

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  
February 10, 2010

The regular meeting of the Board of Directors was called to order by President Wegis on Wednesday, February 10, 2010, at 12:30 p.m., at the offices of the District, 1101 Central Avenue, Wasco, California. Those in attendance included:

Directors Present: Jeff Fabbri, Ted Page, Phil Portwood, Todd Tracy, Dan Waterhouse and Fredrick Wegis;

Directors Absent: James A. Crettol;

Others Present: General Manager, Will Boschman;  
Deputy General Manager, Jason Gianquinto;  
District Engineer, Paul Oshel;  
District Superintendent, John Lynch;  
District's Controller, John Wooner;  
Staff Engineer, Craig Wallace;  
District's Accountant, Judy Burns;  
District's Exec. Secretary, Marsha Payne;  
District's Legal Counsel, Ernest Conant;  
District's Consulting Engineers, Bookman-Edmonston, GEI Consultants, Inc., represented by Dick Rhone;  
W.M. Lyles Representatives, Rick Amigh;  
District landowners & representatives, Mark Palla, Devin Aviles and Kevin Assemi; and  
Steve Gair, Representing Wingate Realty.

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

**Approval of Agenda**

The Agenda was reviewed and accepted as posted on motion by Director Waterhouse, seconded by Director Tracy and unanimously approved.

## **ACTION ITEMS**

### **Minutes**

On motion by Director Portwood, seconded by Director Waterhouse, the Minutes of the Regular Meeting on January 13, 2010 were approved as presented.

### **Treasurer's Report**

The Treasure's Reports for January 2010 were presented for review and approval along with financial statements and cash flow charts.

On motion by Director Waterhouse, seconded by Director Tracy, the Treasure's Reports for Semitropic Water Storage District and Semitropic Improvement District for January 2010 were approved as presented.

### **Accounts Payable**

The Cash Disbursement List was presented for review and payment. Several items were discussed, including various agencies for environmental work, computer technical support, computer payroll tax program and expenses related to the 2008 bonds and "letter of credit". Discussion followed on activities that GEI is performing for the District, including preparation of various grants and CEQA documents.

Well drilling activities were discussed. Paul Oshel reported that the drilling crew is preparing to move equipment to the Antelope Valley Water Bank (AVWB) for the SRWBA. There was further discussion regarding pipe size, cost and comparisons of plastic and steel.

On motion by Director Waterhouse, seconded by Director Page, the Board authorized payment of the Accounts Payable as listed on the February 10, 2010 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 Resolution to Adopt a Negative Declaration & File Notice of Determination for Initial Study for Groundwater Banking & Exchanges Within the Poso Creek Plan Area**

Paul Oshel reported that a Negative Declaration and Initial Study for Groundwater Banking and Exchanges within the Poso Creek Plan Area were filed at the District office and the County Clerk's office on December 23, 2009 for public review. There being no comments received during the public review period, the Initial Study is ready to be finalized. A Notice of Determination must also be filed with the County Clerk and State Clearing House.

On motion by Director Portwood, seconded by Director Waterhouse, the Board adopted the Negative Declaration and filing of Notice of Determination in the form of Resolution No. SID 10-02:

RESOLUTION TO ADOPT A NEGATIVE DECLARATION AND SUPPORT OF FILING A NOTICE OF DETERMINATION FOR THE *INITIAL STUDY FOR GROUNDWATER BANKING AND EXCHANGES WITHIN THE POSO CREEK AREA*

**Consider Entering Into a Consulting Agreement with BHK for 2009 Audit**

Manager Boschman reviewed a consulting service agreement submitted by Barbich, Hooper, King, Dill & Hoffman (BHK) for preparation of the 2009 Audit. Discussion followed. Two agreements were submitted for Board consideration; 1) routine services for yearly audit, and 2) provide services for audit of 401(k) Semitropic Employee Retirement Plan.

On motion by Director Waterhouse, seconded by Director Portwood, the Board authorized the Manager to execute the consulting services agreements with BHK for the 2009 District Audit.

