

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,  
September 8, 2021

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, September 8, 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, 2021 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: Phil Portwood, Tim Thomson, Tom Toretta,  
Todd Tracy and Dan Waterhouse;

Directors Absent: Jeff Fabbri and Rick Wegis

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;  
Balance Public Relations Representative, Dean Florez;  
REDTrac Representative, Greg Allen;  
Jon Reiter, Lindsay Cedarquist, Molly Therman,  
Floyd Wicks, Don Wright, Stacie Ann Silva, Carole  
Fornoff, Mike Gallow, Travis Millwee, Brent  
Hankins, Geoff Vanden Heuvel, Ted Page,  
Peter Nelson, Tim Gobler, Jeremy Darner, Greg  
Nicol, Kristie Robinson, Chad Carroll, Liz Gonzalez,  
Alan Becker and Andrew Garcia.

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 September 8, 2021 Board of Director's meeting was unanimously approved as posted.

## **Minutes**

The Minutes of the Regular Semitropic Water Storage District Board Meeting and Semitropic Water Storage District GSA Board Meeting on August 11, 2021 were presented for approval.

On motion by Director Tracy, seconded by Director Portwood, the Minutes of the Regular Semitropic Water Storage District Board Meeting and Semitropic Water Storage District GSA Meeting on August 11, 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 and Waterhouse  
Noes: None  
Abstain: None  
Absent: Directors Fabbri and Wegis

The President announced that the motion carried.

## **Treasurer's Reports**

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

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

The President announced that the motion carried.

## **Financial Reports**

District Controller, Bobby Salinas, reviewed the Financial Reports, including the Income Statement along with the Actual and Projected Cash Flow Report for August 2021. The year-end balance is projected to be about \$16.2 M.

## **Accounts Payable**

The Cash Disbursement List for September 8, 2021 was presented for review and payment. Discussion followed regarding meter replacement costs and bond payments to the State of California Department of Water Resources.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized payment of the Accounts Payable as listed on the September 8, 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 and Waterhouse

Noes: None

Abstain: None

Absent: Directors Fabbri and 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."

## **Consider District's Duck Club Lease**

Manager Gianquinto informed the Board that the District's Duck Club Lease has completed its 3-year term. However, the lease has a provision that the lessee may extend the lease for 1 year. Ken W. Smith, the lessee, has indicated that he would like to extend the lease. The same terms and conditions apply.

By general consensus the Board agreed it was appropriate pursuant to its terms that the lease be extended for one (1) year under the same terms and conditions cited in Paragraph 2 of the original lease signed August 31, 2018. No further action was taken.

## **Consider Approval of GEI Task Order 05-2021 for Engineering Services to Prepare a Grant Application Under USBR's Drought Resiliency Grant Program for the Proposed SWSD Subsurface Recharge Project**

District Engineer, Isela Medina, reported that a funding opportunity has become available under USBR's Drought Resiliency Grant Program and requests Board approval for GEI to prepare two proposals to be submitted for the proposed Semitropic Subsurface Recharge Project under GEI Task Order 05-2021. Each application will be for the same project but will request a different level of grant funding of \$500,000 and \$2,000,000. The authorizing Budget amount is not to exceed \$15,000. Discussion followed.

On motion by Director Thomson, seconded by Director Toretta, the Board authorized GEI Task Order 05-2021 to prepare two grant applications under USBR's Drought Resiliency Grant Program for the proposed SWSD Subsurface Recharge 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 and Waterhouse  
Noes: None  
Abstain: None  
Absent: Directors Fabbri and Wegis

The President announced that the motion carried.

**Consider Approval of Budget Augmentation for GEI Task Order 09-2017 to Support Evaluation of Subsurface Recharge**

Isela Medina presented GEI Task Order 09-2017 Budget Augmentation to Support the Evaluation of Subsurface Recharge for the Board's consideration. The augmentation defines additional scope and budget for work to be completed by GEI in ongoing feasibility evaluations of subsurface recharge sites within the boundaries of Semitropic. The budget is for an additional \$50,000 to make a total budget of not to exceed \$87,000 for this task. Discussion followed.

On motion by Director Toretta, seconded by Director Tracy, the Board authorized GEI Task Order 09-2017 Budget Augmentation to Support Evaluation of Subsurface Recharge. 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 and Waterhouse  
Noes: None  
Abstain: None  
Absent: Directors Fabbri and Wegis

The President announced that the motion carried.

