

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,  
May 12, 2021

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, May 12, , 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: Phil Portwood, Tim Thomson, Tom Toretta,  
Todd Tracy, Dan Waterhouse and Rick Wegis;

Directors Absent: Jeff Fabbri;

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;  
Jon Reiter, Kevin Assemi, Lindsay Cedarquist,  
Don Wright, Stacie Ann Silva, Molly Thurman,  
Floyd Wicks, Geoff Vanden Heuvel, Brent Hankins,  
Andrew Garcia, Jake Cauzza, Tim Gobler,  
Kristie Robinson, John Ocana,  
Greg Wegis, Michael Henry and Ted Page.

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

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 May 12, 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 April 14, 2021 were presented for approval.

On motion by Director Tracy, seconded by Director Thomson, the Minutes of the Regular Semitropic Board Meeting and GSA Meeting on April 14, 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 Portwood, Thomson, Toretta, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Director Fabbri

The President announced that the motion carried.

## **Treasurer's Report**

The Treasurer's Reports for April 2021 were presented for review and approval.

On motion by Director Toretta, seconded by Director Portwood, the Treasurer's Reports for April 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 Portwood, Thomson, Toretta, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Director Fabbri

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 April 2021. The year-end balance is projected to be about \$11.5M. Staff is working on the 2021 Budget Update, including the Banking Program, to be presented at the June Board meeting.

## **Accounts Payable**

The Cash Disbursement List for May 12, 2021 was presented for review and payment.

On motion by Director Tracy, seconded by Director Thomson, the Board authorized payment of the Accounts Payable as listed on the May 12, 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 Portwood, Thomson, Toretta, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Director Fabbri

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 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. It is anticipated that the Replacement of Lateral CE pipeline will be completed soon and staff requested an extension for another month.

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

The President announced that the motion carried.

## **Consider Resolutions Fixing GASC & GPSC and Set June Hearing**

The Manager led discussion on the General Administrative and General Project Service Charges and Resolutions with the Board. No changes were proposed, the charges will remain the same as 2020. In 2017 the Board approved a \$500 per acre-foot charge for consumptive use in excess of native yield on new lands brought into production after July 1, 2017. It was noted that

for the District to increase the \$500 per acre-foot charge, the District would need to comply with Proposition 218. Discussion followed.

On motion by Director Wegis, seconded by Director Portwood, the Board set the preliminary General Administrative and General Project Service Charges at \$1.50/Ac and \$137.90/Ac, respectively, set the Special General Project Service Charges at \$10.90/Ac, and made no change to the New Lands Surcharge, and adopted Resolution BW 21-02:

RESOLUTION FIXING CHARGES FOR GENERAL ADMINISTRATIVE SERVICE RENDERED BY THE IMPROVEMENT DISTRICT AND CHARGES FOR GENERAL PROJECT SERVICE RENDERED BY THE IMPROVEMENT DISTRICT; ORDERING THAT THE SAME BE COLLECTED FROM THE OWNERS OF LANDS RECEIVING THE BENEFIT THEREOF; ORDERING PREPRATION OF A PRELIMINARY ROLL AND PRELIMINARY RATES AND SETTING OF NOTICED HEARING (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 Portwood, Thomson, Toretta, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Director Fabbri

The President announced that the motion carried.

On motion by Director Portwood, seconded by Director Toretta, the Board adopted Resolution PP 21-02:

RESOLUTION FIXING CHARGES FOR GENERAL ADMINISTRATIVE SERVICE RENDERED BY THE IMPROVEMENT DISTRICT AND CHARGES FOR GENERAL PROJECT SERVICE RENDERED BY THE IMPROVEMENT DISTRICT; ORDERING THAT THE SAME BE COLLECTED FROM THE OWNERS OF LANDS RECEIVING THE BENEFIT THEREOF; ORDERING PREPRATION OF A PRELIMINARY ROLL AND PRELIMINARY RATES AND SETTING OF NOTICED HEARING (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 Portwood, Thomson, Toretta, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Director Fabbri

The President announced that the motion carried.

