

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 15, 2019

The regular meeting of the Board of Directors was called to order by President Wegis on Wednesday, May 15, 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;
Balance Public Relations Representative, Dean Florez;
Agua Via Representative, Floyd Wicks;
Water Assoc. of Kern County Representative,
Beth Brookhart Pandol;
California High Speed Rail Representative,
Augustine Chung;
Others in Attendance: Kevin Assemi;
John Wedel, Brent Hankins, Garrett Busch,
Molly Saso, Stacie Silva, Jim Neufeld, and
Lawrence O'Leary.

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

PUBLIC COMMENT

Lawrence Leevy of IRRInet Control Center for Agriculture requested to address the Board regarding an ET monitoring system he is servicing.

ACTION ITEMS

Approval of Agenda

There being no new items to consider, the Agenda for the May 15, 2019 Board of Directors' meeting was unanimously approved as posted on motion by Director Waterhouse, seconded by Director Tracy.

Minutes

The Minutes of the Regular Board Meeting on April 10, and Special Board Meetings of April 17 and April 24, 2019 were presented for approval.

On motion by Director Waterhouse, seconded by Director Portwood, the Minutes of the Regular Board Meeting on April 10 and Special Board Meeting of April 17 and April 24, 2019 were approved as presented.

The Minutes of the GSA Board Meeting of April 10, 2019 were presented for approval.

On motion by Director Waterhouse, seconded by Director Portwood, the Minutes of the GSA Board Meeting on April 10, 2019 were approved as presented.

Treasurer's Report

The Treasurer's Reports for April 2019 were presented for review and approval. The Treasurer, Director Toretta, stated that he reviewed the reports with District staff and recommended approval.

On motion by Director Toretta, seconded by Director Waterhouse, the Treasurer's Reports for April 2019 for Semitropic Water Storage District and Semitropic Improvement District were approved for filing.

Financial Report

District Controller, Bobby Salinas, reviewed the April Income Statement and Financial Reports. An updated Budget will be presented at the June Board Meeting for consideration.

Accounts Payable

The Cash Disbursement List for May 15, 2019 was presented for review and payment. Discussion followed regarding water purchases from Buena Vista WSD; interest payment for financing on the SWRU construction of the XYZ Project; pump rental for the Buena Vista water transfers; and repairs at the P-384 Pumping Plant.

On motion by Director Portwood, seconded by Director Waterhouse, the Board authorized payment of the Accounts Payable as listed on the May 15, 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 Resolutions Fixing GASC & GPSC and set June Hearing

Manager Gianquinto led discussion on the General Administrative and General Project Service Charges and Resolutions. Bobby Salinas, District Controller, reviewed the calculations to set the 2019-20 charges to remain the same as 2018 at \$1.50/Ac for the General Administrative Service Charge and \$137.90/Ac for the General Project Service Charge and the Special General Project Service Charges at \$10.90/Ac (total of \$1.50 and \$9.40). It was also noted that the New Land Surcharge as adopted in 2017, will remain at \$500.00/Af for any lands found to be developed after July 1, 2017, provided that they are not currently paying the General Project Service Charge.

On motion by Director Fabbri, seconded by Director Tracy, 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, keep the New Lands Surcharge at \$500.00/Af and adopted all resolutions and documentation necessary for processing as listed below:

BW Resolution No. 19-02:

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 PREPARATION OF A PRELIMINARY ROLL AND PRELIMINARY RATES AND SETTING OF NOTICED HEARING (2019; COLLECTED 2019-2020)

PP Resolution No. 19-02:

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 PREPARATION OF A PRELIMINARY ROLL AND PRELIMINARY RATES AND SETTING OF NOTICED HEARING (2019; COLLECTED 2019-2020)

The NOTICE, order mailed with the adoption of the foregoing resolutions, form of letter to transmit the notice to landowners, and the following resolution, were approved by the Board.

PROCEDURE FOR CONDUCT OF PUBLIC HEARING TO COLLECT
AND FINALIZE THE ROLL FOR THE GENERAL ADMINISTRATIVE AND
GENERAL PROJECT SERVICE CHARGES FOR 2019
(COLLECTED 2019-2020)

Consider Authorization for Execution of Agreement to Fund FY 2019-20, 2020-21, and 2021-22 KCWA Participation in Independent Audit Association of the State Water Project

Bobby Salinas reported that the Kern County Water Agency has funded participation in the Independent Audit Association (IAA) Audit of the State Water Project (SWP) for many years and is asking Member Units to collectively join the Agency in participation. The IAA members contract with an auditor who conducts an independent audit of the California Department of Water Resources' (DWR) annual Statement of Charges.

The project budget is a not-to-exceed amount of \$200,000 annually and the District's share of cost is roughly \$34,000. Discussion followed.

On motion by Director Tracy, seconded by Director Portwood, the Board authorized the General Manager to execute an Agreement to fund FY 2019-20, 2020-21 and 2021-22, along with other Member Units, the Agency's participation in the IAA Audit of the State Water Project and provide the District's share of cost.

Consider Water Association of Kern County's Request to "wrap" a District Tank for Water Awareness Campaign

Manager Gianquinto introduced Beth Brookhart-Pandol, the Executive Director of the Water Association of Kern County, who reported that the theme of the new Water Awareness Campaign is "The Magic of Water." Several water districts have agreed to post a huge removable banner on their water towers advertising the Water Awareness Campaign. Discussion followed.

By consensus, the Board authorized participation in the Campaign by allowing a banner to be hung on a District water tower near I-5 which would have good visibility to travelers along the west side of the valley.

