

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

Convened at 12:30 p.m. on Wednesday, October 11, 2023

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, October 11, 2023, at 12:31 p.m., at the District office located at 1101 Central Avenue, Wasco, California.

Directors Present: Dan Waterhouse, Todd Tracy, Jeff Fabbri, Phil Portwood, Tim Thomson, David Daniel

Directors Absent: Tom Toretta

Other Participants: General Manager, Jason Gianquinto
District Engineer, Isela Medina
District Controller, Bobby Salinas
District Contract Administrator, Becky Ortiz
District Superintendent, John Lynch
District Secretary, Laura Gage
District's Legal Counsel, Steve Torigiani
Larry Rodriguez (GEI)
Greg Allen (Aviva Energy)
Rick Amigh (W.M. Lyles Co)
Dean Florez (Balance)
Brent Hankins (Hankins Farms)
Carole Fornoff (Westchester)
Floyd Wicks (Agua Via)
John Gaugel (Wonderful)
Travis Millwee (Pacific Resources)
Douglas Jackson (Water Land Solutions)
Kal Kong (Valley Water)
Vincen Sorena (Nuveen)
Gerald Gonzalez (Congressman David Valadao)

President Waterhouse opened the meeting and welcomed all guests. Attendance was taken and recorded.

PUBLIC COMMENT

None

ACTION ITEMS

Approval of Agenda

No Action; no changes to the Agenda.

Minutes

The Minutes of the Regular Semitropic Water Storage District Board Meeting and Semitropic Water Storage District GSA Board Meeting of September 13, 2023, were presented for approval.

On motion by Director Tracy, seconded by Director Fabbri, the Minutes of the Regular Semitropic Water Storage District Board Meeting and Semitropic Water Storage District GSA Board Meeting of September 13, 2023, were approved as presented.

Treasurer's Reports

The Treasurer's reports for September 2023 were presented for review and approval.

Board Treasurer Toretta was absent and approval was postponed until next regular Board Meeting.

Financial Reports

District Controller, Bobby Salinas, reviewed the Financial Reports, including the Income Statement along with the Actual and Projected Cash Flow Report for September 2023.

Accounts Payable

The Cash Disbursement List for October 11, 2023, was presented for review and payment.

On motion by Director Portwood, seconded by Director Daniel, the Board authorized payment of the Accounts Payable as listed on the October 11, 2023, 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 Adoption of Resolution No. ST 23-06 ADOPTING AN ANNUAL RESERVE POLICY FOR THE SEMITROPIC WATER STORAGE DISTRICT and Resolution No. ST 23-07 ADOPTING AN ANNUAL INVESTMENT POLICY FOR THE SEMITROPIC WATER STORAGE DISTRICT

The General Manager, Jason Gianquinto provided an overview of Resolution No. ST 23-06 and Resolution No. ST 23-07.

On motion by Director Portwood, seconded by Director Tracy, the Board adopted Resolutions Nos. ST 23-06 and ST 23-07.

Ayes: Directors Tracy, Daniel, Thomson, Portwood, Fabbri, and Waterhouse
Noes: None
Abstain: None
Absent: Director Toretta

The President announced that the motion carried

Consider Adoption of Resolutions No. BW 23-05 and PP-05 RESOLUTION FIXING PRELIMINARY SWP WATER CHARGE AND PRELIMINARY ADDITIONAL WATER USE CHARGE FOR 2024, AND SETTING NOTICED PUBLIC HEARING THEREON

The General Manager, Jason Gianquinto, provided an overview of Resolutions Nos. BW 23-05 and PP 23-05, the Draft Notice for the public Hearing, and Draft Letter to Water Users/Landowners.

On motion by Director Portwood, seconded by Director Daniel, the Board approved Resolution No. BW 23-05 and Resolution No. PP 23-05

Ayes: Directors Tracy, Daniel, Thomson, Portwood, Fabbri, and Waterhouse
Noes: None
Abstain: None
Absent: Director Toretta

The President announced that the motion carried

Consider Adoption of Resolutions No. ST 23-08 and SID 23-01 ADOPTING 2024 BUDGET

District Controller, Bobby Salinas reported that the Finance Committee met with staff to review the 2024 Budget. Mr. Salinas reviewed the highlights of the 2024 budget.

