

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,
August 14, 2019

The regular meeting of the Board of Directors was called to order by President Wegis on Wednesday, August 14, 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 Contract Administrator, Becky Ortiz;
District Accounting Supervisor, Mariela Garza;
District Executive Secretary, Marsha Payne;
District's Consultants, Will Boschman;
District's Legal Counsel, Steve Torigiani
and Mark Bateman;
District's Consulting Engineers, GEI Consultants,
Inc., Represented by Larry Rodriguez;
BPR Representative, Dean Florez;
W.M. Lyles Representative, Rick Amigh;
Agua Via Representative, Floyd Wicks;
Shafter-Wasco Irrigation District Representative, Dana Munn;
Aviva Representative, Greg Allen;
CA Department of Water Resources Representative,
Leroy Ellinghouse;
CA High Speed Rail Representatives Rick Stead, Benjamin
Camazend and Kash Khan;
Others in Attendance: Kevin Assemi, Lindsay
Cedarquist, John Wedel, Brent Hankins, Garrett
Busch, Dennis Slater, Stacie Ann Silva, Scott
Hamilton, Dave Dorrance, Geoff Vanden
Heuvel, Brent Starrh, Keith Starrh and Christine
Gutierrez.

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

ACTION ITEMS

Approval of Agenda

There being no new items to consider, the Agenda for the August 14, 2019 Board of Directors' meeting was unanimously approved as posted on motion by Director Waterhouse, seconded by Director Portwood.

Minutes

The Minutes of the Regular Board Meeting on July 10, 2019 were presented for approval.

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

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

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

Treasurer's Report

The Treasurer's Reports for July 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 July 2019 for Semitropic Water Storage District and Semitropic Improvement District were approved for filing.

Financial Report

District Controller, Bobby Salinas, reviewed the July Income Statement and Financial Reports. The Actual/Projected Cash Flow is higher than anticipated due to Banking Partner water deliveries.

Accounts Payable

The Cash Disbursement List for August 14, 2019 was presented for review and payment. Discussion followed regarding access to Kern River Water, Et Remote Sensing Project, discing District property to keep down vegetation growth, and accounting software update.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized payment of the Accounts Payable as listed on the August 14, 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 Cofferdam Rental Agreement

Manager Gianquinto reported that the Coachella Valley Water District is preparing a bid for an upcoming project and has inquired about renting the District's cofferdam. Discussion followed regarding terms of a rental agreement.

On motion by Director Tracy, seconded by Director Portwood, the Board approved the terms of a rental agreement for the cofferdam at \$55,000, consistent with the terms of rental agreements in the past, with execution of an agreement upon close of bids and award of contract, if desired.

Consider Duck Club Water Rates for 2019-2020 Season

The Manager reported that due to the amount of water coming into the District at this time, there is water available for duck clubs and wildlife purposes. It is quite possible that water could be available through the end of the season.

Bobby Salinas stated that the 2018-19 duck club water rates were set at \$64 per acre-foot and recommended that the rates remain at \$64 per acre-foot for the 2019-20 season. Discussion followed regarding clean-up work to be done to the bottom of Poso Creek from Scofield Avenue to Gun Club Road so water could flow through to the North Pintail Slough and on to Widgeon.

On motion by Director Tracy, seconded by Director Waterhouse, the Board authorized Water to be made available to duck clubs at \$64 per acre-foot for the 2019-20 hunting season.

Consider Landowner Request (Pedro and Maria Dominguez)

Manager Gianquinto stated that this item was not yet ready for discussion and therefore is tabled until the September Board meeting.

Consider Entering into a Limited Permission to Enter Permit (PTE) with HSRA

Isela Medina presented three Limited Permission to Enter Permits with the High Speed Rail Authority for District Parcels (HSR Parcel No. FB 15-0001,0002, 0007 and 0011). The District has various protections in place so that staff can access the property at all times for maintenance of the properties. The PTE is an agreement to be in place for protection while the Master Agreement is being completed. It was requested that further discussion continue in closed session.

Consider Amended Water Purchase Agreement with Agua Via

Due to new developments, this item was referred to committee review and scheduled for action at the September Board meeting.

Consider Revised Intermittent Water Service Agreement for Lands Subject to Special General Project Service Charge

Manager Gianquinto stated that there have been requests for special circumstance consideration related to the General Project Service Charge. Discussion followed. By general consensus, the Board authorized Staff to draft a Revised Intermittent Water Service Agreement for Lands Subject to Special GPSC's which will then be Presented for review and action by the Board at a later date.

SEMITROPIC GSA UPDATE

At 12:57 p.m., the Board President, Rick Wegis, declared a meeting of the Semitropic Groundwater Sustainability Agency. Manager Gianquinto gave an update on the District's GSA activities and Larry Rodriguez reported on development of the draft chapters of the Kern Groundwater Authority GSP which will be available for public review after approval by all member agencies.

The GSA meeting concluded at 2:05 p.m. See the separate Minutes of the GSA Meeting for discussion topics and action taken.

