

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,
April 14, 2021

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, April 14, 2021, at 12:30 p.m., via Conference Call. Pursuant to Executive Order N-29-20, Issued by Governor Newsom on March 17, 2020, and guidance by the California Department of Public Health dated March 16, 2020, the meeting was conducted by teleconference due to the COVID-19 Virus Pandemic. The District offices are located at 1101 Central Avenue, Wasco, California. Those joining the meeting included:

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

Directors Absent: None

Other Participants: 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;
W.M. Lyles Representative, Rick Amigh;
Balance Public Relations Representative, Dean Florez;
REDTrac Representative, Greg Allen;
Representative of The Chronicles Group, Jim Thebaut;
Kern County Water Agency Representative, Ted Page;
Jon Reiter, Kevin Assemi, Lindsay Cedarquist,
Don Wright, Stacie Ann Silva, Leta Spencer,
John Gaugel, Alan Becker, Geoff Vanden Heuvel
Tim Gobler, Kristie Robinson, John Ocana,
Greg Wegis, and Eric Leitnerman.

President Waterhouse opened the meeting and welcomed all guests. Roll call was taken for Board Members, District Staff and Consultants.

PUBLIC COMMENTS

Manager Gianquinto introduced Jim Thebaut, of the Chronicles Group, who gave a presentation on his latest documentary endeavor "California Watershed – Healing" which is the

sequel to “California’s Watershed”. The new production will focus specifically on fire prevention in forests, viable technical solutions to “Heal” the watershed as well as State and Federal Public Policy initiatives. Mr. Thebaut stated that the first production was broadcast close to 80 times on PBS stations in California and various locations throughout the United States. It is anticipated that the current production will be completed by November 2021.

Mr. Thebaut asked the Board to consider a donation to help with the costs for production of “California Watershed – Healing”. He left the meeting at 12:45 p.m.

Reappointed Board Members Recognition

The Manager reported that 3 Board members were appointed to the Board in March by the Kern County Board of Supervisors for another 4 years of service to the District. All documents were submitted and the oath of office previously administered. The 3 Board members were recognized as:

Director Thomas Toretta – Division 2
Director Philip Portwood – Division 5
Director Fredrick Wegis – Division 7

ACTION ITEMS

Note: The President announced all Action Items will be conducted by a Roll Call vote.

Approval of Agenda

There being no new items to consider, the Agenda for the April 14, 2021 Board of Director’s meeting was unanimously approved as posted.

Minutes

The Minutes of the Regular Semitropic Water Storage District Board Meeting and GSA Board Meeting on March 10, 2021, plus the Ad Hoc Committee Meeting on March 24, 2021 were presented for approval.

On motion by Director Wegis, seconded by Director Portwood, the Minutes of the Regular Semitropic Board Meeting and GSA Meeting on March 10, 2021 and the Ad Hoc Committee Meeting on March 24, 2021 were approved as presented. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: None

The President announced that the motion carried.

Consider Reorganization of Board Officers & Committees

Manager Gianquinto stated that this was the time and place to reorganize the Board and asked if the Board President, Dan Waterhouse, had any proposed changes.

President Waterhouse stated that he would like to retain the slate of Board officers as follows:

| | |
|---------------------|------------------|
| President | Dan Waterhouse |
| Vice President | Fredrick Wegis |
| Treasurer | Thomas Toretta |
| Secretary | Todd Tracy |
| Assistant Secretary | Jason Gianquinto |

President Waterhouse requested to reorganize certain committee representatives as follows:

- ACWA-JPIA (Insurance) Representative – Fredrick Wegis, Jason Gianquinto, Alternate
- Kern Groundwater Authority (KGA) Representative – Dan Waterhouse, Jason Gianquinto, Alternate
- Kern Water Bank Authority (KWBA) – Jason Gianquinto, Todd Tracy, Alternate
- Kern River Watershed Coalition Authority (KRWCA) – Tom Toretta, Jason Gianquinto, Alternate

On motion by Director Wegis, seconded by Director Portwood, the slate of Board officers will remain as presented and the reorganization of certain committee representatives were approved as presented. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

- Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy, Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: None

The President announced that the motion carried.

Treasurer’s Report

The Treasurer’s Reports for March 2021 were presented for review and approval.

On motion by Director Toretta, seconded by Director Fabbri, the Treasurer’s Reports for March 2021 for Semitropic Water Storage District and Semitropic Improvement District were approved for filing. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

- Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy, Waterhouse and Wegis
- Noes: None
- Abstain: None
- Absent: None

The President announced that the motion carried.

Financial Reports

District Controller, Bobby Salinas, reviewed the Financial Reports along with the Actual and Projected Cash Flow Report for March 2021. The Banking Partners have made substantial requests for recovery which will change the financial outlook. The Budget will be updated for the June 2021 Board Meeting.