On motion by Director Toretta, seconded by Director Portwood, the Board adopted Concurrent Resolutions No. BW 21-03 and PP 21-03:

PROCEDURE FOR CONDUCT OF PUBLIC HEARING TO COLLECT  
AND FINALIZE THE ROLL FOR THE GENERAL ADMINISTRATIVE AND  
GENERAL PROJECT SERVICE CHARGES 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 Portwood, Thomson, Toretta, Tracy, Waterhouse and Wegis  
Noes: None  
Abstain: None  
Absent: Director Fabbri

The President announced that the motion carried.

**Consider GEI Task Order 04-2021 for Engineering Services for Completing the Final Design and Bid-Phase Support for the Leonard System Project**

District Engineer, Isela Medina, presented Task Order 04-2021 Final (90% and 100%) Design of and Bidding Services Support for the Leonard System Extension Project. There are grant funds available through DWR and the Bureau of Reclamation to complete the design stage of the Leonard System Extension. GEI's fee estimate for completing the Scope of Services is \$504,816. Discussion followed regarding the cost and feasibility of expanding District facilities and the necessity of various future distribution systems.

On motion by Director Wegis, seconded by Director Tracy, the Board authorized execution of Task Order 04-2021 Engineering Services for Completing the Final Design of the Leonard System Extension Project. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

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

The President announced that the motion carried.

**Consider Landowner Request for Shared Well**

Manager Gianquinto reported that the District received a request from District landowner, Sandridge Partners, for a shared well along the Pond-Poso Canal. Discussion followed concerning water quality issues and pumping into District facilities.

This item was tabled until June 9, 2021 Board meeting to allow the Policy and Procedure Committee to meet and further discuss Pump-in Policy.

**Consider Resolution Authorizing Sale of Surplus Property – Well Drilling Equipment**

Manager Gianquinto reported that an inquiry had been made as to whether or not the District would consider selling the Well Drilling Rig and Equipment. An unnamed party is very interested in purchasing the rig and equipment. Discussion followed regarding the lack of use of the rig the past few years and the need in the near future.

After consideration, on motion by Director Portwood, seconded by Director Toretta, the Board authorized the Manager to pursue proposals for the sale of the Well Drilling Rig and Equipment. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

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

The President announced that the motion carried.

**SEMITROPIC WSD GSA UPDATE**

At 1:30 p.m., the Board President, Dan Waterhouse, declared a meeting of the Semitropic Water Storage District Groundwater Sustainability Agency.

Manager Gianquinto reported that Staff and consultants continued working on implementation of the GSA’s Landowner Water Budget Program (Management Action No. 1) pursuant to SGMA.

District Staff continues to work with Landowners to prepare combined Et statements, answer questions regarding the 2020 Et Statements and processing both payments and credits.

The GSA meeting concluded at 1:40 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 are expected to arrive in late May and will be installed at the Raw Water Processing Plant. There have been some issues with polymer deliveries which are coming from the South-Eastern United States. The pipeline for fuel deliveries is currently shut down and the trucks for deliveries are not able to move the products. It is anticipated that this issue will be solved and the polymer will be delivered soon.

The Pond Road Solar Interconnection Facilities are ready to operate but a DC under/over voltage alarm test remains to be done per PGE. This 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, so District staff has contacted the SWSD account representative for assistance.

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

On the Lateral CE Pipeline Replacement job was completed early and will return to full service soon.

### **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 April 2021, which was accepted for filing.

GEI is preparing the Draft 2020 Annual Groundwater Monitoring Report for the District's review, although discussion is needed with District Staff before the Report can be completed.

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 the installation of electrical equipment.

GEI provided assistance for the preparation of Landowner Basin Sustainability Charges invoicing tools and QA/QC of the data and prepared KGA requested data for Interim Milestones.

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 completed and GEI is working with District Engineer on a final proposal of design and preparation of a construction bid package.

### **Balance Public Relations**

Dean Florez of Balance Public Relations reported on various legislative bills of interest to the District. Many bills that the District previously opposed were dropped.