CONSULTANT REPORTS

Design/Build Team Construction Update

W.M. Lyle's Representative, Rick Amigh, reported that all pipelines and turnouts have been installed on the SWRU XYZ Intertie Project and it is now operational.

The PG&E interconnection application for the Pond Road Solar Interconnection Facilities has been submitted to PG&E and is under review. The interconnection electrical equipment for the Pond Road Solar Project has been delivered and is in storage at the electrical subcontractor's facility. Coordination of the engineering and procurement are underway, and construction is scheduled to commence in August.

At the Junction Pumping Plant, W.M. Lyles' crews completed the concrete and rebar for the meter vault in July. The meter installation, electrical work and SCADA/controls programming is scheduled for August. The facility should be operational in late August or early September.

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 2019, which was accepted for filing.

Activity during the month included preparation of a grant Proposal for the next round of

funding for Poso Creek IRWM projects. Environmental documentation continued on the Diltz Intertie Improvement Project.

Other areas of GEI support included preparing a draft geotechnical report on the Cox Canal Intertie Project and development of a Preliminary Engineering Report for the proposed Leonard Distribution System.

Groundwater Storage Services, Inc.

Will Boschman of Groundwater Storage Services, Inc. reported that Agua Via's project description is essentially ready for distribution and discussion with interested parties. Amendments to the Water Purchase Agreement are being finalized in order to clarify payment provisions and financing structure.

It is anticipated that financing will be in place soon and negotiations for Aqua Planet's Project will be underway in the near future.

Mr. Boschman attended the Kern Water Bank Board meeting and the State Water Contractor's monthly Board Meeting in Sacramento. An announcement was made regarding the retirement of Curtis Creel, General Manager of the Kern County Water Agency, set for September 13, 2019. There was also discussion and a presentation at the SWC's meeting of costs going up due to repairs on Oroville Dam as well as energy demand cost increases.

Balance Public Relations

Dean Florez of Balance Public Relations presented a list of appointments that Governor Newsom has made in water and agricultural positions, including William "Bill" Lyons from Modesto as Agriculture Liaison in the Office of the Governor. Mr. Lyons will be meeting with a few Semitropic Board members and staff in the near future to discuss water and agricultural issues facing our landowners and farmers.

Mr. Florez also reported on various legislative bills that he is tracking that is of interest to the District.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto's written report on "District Activity During July" dated August 9, 2019 was accepted for filing. In addition, the following items were presented:

Delta Conveyance Project (Formerly California Water Fix)

The Manager reported that negotiations between the State Water Contractors and the Department of Water Resources were initiated in July regarding the amendments for the Delta Conveyance Project (formerly the California Water Fix).

Kern County Water Agency (KCWA) staff noted that the Design and Construction Authority has determined that it will require an investment of approximately \$350 million over the next three years to facilitate completion of the environmental review and preparation of the

environmental documents. This will be funded by those State Water Contractors electing to participate. The KCWA has requested that each of the Member Units provide the Agency with its desired level of proposed participation in the Delta Conveyance Project. Basically, the money spent on the California Water Fix is gone and additional funding will be needed for the Delta Conveyance Project. Discussion followed.

State Water Project

The State Water Project allocation for 2019 remains at 75%.

Weed issues at the District turnouts from California Aqueduct have been an ongoing issue for the majority of the past month, however, District operations staff has noted that in the past week, weeds seem to be less prevalent. DWR staff has continued cleaning the trash racks at ST 1 and ST 3 every 12 hours and accordingly, there have not been significant fluctuations in deliveries from the Aqueduct.

Closed Session

At 2:45 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) *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. Case No. 34-2018-00246183 (Sacramento Superior Court) Re: SWP Contract Extension Amendment*
- 6) *State of CA Dept. of Trans. v. Semitropic WSD, Case No. BCV-19-100326*
- 7) *State v. Pond Poso Improvement District of Semitropic Water Storage District, Kern County Superior Court, Case No. BCV-19-1007686*

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) 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*
- 2) *Acquisition of Water Supplies*
 - a. *Negotiation with: Multiple Sellers*

At 4:10 p.m. the Board reconvened to open session. President Wegis stated that several items were discussed.

On motion by Director Tracy, seconded by Director Fabbri, the Board authorized the General Manager to execute an Agreement to enter into a Limited Permission to Enter Permit (PTE) with California High Speed Rail Authority for District Parcels (HSR Parcel No. FB 15-0001, 0002, 0007, and 0011).

On motion by Director Waterhouse, seconded by Director Tracy, the Board authorized 15% participation in the planning effort of the Delta Conveyance Project as a Unit Member of the KCWA, not to exceed \$1.95 million over a 3-year period and subject to compliance Proposition 218 as necessary to fund such participation.

Adjournment

The meeting was adjourned at 4:15 p.m. by President Wegis. The next Adjourned Meeting was scheduled for Wednesday, August 28, 2019 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Fredrick A. Wegis, President