

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,  
September 11, 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: Phil Portwood, Tim Thomson, Tom Toretta,  
Todd Tracy, Dan Waterhouse and Rick Wegis;

Directors Absent: Jeff Fabbri;

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;  
Agua Via Representatives, Floyd Wicks, Brian  
Allum, Hemang Shah and Dolan Majumder;  
The Chronicles Group Representative, Jim Thebaut;  
Others in Attendance: Lindsay Cedarquist, John  
Wedel, Brent Hankins, Garrett Busch, Molly  
Saso; Geoff Vanden Heuvel, Ralph Pistorosi,  
Chad Carroll and Pres Brittan.

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

**Public Comment**

Mr. Jim Thebaut, representing the Chronicles Group, addressed the Board requesting financial support from Semitropic to help complete "California's Watershed" Documentary. The 26-minute film was presented, and discussion followed.

## **ACTION ITEMS**

### **Approval of Agenda**

A motion was made by Director Waterhouse, seconded by Director Tracy, and unanimously approved by all board members, to add one item to the Agenda: “Consider Contribution to The Chronicles Group toward the completion of the documentary titled “California’s Watershed”.

### **Consider Contribution to The Chronicles Group**

On motion by Director Waterhouse, seconded by Director Tracy, the Board authorized a contribution of \$12,500 to The Chronicles Group toward the completion of the documentary titled “California’s Watershed”. Mr. Thebaut expressed appreciation to the Board for supporting the documentary concerning California’s water crisis that affects all California residents.

### **Reorganization of the Board**

The Board President, Fredrick “Rick” Wegis, stated that he has been on the Board since 1995 and has served as President since 2002. He expressed his desire to step aside and appoint Director Daniel “Dan” Waterhouse to serve as President.

On motion by Director Portwood, seconded by Director Thomson, the Board approved the reorganization of its slate of officers as listed below, expressing their appreciation to Mr. Wegis for all his dedication and hard work for the good of the District. Director Waterhouse assumed the position of President and introduced the slate of officers as the following:

President -	Daniel Waterhouse
Vice President -	Fredrick Wegis
Treasurer -	Thomas Toretta
Secretary -	Todd Tracy
Directors -	Phillip Portwood, Jeffrey S. Fabbri and Timothy Thomson

### **Minutes**

The Minutes of the Regular Board Meeting on August 14, 2019 and Special Meeting of August 7, 2019 were presented for approval.

On motion by Director Wegis, seconded by Director Tracy, the Minutes of the Regular Board Meeting on August 14, 2019 and Special Meeting of August 7, 2019 were approved as presented.

The Minutes of the GSA Board Meeting of August 14, 2019 were presented for approval.

On motion by Director Wegis, seconded by Director Tracy, the Minutes of the GSA Board Meeting on August 14, 2019 were approved as presented.

## **Treasurer's Report**

The Treasurer's Reports for August 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 Portwood, the Treasurer's Reports for August 2019 for Semitropic Water Storage District and Semitropic Improvement District were approved for filing.

## **Financial Report**

District Controller, Bobby Salinas, reviewed the August Income Statement and Financial Reports. The Actual/Projected Cash Flow balance is anticipated to be higher at the end of the year due to increased storage by Banking Partners.

## **Accounts Payable**

The Cash Disbursement List for September 11, 2019 was presented for review and payment. Discussion followed regarding funding Kern County Water Agency in participation in the Independent Audit Association for the audit of the State Water Project as done in the past.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized payment of the Accounts Payable as listed on the September 11, 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 Landowner Water Service Request**

Manager Gianquinto reported that Pedro and Maria Dominguez own 28 acres of pistachios within Semitropic and has requested water service connection to the District. They are seeking the ability to pay back charges for the General Project Service Charges (GPSC) from 2017 to current standing. They acquired the property in 2007 and spoke with Paul Oshel, the former District Engineer, in 2014, and requested water service connection at that time. Documentation outlined the discussion in 2014; however, due to communication problems, the Dominguez's did not receive mail from the District until recently. Discussion followed.

On motion by Director Wegis, seconded by Director Toretta, the Board granted their request based upon the 2014 request and approved water service connection to Pedro and Maria Dominguez contingent upon payment of GPSC owed to date.

## **Consider Authorization of Staff to Pursue Refunding of 2012 Bonds**

Manager Gianquinto stated that recently long-term interest rates have dropped significantly, and it could be a lucrative time to refinance the 2012A Bonds. Michael Engelbrecht of Wells Fargo has been in contact with the Manager and District Controller, discussing refunding possibilities. Authorization was requested to pursue bond refinancing. Discussion followed.

On motion by Director Wegis, seconded by Director Tracy, the Board authorized staff to pursue refunding of the 2012A Bonds. Staff will report more at the October Board Meeting.