On motion by Director Daniel, seconded by Director Portwood, the Board adopted Resolutions No. ST 23-08 and SID 23-01

Ayes: Directors Tracy, Daniel, Thomson, Portwood, Fabbri, and Waterhouse
Noes: None
Abstain: None
Absent: Director Toretta

The President announced that the motion carried

Consider Approval of Second Amendment to GEI Task Order 06-2022 for Providing Engineering Support during Construction of the P1030 Canal Relocation (HSR UA 2.0)

The District Engineer, Isela Medina, provided an overview of the second amendment to GEI Task Order 06-2022. Ms. Medina recommended Board approval of this task order.

On motion by Director Fabbri, seconded by Director Portwood, the Board approved the Second Amendment to GEI Task Order 06-2022

Ayes: Directors Tracy, Daniel, Thomson, Portwood, Fabbri, and Waterhouse
Noes: None
Abstain: None
Absent: Director Toretta

The President announced that the motion carried

Consider Adoption of Resolution No. ST 23-09 Authorizing Contracting for Emergency Work Without Bids Pursuant to Public Contract Code section 22050 (a)(1), to Address Immediate Need for Replacement of Radial Gates at Designated Check Structures

The District Engineer, Isela Medina, provided an overview of Resolution No. ST 23-09 authorizing contracting for emergency work without bids.

On motion by Director Tracy, seconded by Director Daniel, the Board adopted Resolution No. ST 23-09

Consider Approval of Agreement with WM Lyles for Replacement of Radial Gates at Designated Check Structures for Pond Poso and Buttonwillow Ridge Canals

The District Engineer, Isela Medina, provided an overview and recommended Board approval of Agreement with WM Lyles for Replacement of Radial Gates.

On motion by Director Tracy, seconded by Director Fabbri, the Board approved Agreement with WM Lyles for Replacement of Radial Gates

Consider Setting 2024 Wheeling Rates

The District Engineer, Isela Medina, provided an overview of the District's evaluation of the costs incurred relative to wheeling. Based upon the District's evaluation, staff propose that the Wheeling Charges be updated as noted below:

Administrative Charge: \$0.50 per acre-foot (to remain unchanged)
Conveyance Charge: \$33.00 per acre-foot

On motion by Director Portwood, seconded by Director Tracy, the Board approved the 2024 wheeling charges as proposed.

Consider Approval of Cost Proposal from Dee Jasper and Associates for Conducting Surveying Work of North-South Pintail Slough to Support Potential Acquisition of Easements

General Manager, Jason Gianquinto, provided an overview of Cost Proposal from Dee Jasper and Associates for Conducting Surveying Work of North-South Pintail Slough to Support Potential Acquisition of Easements

On motion by Director Daniel, seconded by Director Portwood, the Board approved the Cost Proposal from Dee Jasper and Associates for Conducting Surveying Work of North-South Pintail Slough.

Consider First Amendment to MKN Task Order 2021-001 for Providing Engineering Support Services during Construction of the HSR Conflict Relocations (HSR UA 2.0)

The District Engineer, Isela Medina, provided an overview of the First Amendment to MKN Task Order 2021-001 for Providing Engineering Support Services during Construction of the HSR Conflict Relocations.

On motion by Director Portwood, seconded by Director Daniel, the Board approved the First Amendment to MKN Task Order 2021-001.

SEMITROPIC WSD GSA UPDATE

At 1:04 p.m., the Board President, Dan Waterhouse declared a meeting of the Semitropic Water Storage District Groundwater Sustainability Agency.

SGMA Updates and Discussion

The General Manager, Jason Gianquinto and GEI Consultant, Larry Rodriguez provided an update on the District's SGMA related activities. Mr. Gianquinto noted that the majority of this month's work was tied to preparing for the presentation to the State Board on Methodology for Setting a Sustainable Management Criteria for Groundwater Levels. The presentation was agreed upon by the subbasin and was presented to the State Board on October 4th and received good feedback.

Mr. Gianquinto also provided an update on the Lost Hills Utility District (LHUD) Groundwater Extraction Budget and Settlement Agreement, noting that the agreement was fully executed.

CONSULTANT REPORTS

SWRU – Construction Update by W.M. Lyles

W.M. Lyle's Representative, Rick Amigh Provided an overview of their progress report which was provided with the Board Packet.

Consulting Engineer's Report

Larry Rodriguez from GEI Consultants presented and summarized GEI's "Consulting Engineers Report on Projects for September 2023" for work during September 2023, which was accepted for filing.

