

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE SEMITROPIC WATER
STORAGE DISTRICT AND ITS
SEMITROPIC, BUTTONWILLOW, POND-POSO,
AND WILDLIFE IMPROVEMENT DISTRICTS

Convened at 12:30 p.m. on Wednesday,
August 11, 2021

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, August 11, 2021, at 12:30 p.m. via Conference Call. Pursuant to Executive Orders N-29-20 and N-08-21, Issued by Governor Newsom on March 17, 2020 and on June 11, 2012 respectively, 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, Rich Amigh;
Balance Public Relations Representative, Dean Florez;
REDTrac Representative, Greg Allen;
Jon Reiter, Floyd Wicks, Don Wright, Stacie Ann
Silva, Carole Fornoff, Mike Gallow, Travis Millwee,
Geoff Vanden Heuvel, Ranithri Slayton, Ted Page,
Leta Spencer, Leland Meibeyer, Tim Gobler,
Greg Wegis, Jeremy Darnier & Greg Nicol.

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

On motion by Director Toretta, seconded by Director Tracy, the Agenda was approved as posted. 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, and Waterhouse
Noes: None
Abstain: None
Absent: Director Wegis

The President announced that the motion carried.

Minutes

The Minutes of the Regular Semitropic Water Storage District Board Meeting and GSA Board Meeting on July 14, 2021 were presented for approval.

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

The President announced that the motion carried.

Treasurer's Reports

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

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

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 July 2021, although not all July activity has been finalized. The year-end balance is projected to be about \$15 M and is on track with the year-end 2021 Budget update.

Accounts Payable

The Cash Disbursement List for August 11, 2021 was presented for review and payment. Discussion followed regarding annual regulatory fees for California Underground Facilities Safe Excavation Board.

On motion by Director Toretta, seconded by Director Thomson, the Board authorized payment of the Accounts Payable as listed on the August 11, 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 and Waterhouse
Noes: None
Abstain: None
Absent: Director Wegis

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."

Director Wegis joined the meeting at this time.

Consider Resolution ST 21-06 Updated Kern Multi-Jurisdictional Hazard Mitigation Plan and SWSD Jurisdictional Annex

District Engineer, Isela Median, stated that Semitropic is an official participating jurisdiction in the Kern Multi-Jurisdiction Hazard Mitigation Plan through the County of Kern. The Plan has been updated and requires adoption by the District to be eligible to continue participation in future funding for mitigation projects under the multiple FEMA pre- and post-disaster mitigation grant programs. Discussion followed regarding past funding for projects such as Poso Creek repairs and other possible projects for future funding.

On motion by Director Portwood, seconded by Director Tracy, the Board formally adopted Resolution ST 21-06:

ADOPTING THE UPDATED KERN MULTI-JURISDICTION
HAZARD MITIGATION PLAN AND SEMITROPIC WATER STORAGE DISTRICT
JURISDICTIONAL ANNEX

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 Approval of Construction of the SWRU XYZ Pipeline Extension

Manager Gianquinto reported that the Water Supply and Banking Committee met after the July Board Meeting and discussed the build-out of the SWRU XYZ Pipeline Extension. The Committee presented two options for full Board discussion and consideration; 1) Estimate submitted by WM Lyles for installation of 18-inch pvc pipe at an approximate cost of \$855,256; or 2) 54-inch and 60-inch Reinforced concrete pipe in the Well Yard with installation labor and additional engineering at estimated cost by WM Lyles of \$1,444,744. Discussion followed.

On motion by Director Portwood, seconded by Director Fabbri, the Board authorized execution of an agreement with WM Lyles for the Construction of the SWRU XYZ Pipeline Extension with 18-inch pvc pipe at an estimated cost of \$855,256. 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 12:50 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 GEI Consultants have updated the Landowner Water Budgets. Larry Rodriguez of GEI gave a presentation on how the Budgets were developed, based on historical data from 2011 through 2020. Discussion followed.