Consider Woodard & Curran (RMC) Cost Proposal to Provide Environmental Support for the Cox Canal Pumping Plant

District Engineer, Isela Medina, reported that Woodward & Curran submitted a proposal to provide environmental work and services for the Cox Canal Pumping Plant Project. Currently, Semitropic and Buena Vista Water Storage District exchange and transfer water between the districts by pumping water from the Cox Canal to the Semitropic Intake Canal. In years when surplus water supplies are available from BVWSD, Semitropic rents pumping equipment. Construction of the Cox Canal Pump Station would provide permanent capability to transfer surplus water and would improve the efficiency of implementing those transfers. The Budget is a not to exceed amount of \$72,203.00.

On motion by Director Waterhouse, seconded by Director Toretta, the Board accepted Woodward & Curran's proposal to provide environmental work and services for the Cox Canal Pumping Plant Project with a not-to-exceed budget amount of \$72,203.00.

SEMITROPIC GSA UPDATE

At 12:55 p.m., the Board President, Rick Wegis, declared a meeting of the Semitropic Groundwater Sustainability Agency. Manager Gianquinto reported that the Et Statements had been mailed to landowners. Discussion followed.

The GSA meeting concluded at 1:55 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 X-C pipeline and turnouts are complete and are now delivering water. It is anticipated that Lateral Z-B Extension north of Poso Creek will also be complete and ready for service in June, as well as all other Laterals on the SWRU XYZ Intertie Project.

The application for the Pond Road Solar Interconnection Facilities has been submitted and will be finalized after the District executes the EPC contract for the solar facility.

At the Junction Pumping Plant, the Accusonic flow meter has been ordered and submittals will be received later in May. Structural drawings for the meter vault are in progress and field work is scheduled to commence in June.

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 2019, which was accepted for filing.

As-requested services activities included revising the Landowner Sustainability invoicing spreadsheet with updated data from the District. Invoices were generated for each appropriate landowner in the District and transmitted to the District for distribution. GEI completed a Memo regarding a summary of water quality sampling methods and guidelines.

SGMA Compliance support included development of a preliminary water budget and establishment of draft level management actions. GEI is also working with the District in preparation for the SGMA workshop on May 22nd.

Groundwater Storage Services, Inc.

Will Boschman of Groundwater Storage Services, Inc. reported that Agua Via is making significant progress in finalizing a Project Description, assuming that the preferred alternative in the CEQA documents will be 5-7 wells primarily on the west side of the Maricopa Orchards property between Interstate 5 and Semitropic boundary. These wells would be above the Corcoran clay to avoid or at least minimize future deep subsidence. There is also activity to finalize bond financing.

Mr. Boschman represented the District at various meetings during the month, including the State Water Contractors' monthly Board Meeting. Topics for discussion and action included approved an agreement with San Francisco State University to fund a zooplankton study; approved a multi-year balanced exchange program between Dudley Ridge WD, KCWA and MWD; approved an agreement with ITN Industry News to produce a video to be shown at the annual American Fisheries Society; and authorized the SWCs to enter into an agreement with J. Comm. Inc to develop policy to build a climate-resilient water system to meet California's water needs through the 21st Century.

A Southern California Water Bank Authority Board meeting was held in April where it was reported that the documents for restructuring the Authority will be ready soon for Authority Members' review and approval.

Balance Public Relations

Dean Florez of Balance Public Relations reported there are rumors that Governor Gavin Newsom is considering opportunities for grant funding to clean up water (distressed wells & water facilities) that may benefit the District. Discussion continued regarding recent contacts with California High Speed Rail Authority representatives concerning eminent domain issues and agreements.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto's written report on "District Activity During April" dated May 15, 2019 was accepted for filing. In addition, the following items were presented:

Delta Issues

California Water Fix:

With the Governor's declaration that the CWF will be a single tunnel project, we have since learned that the project has been renamed to the Delta Conveyance Project and will be a single tunnel. The revamp of the project has resulted in a need to redo the environmental permitting work, to submit the petitions before the SWRCB as well as a number of other project related impacts.

State Water Project

The State Allocation remains at 70%. It is not expected to increase any more this year. Noncontract water will continue to be offered as long as Banking Partners continue to bring in water.

Significant discussions continued relative to the SWP Contract Amendment for the Extension of the SWP Contracts. The Kern County Water Agency is seeking a decision as to each member unit's position on the Contract Extension.

Other

Manager Gianquinto welcomed Augustine "Gus" Chung from the California High Speed Rail Authority who was in attendance. A meeting has been scheduled for May 24th with Mr. Chung and others to discuss where the Project stands and issues relating to Semitropic and the Authority.

Closed Session

At 2:30 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: Anticipated Litigation: Possible exposure to litigation pursuant to Gov't. Code § 54956.9 (d) (2).

- 1) One Potential Case

c. Conference with legal counsel Re: Anticipated Litigation: Possible exposure to litigation pursuant to Gov't. Code § 54956.9 (d) (4).

- 1) One Potential Case

d. 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 4:05 p.m. the Board reconvened to open session. President Wegis stated that several items were discussed.

On motion by Director Waterhouse, seconded by Director Portwood, the Board authorized the General Manager to execute the letter to the Kern County Water Agency for the State Water Project Contract Extension Amendment, contingent upon the Department of Water Resources sending a letter from Director Karla Nemeth confirming the need for a separate amendment with specific language to authorize the Delta Conveyance Project.

Adjournment

The meeting was adjourned at 4:05 p.m. by President Wegis. The next Adjourned Meeting was scheduled for Wednesday, April 24, 2019 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Fredrick A. Wegis, President