**Consider Filing for Reimbursement of State Mandated Programs**

The Manager reported that recently the SB 90/State Mandate Cost Program has been restored which provides every special district in California an opportunity to receive reimbursement from the State for expenses related to mandated programs. This reimbursement is for the time and costs associated with preparing a regular meeting agenda in accordance with the Ralph M. Brown Act. Discussion followed regarding past procedures and the time involved in preparing and filing for reimbursements.

On motion by Director Waterhouse, seconded by Director Portwood, the Board authorized staff to file reimbursement forms for SB 90/ State Mandate Cost Programs.

**Consider Financial Support for N-W Kern RCD Mobile Irrigation Lab for \$6,000**

Manager Boschman called attention to the annual report for the North-West Kern Resource Conservation District on the Mobile Irrigation Lab for the 2009 irrigation season. The Mobile Lab has been assisting growers throughout Kern County since 1988 in the management of their irrigation water, enabling them to be more efficient in the use of water. The service is made possible through contributions by water districts of Kern County and various State and Federal agencies. The NWKRCD is requesting a contribution of \$6,000 from Semitropic.

On motion by Director Waterhouse, seconded by Director Tracy, the Board authorized a contribution of \$6,000 toward the funding of the NWKRCD Mobile Irrigation Lab Program.

**Consider Authorization for Vintage Production of CA to perform Seismograph Survey on District Lands**

The Manager reported that the District recently received notice that Vintage Production California LLC, a Bakersfield based oil and gas exploration and development company, intends

to conduct a 3D Seismograph Survey in this area to help determine if there are new potential oil and gas reservoirs beneath the San Joaquin Valley. Vintage requested permission to conduct the survey on various parcels owned by the District. A map was viewed to determine which locations are targeted. Compensation was offered for right of entry fees although, it appears that there would be little or no impact to the District. Discussion followed.

On motion by Director Portwood, seconded by Director Tracy, the Board authorized right of entry to Vintage Production California LLC to conduct 3D Seismic Surveys on various parcels of District lands.

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

W.M. Lyle's representative, Rick Amigh, reported on the status of the SWRU Phase 2 project. The electrical design for the Phase 2B transmission has been completed and is in final review. Efforts are being made to get water service agreements executed in Service Areas X, Y and Z, as well as acquire rights-of-way and easements in System X. Ninety-five percent of the 30 to 60-inch pipe has been manufactured for System X and is being held at Hanson Pipe in Shafter. It is anticipated that the District will resume pumpback in late February and the raw water treatment process will also commence operations at that time.

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

Manager Boschman's written report on "District Activity During January 2010" dated February 3, 2010 was accepted for filing. In addition, Manager Boschman presented the following:

#### **Water Supply Update**

Manager Boschman reported that he had contacted State officials to inquire on a possible allocation update. The officials indicated that there have been no changes to the current 5 percent allocation to date but are hopeful of a boost in allocation later in the month after snow surveys have been completed.

The Manager also reported that on February 5, Judge Wanger granted a temporary restraining order on the salmon restrictions to allow the State and Federal pumps to resume pumping in the Delta for a critical time period where useable flows from recent rains can be captured, not wasted. However, environmental lawsuits are pending on the Delta smelt issues which might cause pumping to be reduced at any time.

#### **Status of Delinquencies**

There were no delinquencies for January.

## **Banking Project Update**

Manager Boschman reported that Castaic continues to talk about acquiring the Newhall Land capacity; however, nothing formal has been submitted. Newhall has requested an extension on their agreement.

A final agreement has been submitted to the City of Tracy for signature. Tracy representatives have submitted a request to the State to finalize their environmental documents and hopefully, will be able to sign the agreement before the end of the year.

## **JPA Activities**

The Manager reported on recent communications with LAWPD who has indicated that staff is discussing the budget for their groundwater banking project. JPA representatives previously indicated some options to help LADWP acquire funding for their project.

