislative session started with many changes ahead in Sacramento due to resignations and new leadership. There are 1300 Bills being considered this session. The "Water Committee" will stay the same with one new member joining the group. Discussion followed regarding the Governor's race, California Water Commission and other potential issues.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto's written report on "District Activity During December" dated February 9, 2018 was accepted for filing. In addition, the following items were presented:

Manager Gianquinto stated that Rick Springstead, the District's Maintenance Foreman passed away over veteran's weekend. Manager Gianquinto noted that Rick joined the District in 1975 and was the District's longest serving employee. He was a huge part of the District and he will be missed. Manager Gianquinto noted that in honor of Rick the employees were given time off to attend Ricks Services and thanked the Board and Staff for attending.

Water Supply

Manager Gianquinto stated that the State allocation is still at 20%, and noted that with the recent precipitation received we may receive a small increase of allocation however, it may be more likely that the State holds the allocation at 20%. Discussion followed.

California Water Fix

Recent activities relative to the California Water Fix (CWF) and SWP have centered on developing contract amendments that are needed relative to the CWF. The lead negotiator on behalf of the Kern County Water Agency is Curtis Creel, GM of KCWA. Mr. Curtis will be assisted in the process by agency staff as well as a member unit team consisting of Rob Kunde, GM of Wheeler Ridge, Jason Gianquinto, GM of Semitropic WSD, Phil Nixon, GM of Westside District and Harry Starkey, GM of West Kern WD. The process will be structured into two phases. The first phase will focus on those amendments that are critical to the success of CWF. The second phase focuses on other water management actions as needed by the Contractors. Discussion followed.

SGMA – Groundwater Sustainability Activities

Manager Gianquinto stated that the District staff continues discussion and working with GEI representatives in the work plan for development of the GSP for Semitropic. Discussion followed.

Closed Session

At 2:30 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. CA. 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

At 3:15 p.m. the Board reconvened to open session. President Wegis stated that several items were discussed; however, no reportable action was taken.

Adjournment

The meeting was adjourned at 3:15 p.m. by President Wegis. The next Adjourned Meeting was scheduled for Wednesday, April 11, 2018 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Fredrick A. Wegis, President