The GSA meeting concluded at 1:35 p.m. See the separate Minutes of the Semitropic Water Storage District 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 the Raw Water Processing Plant is currently scheduled to resume operations in mid-August and will continue to operate during pumpback operations for the next several months. There is a significant supply of two polymers currently on hand.

The Pond Road Solar Interconnection Facilities are ready to operate but a DC under/over voltage alarm test remains to be done by PG&E. The test is now scheduled to occur on August 20th before pumpback operations commence.

Mr. Amigh stated that there is plenty of the 54-inch and 60-inch reinforced concrete pipe stored in the Well Yard to use on the Leonard Avenue Project.

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 July 2021, which was accepted for filing.

M.Cubed, a subconsultant to GEI, performed review and assessments for Prop. 218 tiered rate structures, collected District data and coordinated a meeting with GEI and the District.

Construction management services on the Cox Canal Intertie continued with observation of construction activities, contract administration and coordination meetings with District Staff.

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

GEI continued to work on the final proposal for design and preparation of a construction bid package on the Leonard System Extension. The horizontal pipeline alignment and draft vertical alignment were completed sent for review.

Balance Public Relations

Dean Florez of Balance Public Relations reported on the recall effort underway for Governor Gavin Newsom, and various candidates contending to take his place.

Discussion followed regarding various bills that are moving through both houses of the State legislature. The Rivas bill (AB 252) has been referred back to Rules Committee for further revisions.

REDTrac

Greg Allen recapped the Well Telemetry Project which is relaying data and information back to the District in a timely manner. There is still a need for a few District landowners to authorize PG&E to release landowner information so the Well Telemetry Project can work at maximum efficiency.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto discussed his written report on “District Activity During July” dated August 6, 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 Orders regarding COVID-19.

The SWP allocation remains at 5%. Oroville is projected to drop below the historical lowpoint (1977) later this year; therefore, the hydro plant cannot operate. On August 3, the State Water Resources Control Board took action to enact emergency regulations for curtailments in the Sacramento/San Joaquin Watersheds.

There are ongoing discussions between DWR and USBR regarding a program whereby the CVP will “borrow” stored SWP water in San Luis Reservoir with a promise to return the water by the end of the year. The 2022 water year starts on October 1. DWR hopes to divert water to storage if there is enough rain or snow.

The Manager reported on the 2021 Banking Operations, noting that the District is preparing for re-starting the pump-back operation before September 1st. The District continues working with WM Lyles to refine the operation of the recovery facility to achieve more consistent arsenic reduction performance.

Outreach activities included the General Manager and Board President participating in a roundtable discussion with Congressman Valadao and Congressman Westerman regarding California’s drought and the collective concerns for the future. The roundtable was hosted by Westlands Water District.

District Engineer, Isela Medina, reported that due to delays in delivery of pumps on the Cox Canal Intertie Project, the District can postpone the startup and testing of the facility until water is available to conduct the pump startup, testing and commissioning work. This work is being coordinated with BVWSD and the contractor.

Mrs. Medina also reported that the District has retained a drilling contractor to conduct several Cone Penetration Tests which will assist the District in designing and sizing the Semitropic Subsurface Recharge Facility.

District O & M Superintendent, John Lynch, reported that due to falling groundwater levels, District Staff has lowered several pumps in the North part of the District. Additional gates have been installed at various locations for security.

At 2:10 p.m. President Waterhouse adjourned the Regular Board meeting.

Closed Session

At 2:20 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;

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.

The District's legal counsel reported on 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., 3rd Appellate Dist., Case No. C078249; Center for Food Safety v DWR, 3rd Appellate Dist., Case No. C086215 (consolidated for oral argument)*
- 9) *KWBA, et al. v. Kern LAFCO, et al., Kern County Sup. Ct., Case No. BCV-21-101310-GP*

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 3:30 p.m. the Board reconvened to open session.

President Waterhouse stated that several items were discussed, but no reportable action was taken in closed session.

Adjournment

The meeting was adjourned at 3:35 p.m. by President Waterhouse.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Daniel Waterhouse, President