On May 10, 2021, Governor Gavin Newsom issued a State of Emergency on California's ever-worsening drought. The proclamation expands the Governor's earlier two-county drought declaration for Mendocino and Sonoma counties to include 41 of the State's 58 counties – including San Joaquin Valley counties that touch the Sacramento-San Joaquin Delta and the

Tulare Lake watersheds. The proclamation was issued in conjunction with \$5 billion in spending on water resiliency proposed by the Governor. Newsom’s proclamation ordered, among other things, that the California Department of Water Resources and State Water Resources Control Board expedite review of water transfer requests, forbearance agreements and water exchanges to areas of need.

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SEMITROPIC WATER STORAGE DISTRICT  
PUBLIC HEARING MAY 12, 2021  
TO CONSIDER ADOPTION OF 2020 AGRICULTURAL  
WATER MANAGEMENT PLAN UPDATE

President Waterhouse called the hearing to order at 2:00 p.m. He noted that a quorum was present and that the attendance had been noted in the usual fashion.

Manager Gianquinto stated that proper “Notice” had been given regarding the hearing and availability of a Draft 2020 Agricultural Water Management Plan Update (AWMP); however, no requests nor comments were received to date.

Larry Rodriguez, of GEI Consultants, gave an extensive slide presentation on the Updated Plan. Semitropic’s operations are quite extensive and don’t exactly fit DWR’s templates; therefore, it took some time to prepare the 2020 AWMP Update to be consistent with SGMA Regulations.

The presentation highlights consisted of 1) Plan Outline; 2) Land Use and Consumptive Use – 2015-2020; 3) Water Budget; and 4) Demonstration of Reduced Reliance on the Delta.

President Waterhouse opened the hearing for any questions, comments or objections to the Plan. There were none. The Public Hearing closed at 2:30 p.m.

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On motion by Director Portwood, seconded by Director Toretta, the Board adopted Resolution ST 21-02:

ADOPTION OF 2020 AGRICULTURAL WATER MANAGEMENT PLAN UPDATE

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

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

The President announced that the motion carried.

## **REDTrac Update**

Greg Allen reported that REDTrac staff is collecting data for a Cost Allocation Report. A new data base has been instituted and the system is now working as planned.

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

Manager Gianquinto discussed his written report on “District Activity During April” dated May 7, 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 is participating in meetings by conference call or video conferencing. On June 26<sup>th</sup>, 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.

District Staff is working with Grapevine, LLC to install equipment for virtual meeting capabilities in the Board Room and Small Conference Room.

Manager Gianquinto reported on Delta issues, including the proposed Delta Conveyance Project (DCP), and the State Water Project. As of May 4, 2021, 100% of Kern County and 73.3% of the State is classified as being in “Extreme Drought” conditions. Given the 5% SWP allocation, the concern regarding operational exchanges for the delivery of banked water to our Northern Bankers continues to be an issue. The Kern County Water Agency continues to work with the Member Units, the State Water Contractors, MWD and DWR regarding the monthly routing of Aqueduct deliveries relative to Kern County Banking operations.

District Staff met with Pat Marchbanks of Tulare Basin Wetland Association regarding a concept for the development and extension of the South Pintail Slough. District Staff will continue coordination with TBWA to develop the project concept.

District Engineer, Isela Medina, reported on the construction of the Cox Canal Intertie Project. There is a question of how to test the facility upon completion under the current dry conditions. With no water available, there could be a delay in the start-up and testing of the facility.

At 3:20 p.m. President Waterhouse adjourned the Regular Board meeting.

## **Closed Session**

At 3:30 p.m. the meeting continued with Closed Session.

Participants included:

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

Directors Absent: Director Jeff Fabbri

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;  
District's Legal Counsel, Steve Torigiani; and  
Special Legal Counsel, Kevin O'Brien.

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*
- 8) *Central Delta WA v. DWR, et al., 3<sup>rd</sup> Appellate Dist., Case No. C078249; Center for Food Safety v DWR, 3<sup>rd</sup> Appellate Dist., Case No. C086215 (consolidated for oral argument)*

**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 4:15 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 4:15 p.m. by President Waterhouse.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Daniel Waterhouse, President