## **SEMITROPIC GSA UPDATE**

At 1:28 p.m., the Board President, Dan Waterhouse, declared a meeting of the Semitropic Groundwater Sustainability Agency. Manager Gianquinto gave an update on the District's GSA activities. A landowner meeting will be scheduled soon to present and discuss the "Plan" with District landowners and interested parties.

The GSA meeting concluded at 1:32 p.m. See the separate Minutes of the GSA Meeting for discussion topics and any action taken.

## **CONSULTANT REPORTS**

### **Design/Build Team Construction Update**

W.M. Lyle's Representative, Rick Amigh, reported that maintenance on the Raw Water Processing Plant is scheduled for January 2020 during the District shutdown period.

The SWRU XYZ Intertie Project has been completed, tested and is now operational. On the Pond Road Solar Interconnection Facilities, work continued on the PGE interconnection application process. Construction by WM Lyles on the interconnection has been delayed to September. The Solar EPC expects to commence with their work in October. The interconnection electrical equipment has been delivered and is in storage until needed.

On the Junction Pumping Plant Flow Meter, construction of the meter vault and appurtenances was completed in August. The Meter final calibration will be performed in September to make the facility operational.

### **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 August 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 compliance under both CEQA and NEPA are now complete on the Diltz Intertie Improvement Project. The award of a construction contract for the Diltz Project went to WM Lyles and it is anticipated the on-site potholing will commence in early September.

GEI completed preparation of the public review draft of the District's GSP, which was approved by the Board and released to the KGA in late August. Construction continued on the Pond-Poso Spreading Grounds – Phase V. Other support included completion and submittal of the Final 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 has been communicating with various individuals, Semitropic landowners, consultants and companies all in preparation of a Project Description as well as other CEQA documents. They are planning to initially construct a test well for purposes of data collection and if the project proceeds, could ultimately be used as one of the proposed production wells.

It is anticipated that financing will be in place soon and implementation of Aqua Planet's Project could be underway.

Mr. Boschman represented Semitropic in the ACWA Energy Committee meeting where they discussed record-breaking wildfires and PG&E's liability; and the applications pending on around 50 small Hydro Projects. He also attended the State Water Contractor's monthly Board Meeting in Sacramento.

As Manager of the Southern California Water Bank Authority, Mr. Boschman met with Steve Perez of Rosamond Community Services District to discuss the current status of the water bank and possible further development and operation of the project. There appears to be additional delays in the JPA restructuring process. The next quarterly Board meeting is scheduled for mid-October.

## **Balance Public Relations**

Dean Florez of Balance Public Relations sent notice that he met with Governor Newsom and various legislators regarding Senate Bill 1 (SB 1) to express opposition unless the bill is amended. SB 1 would force water users to comply with outdated requirements, losing the opportunity to move and store water and would continue bad water management practices for the environment and economy. Considerable discussion followed regarding SB 1 and its potential adverse impacts if passed by the Assembly and not vetoed by the Governor.

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

Manager Gianquinto's written report on "District Activity During August" dated September 6, 2019 was accepted for filing. In addition, the following items were presented:

### **Irrigated Lands Regulatory Program**

The Manager reported on items covered during the September 5<sup>th</sup> Kern River Watershed Coalition meeting, such as approval of the 2020 Budget which included fixing fees for Membership at \$25.00, Member Assessment at \$3.00, and Member Assessment (Late) fees at \$10.50 per Acre.

### **Delta Conveyance Facility Project (DCF)**

The Manager reported that the most recent negotiation session was August 26<sup>th</sup> where the State Water Contractors provided DWR with their second offer pertaining to cost allocation and participation framework for the DCF.

## Kern Groundwater Authority

The KGA Board met on August 28<sup>th</sup> and significant issues discussed included: Preparation of a revised template agreement for the inclusion of “white lands” via KGA member districts; approval of letters of support for the IRWMP projects, including the Semitropic-Shafter-Wasco Leonard System Intertie; and presentations of each member district providing an overview of their respective chapter for inclusion in the draft KGA GSP.

## Winter Work

District Engineer, Isela Medina, reported on a list of winter work projects to address any maintenance work needed on existing facilities and the winter shutdown period to dewater a portion of the District to accommodate the work. A letter will go out to the water users to notify them of the shutdown period.

## Closed Session

At 1:55 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 4:15 p.m. the Board reconvened to open session. President Waterhouse stated that several items were discussed; however, no reportable action was taken.

**Adjournment**

The meeting was adjourned at 4:15 p.m. by President Waterhouse. The next Adjourned Meeting was scheduled for Wednesday, September 25, 2019 at 12:30 p.m. to continue the business of the District.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Daniel Waterhouse, President