Balance Public Relations.

Dean Florez of Balance Public Relations provided an update of legislative activities in Sacramento.

REDTrac

Greg Allen of REDTrac provided a brief update on the Energy Cost Allocation Reports.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto noted that the Staff Report, titled "District Activity During September 2023," dated October 6, 2023, was included with the Board Packet. In addition, the following items were discussed:

The State Water Contractors are continuing to engage with DWR to respond to public comments on the draft EIR for the proposed Delta Conveyance Project (DCP), refine operations criteria and modeling, and to advance the DCP Contract Amendment. DWR is expecting to complete the Final EIR for DCP by the end of 2023. The Final EIR will include responses to comments and edits to the Draft EIR as necessary to respond to comments.

As previously noted, on April 20, 2023, the SWP Allocation was increased from 75 to 100%.

The District for the month of August continues to maximize deliveries of SWP water to the District, KWB and Pioneer.

On October 3rd, the SWCs provided an operations update. The Allocation models continue to support the 100% allocation. DWR noted that the anticipated end of year storage will be lower than projected. Accordingly, it is not expected that SWP Article 21 water will be made available this fall as noted in previous reports. Also, this

also leads one to believe that the risk of losing carryover is reduced.

Ms. Isela Medina, District Engineer, provided an update on recurring activities and winter work.

Mr. John Lynch, District Superintendent, provided an update regarding O&M activities.

At 1:54 p.m. President Waterhouse adjourned the Regular Board meeting, and it was reported that there was a need for the Board to reconvene in closed session.

Closed Session

At 2:07 p.m. the meeting continued with Closed Session.

Participants included:

Directors Present: Dan Waterhouse, Todd Tracy, Jeff Fabbri, Phil Portwood, Tim Thomson, David Daniel

Directors Absent: Tom Toretta

Other Participants: General Manager, Jason Gianquinto,
District Engineer, Isela Medina,
District Controller, Bobby Salinas,
District Contract Administrator, Becky Ortiz,
District Superintendent, John Lynch
District Secretary, Laura Gage
District's Legal Counsel, Steve Torigiani,
Larry Rodriguez (GEI)

During open session, the District's legal counsel, Steve Torigiani, stated that a closed session was needed to discuss various closed session matters, including reporting on the following items of pending and anticipated litigation:

- a. *Conference with legal counsel Re: Litigation (Govt. 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 Bd.*
 - 2) *Cal. Dep't of Water Res. v. All Persons Interested, "Complaint for Validation" Re: SWP Contract Extension Amendment, Sacramento Superior Court, Case No. 34-2018-00246183, Third Appellate District, Case No. C096316*
 - 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-19-100786*
 - 5) *Sierra Club v. California Department of Water Resources (DWR), etc. Re: Consolidated CEQA Case and "Complaint for Validation" Re: Delta Program Revenue Bonds, Sacramento County Superior Court, Case No. 34-2020-80003517*
 - 6) *Rosedale-Rio Bravo Water Storage District v. Kern County Water Agency, et al., Kern County Superior Court, Case No. BCV-21-100418*
 - 7) *KWBA, et al. v. Kern LAFCo, et al., Kern County Sup. Ct., Case No. BCV-21-101310*
 - 8) *KWBA, et al. v. Buena Vista Water Storage Dist., et al., Kern County Sup. Ct., Case No. BCV-22- 101227*
 - 9) *Semitropic Water Storage Dist. v. The Dow Chemical Co., et al., Kern County Sup. Ct., Case No. BCV-21-102528*
 - 10) *Macut v. Wabash National, et al., Kern County Superior Court, Case No. BCV-22-100318*
- b. *Conference with Legal Counsel Re: Anticipated Litigation: Possible exposure to litigation pursuant Gov't Code § 54956.9(d)(2) and § 54956.9(e) (Gov't Claims Act claim).*
- 1) *One Claim.*
 - 2) *One Potential Case.*
- c. *Conference with Legal Counsel Re: Anticipated Litigation: Possible initiation of litigation pursuant to Govt. Code § 54956.9(d)(4)*
- 1) *Two Potential Cases.*
- d. *Conference with Real Property Negotiator (Govt. 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 3:20 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 3:23 p.m. by President Waterhouse.

APPROVED:



Daniel Waterhouse, President


Todd Tracy, Secretary