

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, September 13, 2023

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, September 13, 2023, at 12:30 p.m., at the District office located at 1101 Central Avenue, Wasco, California.

Directors Present: Dan Waterhouse, Todd Tracy, Tom Toretta, Jeff Fabbri (12:37 p.m.), Phil Portwood, Tim Thomson, David Daniel

Directors Absent: None

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)  
Sebastian Silveira (GladStone)  
Lindsay Cedarquist (Maricopa Orchards)  
Abbigale Seal (Westside Water Authority)  
Floyd Wicks (Agua Via Ltd)  
Daniel Cervantes (Wonderful)  
John Gaugel (Wonderful)  
Travis Millwee (Pacific Resources)  
Jesus Alonso (Clean Water Action)  
Andrew Garcia (Valley Water)  
Nicole Bonner

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

PUBLIC COMMENT

Mr. Floyd Wicks addressed the Board and on behalf of Mr. Jim Thebaut announced that "California's Watershed Healing," a film produced by the Chronicles Group, was broadcast nationwide by PBS.

ACTION ITEMS

**Consider Appointment of Director to Fill Division 7 Vacancy (David Daniel) pursuant to Gov't Code § 1780(d) & Adoption of Resolution ST 23-05**

On Motion by Director Tracy, seconded by Director Toretta, the Board adopted Resolution No. ST 23-05 and thereby appointed David Daniel to fill the Division 7 vacancy.

The President called for a roll call vote on the motion. The following is a record of the roll call vote:

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

General Manager, Jason Gianquinto, administered the oath of office to David Daniel. Upon completion of the oath of office, Director David Daniel was seated as the Division 7 Director.

**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 August 9, 2023, were presented for approval.

On motion by Director Portwood, seconded by Director Tracy, the Minutes of the Regular Semitropic Water Storage District Board Meeting and Semitropic Water Storage District GSA Board Meeting of August 9, 2023, were approved as presented.

**Treasurer's Reports**

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

On Motion by Director Toretta seconded by Director Portwood, the Treasurer's Reports for August 2023 for Semitropic Water Storage District and Semitropic Improvement District were approved for filing.

**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 2023.

**Accounts Payable**

The Cash Disbursement List for September 13, 2023, was presented for review and payment.

On motion by Director Portwood, seconded by Director Toretta, the Board authorized payment of the Accounts Payable as listed on the September 13, 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 Approval of Lease Agreement: Joe S. Esnoz**

The General Manager, Jason Gianquinto, presented to the Board a ten-year renewal to the Esnoz Family lease.

On motion by Director Tracy, seconded by Director Fabbri, the Board approved a ten-year renewal to the Joe S. Esnoz Lease.

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

**Consider Approval of Amendment 24 of the Stored Water Recovery Unit, Design Build Contract for the Relocation of Inventory RCP Pipe**

The District Engineer, Isela Medina provided an overview of an Amendment 24 of the Stored Water Recovery Unit, Design Build Contract for the Relocation of Inventory RCP Pipe.

On motion by Director Portwood, seconded by Director Toretta, the Board approved Amendment 24 of the Stored Water Recovery Unit Design Build Contract for Relocation of Inventory RCP Pipe.

**Consider Cost Proposal for the Procurement of Radial Gates for Check Structures on the Buttonwillow and Pond Poso Canals**

The District Engineer, Isela Medina, provided an overview of the cost proposal for procurement of Radial Gates for check structures on the Buttonwillow and Pond Poso Canals. Due to the critical nature of the facility Ms. Medina recommended Board approval of the Cost Proposal for Procurement.

On motion by Director Tracy, seconded by Director Toretta, the Board approved the Cost Proposal for Procurement of Radial Gates for Check Structures on the Buttonwillow and Pond Poso Canals.

### **SEMITROPIC WSD GSA UPDATE**

At 12:55 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 general updates which included a presentation on Ground Water Level Sustainable Management Criteria (SMCs).

### **Consider Providing Authorization to Withdraw from Kern Groundwater Authority**

The General Manger, Jason Gianquinto discussed concerns regarding being a member of the Kern Groundwater Authority (KGA) due to potential liabilities. Mr. Gianquinto noted the need to provide President Waterhouse with authority to withdraw from the KGA.

On motion by Director Portwood, seconded by Director Toretta, the Board provided President Waterhouse with authority to withdraw the District from the KGA.

The GSA meeting concluded at 2:30pm.

### **CONSULTANT REPORTS**

#### **SWRU – Construction Update by W.M. Lyles**

President Waterhouse noted that W.M. Lyle's Representative, Rick Amigh was not present today, but that Mr. Amigh's Monthly Report for the Month of August 2023 was included with the Board Packet.

#### **Consulting Engineer's Report**

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

**Balance Public Relations.**

Dean Florez of Balance Public Relations discussed various Legislative matters.

**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 August 2023,” dated September 8, 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 DCP Project, refine operations criteria and modeling, and to advance the DCP Contract Amendment should the project be approved. DWR is expecting to release a Final EIR 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% of the annual Table A amounts.

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

On August 29<sup>th</sup>, the SWC’s provided an operations update. The Allocation models continue to support the 100% allocation. DWR noted that pursuant to the incidental take permit (ITP) the fall X2 requirement will be in effect for the months of September and October. DWR is expecting to meet the Fall X2 requirement through additional Feather River releases. Also, the current DWR Allocation Model does not indicate any fall Article 21 deliveries, however, the model also shows DWR filling the State’s share of San Luis Reservoir in September and again refilling San Luis Reservoir in November and December under the 50% Fall Exceedance Condition. Additional DWR studies indicate that, based upon the historical record, there is a 45% chance San Luis Reservoir will fill by the end of December and a 35% chance of Article 21 being made available to the Contractors.

Ms. Isela Medina, District Engineer, provided an update regarding a number of the District projects and the current status of each.

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

At 2:57 p.m. President Waterhouse adjourned the Regular Board meeting.

**Closed Session**

At 3:07 p.m. the meeting continued with Closed Session.

Participants included:

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

Directors Absent:

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)

Via Teleconference: Kevin O'Brien (Downey Brand LLP)

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 4:59 p.m. the Board reconvened to open session.

President Waterhouse stated that several items were discussed. No reportable action was taken in closed session.

**Adjournment**

The meeting was adjourned at 4:16 p.m. by President Waterhouse.

APPROVED:



Daniel Waterhouse, President



Todd Tracy, Secretary