Accounts Payable

The Cash Disbursement List for April 14, 2021 was presented for review and payment.

On motion by Director Portwood, seconded by Director Thomson, the Board authorized payment of the Accounts Payable as listed on the April 14, 2021 Disbursement List for Semitropic Water Storage District and Semitropic Improvement District. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: None

The President announced that the motion carried.

A copy of the Disbursement List presenting the payments that were approved is attached hereto as "Exhibit A."

Consider Financial Contribution (Chronicles Group)

Manager Gianquinto opened discussion to consider a financial contribution toward production of the sequel to the Chronicles Group's California Watershed documentary entitled "Healing", which was introduced at the beginning of the Board meeting by Jim Thebaut. The new production will focus specifically on viable technical solutions to "Heal" the watershed as well as enlighten the public on State and Federal Public Policy initiatives.

On motion by Director Wegis, seconded by Director Thomson, the Board authorized a donation of \$10,000 towards the production of the Chronicles Group's California Watershed documentary entitled "Healing". The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: None

The President announced that the motion carried.

Consider Continuation of Emergency Declaration (Public Contract Code Sect. 22050 (a)(1)) to Address Immediate Replacement of Lateral CE Near HSRA Peterson Road Bridge Overpass

The Manager reported that each month, while the project is on-going, the Board must revisit the Emergency Declaration monthly and take action each month to continue the Emergency Declaration until the project is completed.

On motion by Director Toretta, seconded by Director Portwood, the Board authorized Continuation of Emergency Declaration (Public Contract Code Section 22050 (a)(1)) for immediate action on replacement of Lateral CE Near HSRA Peterson Road Bridge Overpass. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: None

The President announced that the motion carried.

Consider Resolution to Delay Fixing GASC & GPSC to May

Manager Gianquinto stated that pursuant to the Semitropic Improvement District's Rules and Regulations, Rule 6 (C-D), at the Regular Board Meeting in April or such other time as may be announced at said meeting, the Board shall consider, determine, and by resolution, fix the amount of the General Administrative and General Project Service Charges for the current fiscal year. The District is not prepared to set such charges until the Regular Board Meeting in May.

On motion by Director Portwood, seconded by Director Tracy, the Board authorized and adopted Resolutions No. BW 21-01 and PP 21-01:

DEFERRING FIXING THE AMOUNT OF THE GENERAL ADMINISTRATION AND
GENERAL PROJECT SERVICE CHARGES FOR SAID IMPROVEMENT DISTRICT
(FOR 2021, COLLECTED 2021-2022)

The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy,
Waterhouse and Wegis
Noes: None
Abstain: None
Absent: None

The President announced that the motion carried.

SEMITROPIC WSD GSA UPDATE

At 1:12 p.m., the Board President, Dan Waterhouse, declared a meeting of the Semitropic Water Storage District Groundwater Sustainability Agency.

The Manager reported that Staff and Consultants primarily concentrated on processing the Landowner Et Statements. Discussion followed.

The GSA meeting concluded at 1:17 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, Rick Amigh, reported that two new chemical pumps were ordered for the Raw Water Processing Plant for replacement due to the breakdown of equipment from the harsh chemicals used. The Plant will operate until June then cease for in-District demand. Operations will most likely resume during September through December 2021 for pumpback.

The Pond Road Solar Interconnection Facilities are ready to operate but that requires a short shut down of the Pond Road substation, which would impact the District's pumpback operations. District staff has requested approval to operate on an interim basis until the current pumpback operations are completed, PG&E has yet to respond to this request.

On the XYZ System Extension, engineering continued on the two new pipeline extensions and turnouts.

On the Lateral CE Pipeline Replacement, Lyles crews received materials the last week of March and field work commenced at that time. Lateral CE is scheduled to be dewatered to allow trenching and pipeline replacement to be performed. The project is expected to be completed in early May.

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 March 2021, which was accepted for filing.

Although the Diltz Intertie has been completed, GEI continued to work with Semitropic and Shafter-Wasco ID to finalize the reconciliation of shared costs for the grant closeout.

M. Cubed, subconsultant to GEI, performed review and assessments of existing rate structures, collected District data, and coordinated with GEI and the District in an effort to produce an Engineer's Report for Prop. 218.

Construction management services on the Cox Canal Intertie continued with observation of construction activities, including concrete placements for the Inlet Structure, forming the wall and reinforcing steel installation, as well as installing conduit for the electrical pad.

GEI reviewed CRB's submittal on construction sequencing associated with the 60% design package and new proposed Canal P-1030 temporary bypass concept consisting of a canal, coffer dam, pump stations, pipeline and tank.

GEI continued development of the groundwater model, including completion of the Integrated Water Flow Demand Calculator (IDC) component and integration with the MODFLOW model.

The Leonard System Extension 30% design package was finalized and submitted to the District for review.