**Consider Approval of Filing Notice of Delinquency on APN's #069-340-50 and #069-340-51**

District Controller, Bobby Salinas, reported that District landowner, Jesus J. Orozco, has delinquent water fees and/or charges with regard to two separate parcels of real property, Kern County APNs 069-340-50 and 069-340-51. The parcels have been delinquent since 2019. District staff has received information indicating that the County or a financial institution is set to foreclose on the property. In order for Semitropic to provide record notice of its lien on said real property and collect fees due, a "List of Delinquent 2019 Water Charges" must be filed with the Kern County Recorder's Office.

On motion by Director Thomson, second by Director Portwood, the Board authorized a "List of Delinquent 2019 Water Charges" be filed with the Kern County Recorder's Office to provide notice of the District's lien and to collect any and all fees and charges due to the District upon sale of the properties listed as Kern County APNs 069-340-50 and 069-340-51. 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 and Waterhouse  
Noes: None  
Abstain: None  
Absent: Directors Fabbri and Wegis

The President announced that the motion carried.

## **SEMITROPIC WSD GSA UPDATE**

At 1:15 p.m., the Board President, Dan Waterhouse, declared a meeting of the Semitropic Water Storage District Groundwater Sustainability Agency.

Manager Gianquinto gave a draft presentation to the Board regarding the Landowner Water Budget Project for review and comment before it is presented in an upcoming webinar to District landowners. The Manager also reported that Staff and GEI Consultants have updated the Landowner Water Budgets and that they will soon be mailed to all District landowners.

Larry Rodriguez of GEI gave a presentation on well measurement trendlines using groundwater elevations relative to minimum thresholds and measurable objectives. By comparing groundwater elevations within Semitropic with those of neighboring districts, it can be determined if there are impacts to or from Semitropic. Discussion followed.

The GSA meeting concluded at 2:10 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 was not present; however, his written report was presented for review.

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

Construction management services on the Cox Canal Intertie continued with observation of construction activities and contract administration. GEI held coordination meetings with District Staff and reviewed and responded to contractor submittals.

GEI assisted in the preparation and review of SGMA Landowner Water Budgets. Development of the MoD Flow groundwater model has been completed and GEI is currently going through the calibration process to ensure performance relative to historic conditions.

GEI continued to work on the final proposal for design and preparation of a construction bid package on the Leonard System Extension. There have been meetings and discussions regarding hydraulic analysis, preliminary pump selection, surge analysis, existing utilities, and engineering calculations.

## **Balance Public Relations**

Dean Florez of Balance Public Relations reported that the current State legislative session is winding down. Discussion followed regarding various bills related to agriculture and water. The Rivas bill (AB 252) has been referred back to Rules Committee for further revisions and likely will be reintroduced again in 2022.

## **REDTrac**

Greg Allen reported that REDTrac has collected almost all PG&E Authorizations from landowners which is necessary for PG&E to release landowner information to the District enabling the Well Telemetry Project to work at maximum efficiency. REDTrac is celebrating its 10<sup>th</sup> Anniversary.

## **Agua Via**

Floyd Wicks reported that Agua Via is slowly moving forward, still pursuing property in the District that would be suitable for drilling wells and developing a treatment plant. Representatives are also pursuing various avenues of funding for the project.

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

Manager Gianquinto discussed his written report on “District Activity During August” dated September 8, 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%. Nearly 100% of Kern County is currently under Exceptional Drought Conditions according to the State Use Drought Monitor.

The Manager updated the Board on the banking activities, noting that the District initiated preparation for returning water to the California Aqueduct. At this time, the District is returning approximately 200 CFS to the Aqueduct due to an electrical limitation at the Junction Check Structure; however, a generator is scheduled to be delivered soon which would allow an increase of the District’s return capacity to approximately 350 CFS.

Isela Medina reported that WM Lyles completed modifications to the District’s arsenic treatment facility to enhance mixing to improve the arsenic reduction. According to the initial data, the modifications have improved the reduction of arsenic prior to introduction to the Aqueduct. Mrs. Medina also gave an update on District project activities, including the Cox Canal Intertie Project, the Leonard System and the Semitropic Subsurface Recharge Project.

At 2:45 p.m. President Waterhouse adjourned the Regular Board meeting.

## Closed Session

At 2:50 p.m. the meeting continued with Closed Session.

Participants included:

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

Directors Absent: Jeff Fabbri 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; and  
District's Legal Counsel, Steve Torigiani.

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., 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)*  
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 4:00 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 4:00 p.m. by President Waterhouse.

APPROVED:

/s/ Todd Tracy, Secretary

/s/ Daniel Waterhouse, President