The AVWB Groundbreaking ceremony took place on February 8 at Rosamond and the Water Bank site. About 70 to 80 people attended the event with various local dignitaries present as well as neighboring water districts and interested parties. Various speakers were on the program, then the valve was turned on to initiate the delivery of water into the Water Bank. Afterward, lunch was served at the Rosamond office. Local news media interviewed various participants and there appeared to be a positive reception to the new AVWB.

## **Poso Creek IRWMP**

District Engineer, Paul Oshel, reported that discussions are on-going with the Department of Water Resources regarding whether or not the Poso Creek IRWMP Group would merge with the Kern IRWMP Group. At this time, the Poso Creek Group is moving forward on its projects as previously planned. Another meeting will be set soon for further discussions with DWR.

## **Office Addition**

It was reported that all of the new offices are completed and staff is moving into the new area. There are still some outside items to be completed, such as paving the parking lot and construction of the shade structure. After all work is completed, the landscaping and sprinkler system will be restored.

## **Consulting Engineer's Report**

Mr. Dick Rhone from Bookman-Edmonston, GEI Consultants, Inc. presented the "Consulting Engineers' Report on Projects for Semitropic Water Storage District" for work during January 2010, which was accepted for filing.

Mr. Rhone also reported on engineering activities related to the Groundwater Banking Program on the SWRU, Poso Creek IRWMP Meetings and reports and implementation of the grants received by Semitropic and Semitropic-Rosamond Water Bank Authority. The Pond-Poso Canal Reverse Flow Project, WB-219I Installation of Equipment, has been completed. The Pond-Poso Canal Reverse Flow Project, WB-219 Furnishing Pumps and Motor Units is nearing a settlement of liquidated damages due to delivery of all motors past the project completion date.

### **Closed Session**

At 2:45 p.m. the District's legal counsel, Ernest Conant, stated that a closed session was needed pursuant to the following:

- a. Conference with legal counsel to discuss pending litigation  
(Gov't Code Section 54956.9(a))  
*-California Groundwater Association, et al. v. Semitropic Water Storage District*  
*-State Water Contractors v. Salazar and related cases (Delta Smelt litigation)*
- b. Conference with legal counsel to discuss contract negotiations  
(Gov't Code Section 54956.8)
- c. Conference with Real Property Negotiators (Gov't Code Section 54956.8)  
Negotiators: Will Boschman and Rick Wegis  
Parties: Various landowners
- d. Personnel Matters (Gov't Code Section 54957)

All visitors left the meeting at this time.

Scott Kuney, Esq. joined the meeting at 2:55 p.m.

At 3:35 p.m. the Board reconvened to open session. President Wegis stated that several Items were discussed, including a contract amendment for a landowner (for which Director Fabbri was not present), various other contracts and an update on proceedings with California Groundwater Assn.

On motion by Director Portwood, seconded by Director Waterhouse, the Board authorized a contract amendment for Fabbri Farming Company to move Contract Water entitlement from one turnout to another on lands under common ownership.

On motion by Director Portwood, seconded by Director Waterhouse, the Board authorized the General Manager to execute the settlement agreement with the U.S. Fish and Wildlife Service regarding the East-West Pipeline Construction, subject to final review and approval of legal counsel.

On motion by Director Portwood, seconded by Director Waterhouse, the Board approved final terms of Consent Decree with the U.S. Army Corps of Engineers on the Kern River Flood Canal, subject to final review and approval of legal counsel and General Manager.

On motion by Director Portwood, seconded by Director Waterhouse, the Board approved terms of a Right-of-Way exchange with the Center for Natural Lands Management, subject to final review and approval by legal counsel and General Manager.

At 3:40 p.m. the meeting was adjourned by President Wegis until Wednesday, February 24, 2010 at 12:30 p.m. at the District office to continue the business of the District.

Todd Tracy, Secretary

APPROVED:

Fredrick A. Wegis, President