The Ag Water Management Plan Update will be ready for review soon.

Balance Public Relations

Dean Florez of Balance Public Relations reported on various Bills presented by the California State Legislature, most of which will go to the Appropriations Committee before they will be voted on.

Although President Biden made a declaration of disaster for California due to the drought, Governor Gavin Newsom declared a drought emergency for two (2) counties North of Sacramento, but not the whole State. Representative Vince Fong and a Coalition of Legislators have submitted a letter to the Governor encouraging him to recognize that California is in a state-wide drought.

REDTrac Update

Greg Allen reported that REDTrac staff is calibrating the telemetry equipment on the wells; however, they are having difficulty getting landowners to authorize PG&E to release information of data to REDTrac for the District. Discussion followed.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto discussed his written report on "District Activity During March" dated April 9, 2021, which was included as part of the Board packet. In addition, the following items were presented:

The Manager reported that the District continues to operate in accordance with the Governor's Executive Order N-33-20. The District office and field office remain closed to the public and District staff are adhering to the social distancing guidelines. District staff are participating in meetings by conference call or video conferencing. On June 26th, in adherence to the updated guidance from the CDPH, the District updated its COVID-19 Policy to include the requirement to wear face coverings per the CDPH guidance. There have been no recent updates on the Governor's Executive Order.

District Staff is working with Grapevine, LLC to discuss options for installation of virtual meeting capabilities in the Board Room and Small Conference Room.

Regarding the proposed Delta Conveyance Project (DCP), DWR is continuing to develop the EIR for the Project. Current work is focused on development of the Alternatives for the EIR. In March, the Design Construction Authority Board of Directors appointed Mr. Graham Badner as its new Executive Director. The KCWA has invited Mr. Badner to come to KCWA to meet with the Member Units.

On the State Water Project, the allocation was reduced from 10% to 5% in late March. On April 1st DWR conducted its annual snow survey with a news release to the effect that "while there is some snow on the ground at Phillips Station, there is no doubt California is in a critically dry year".

The District has received recovery requests from most of its Banking Partners but noted that all Banking Partners have until May 1st to state their final request relative to their firm recovery rights.

At the March 25th Board Meeting of the Kern County Water Agency, the Board appointed Ms. Laura Cattani as Director of Division 2.

District Engineer, Isela Medina, reported that the District is preparing for the April Crop Survey, then in October, a second survey will be conducted to capture any double cropping patterns. District staff continued water quality sampling. Engineering staff continues to process work order requests from landowners for points of service (landowner turnouts), groundwater well connections, and energy service.

Operations and Maintenance Superintendent, John Lynch, reported that recovery operations are underway and will continue until the irrigation season begins, at which time the District will provide water to landowners for irrigation, then re-start pumpback operations in the fall.

At 2:00 p.m. President Waterhouse adjourned the Regular Board meeting.

Closed Session

At 2:10 p.m. the meeting continued with Closed Session.

Participants included:

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

Directors Absent: None

Others: 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; and
District's Legal Counsel, Steve Torigiani.

The District's legal counsel, Steve Torigiani, stated that a closed session was needed to discuss various closed session matters, including the following items of pending and anticipated litigation.

a. Conference with legal counsel Re: Pending Litigation (Gov't. Code § 54956.9(d))

- 1) *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 Board*
- 2) *California Department of Water Resources v. All Persons Interested, "Complaint for Validation" Re: SWP Contract Extension Amendment, Sacramento Superior Court, Case No. 34-2018-00246183*
- 3) *State of CA Dept. of Trans. v. Semitropic WSD, Kern County Superior Court, Case No. BCV-19-100326*
- 4) *State v. Pond Poso Improvement District of Semitropic Water Storage District, Kern County Superior Court, Case No. BCV-19-1007686*
- 5) *Buena Vista Water Storage District v. Kern Water Bank Authority, et al. Re: KWBA Kern River EIR, Ventura County Superior Court, Case No. BCV-19-100122; Second Appellate District, Division 6, Case No. B309764*
- 6) *Sierra Club v. California Department of Water Resources, etc. Re: Consolidated CEQA Case and "Complaint for Validation" Re: Delta Program Revenue Bonds, Sacramento County Superior Court, Case No. 34-2020-80003517*
- 7) *Rosedale-Rio Bravo Water Storage District v. Kern County Water Agency, et al., Kern County Superior Court, Case No. BCV-21-100418*

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) *Two Potential Cases*

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

District's Designated Representative: General Manager

Under Negotiation: Price and Terms of Payment

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: Multiple sellers

At 3:25 p.m. the Board reconvened to open session.

President Waterhouse stated that several items were discussed. No reportable action was taken.

Adjournment

The meeting was adjourned at 3:25 p.m. by President Waterhouse.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Daniel Waterhouse, President