

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 12:31 p.m. on Wednesday, February 8, 2023

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, February 8th, 2023, at 12:31 p.m., at the District office located at 1101 Central Avenue, Wasco, California.

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

Directors Absent: None

Other Participants: General Manager, Jason Gianquinto,
District Engineer, Isela Medina,
District Superintendent, John Lynch
District Controller, Bobby Salinas,
District's Legal Counsel, Steve Torigiani,
Larry Rodriguez (GEI), Geoff Vanden Huevel, Don Wright,
Stacie Anne Silva

Via Teleconference: District Contract Administrator, Becky Ortiz
District Accounting Supervisor, Mariela Garza,
Rick Amigh (WM Lyles), Greg Allen (Aviva Energy),
Dean Florez (Balance), Doug Jackson, Floyd Wicks,
Kaho Kong (Valley Water), Kevin P. (Zone 7), Kristi
Robinson, Lindsay Cederquist, Lois Henry, Ranithri
Slayton (Valley Water), Sebastian Silveria, Travis
Milwee, Victoria L.

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

PUBLIC COMMENT

None

ACTION ITEMS

Consider Invoking Use of Remote Teleconference Meetings Under AB361

The General Manager, Jason Gianquinto, noted that no action is needed as all board members are in attendance.

Approval of Agenda

The General Manager, Jason Gianquinto, noted that Item (h) has been added to the Agenda.

On Motion by Director Toretta, seconded by Director Thomson, the Board approved the Agenda with the addition of Item (h) as a matter arising after the posting of the agenda and in need of immediate attention.

Minutes

The Minutes of the Regular Semitropic Water Storage District Board Meeting and Semitropic Water Storage District GSA Board Meeting on January 11, 2023 were presented for approval.

On motion by Director Tracy, seconded by Director Thomson, the Minutes of the Regular Semitropic Water Storage District Board Meeting and Semitropic Water Storage District GSA Board Meeting of January 11, 2023 were approved as presented.

Treasurer's Reports

The Treasurer's reports for January 2023 were presented for review and approval. Director Toretta (Treasurer) noted that he has reviewed the Treasurer's reports and recommends their approval.

On Motion by Director Toretta seconded by Director Portwood, the Treasurer's Reports for January 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 January 2023. Mr. Salinas noted that the Income Statement with the Actual and Projected Cash Flow Report for 2023 are based upon the Approved Budget for 2023.

Accounts Payable

The Cash Disbursement List for February 8, 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 February 8, 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 GEI Task Order 04-2023 (Poso Creek IRWM Annual Operating Budget)

The District Engineer, Isela Medina, provided an overview of the Task Order, noting that the District is only responsible for its portion of the operating expenses of the Poso Creek IRWM Funding Request.

On motion by Director Fabbri, seconded by Director Tracy, the Board authorized execution of GEI Task Order 04-2023.

Consider Landowner Request to Move Contract Water (Sandridge)

The General Manager, Jason Gianquinto, provided an overview of the request by Sandridge farms to move contract water from the parcels associated with Turnout S-119 (APN: 069-280-62, 069-280-09) to lands owned by Sandridge associated with Turnout P-22 (APN: 487-200-02).

On motion by Director Thomson, seconded by Director Portwood, the Board approved the landowner's request to move contract water and directed staff to prepare the necessary documentation.

SEMITROPIC WSD GSA UPDATE

At 12:43 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 District is currently reviewing the Et data for calendar year 2022 as provided by Land IQ with regard to the landowner water budgets, and presented the Preliminary Et data by land use category. Mr. Gianquinto also noted that the Semitropic GSA's request to add two additional monitoring wells to the monitoring network was approved by the Kern Groundwater Authority. Lastly, Mr. Rodriguez noted that work is being done to

coordinate water model information with Todd Groundwater as Todd continues its work in the development of the Basin Model.

Consider Resolution ST GSA 23-02: Resolution to Delay Fixing Preliminary Landowner Water Budget Program Administrative Penalties and Hearing

The General Manager, Jason Gianquinto noted that the District is in the process of reviewing the 2022 Et Data as provided by Land IQ and will need additional time to prepare the information necessary for preliminary fixing and imposition of water budget exceedance penalties and the public hearing thereon.

On motion by Director Tracy, seconded by Director Toretta, the Board authorized adoption of Resolution No. ST GSA 23-02: Deferring Preliminary Fixing, Hearing, and Final Imposition of Penalties to be Administratively Imposed on Landowners Exceeding their Landowner Water Budgets. 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, Fabbri, Tracy, Toretta, Reiter and Waterhouse
Noes: None
Abstain: None
Absent: None

The GSA meeting concluded at 12:53 pm.

CONSULTANT REPORTS

Build/Design Team Construction Update

W.M. Lyle's Representative, Rick Amigh, noted that W.M. Lyles progress report is included with the Board Package. Mr. Amigh also provided a summary of the work being done to rehabilitate the SWRU arsenic treatment facility, provided an update regarding the construction of the new turnout for Maricopa Orchards on the Intake Canal, as well as an update regarding the Leonard Ave. Intertie project noting that progress has slowed over the past month due to weather.

Consulting Engineer's Report

Larry Rodriguez from GEI Consultants presented and summarized GEI's "Consulting Engineers Report on Projects for Semitropic Water Storage District" for work during January 2023, which was accepted for filing. Mr. Rodriguez provided additional information noting GEI's progress in updating the District's groundwater model.

Balance Public Relations

Dean Florez of Balance Public Relations provided the legislative update noting that the District met with Antonio Villaragosa to provide a general Water briefing with emphasis on infrastructure, water storage, and the need to improve delta diversion facilities in light of the recent storms and the curtailment of exports from the Delta. Mr. Florez also noted that February 17th was the deadline to introduce legislation and that there appears to be significant focus on water.

REDTrac

Greg Allen of REDTrac did not have a report this month.

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto discussed his written report on “District Activity During January 2023” dated February 1, 2023, which was included as part of the Board packet. In addition, the following items were discussed:

With respect to our current water supply situation, Mr. Gianquinto noted that on January 26, 2023 the state water project allocation for 2023 was increased from 5% to 30% and DWR has stated that there are no requests for water for Human Health and Safety with the increase to 30%. Mr. Gianquinto also provided a discussion relative to the reduced exports from the Delta over the past month due to the State Water Project’s Incidental Take Permit (ITP) and noted that the first flush criteria under Section 8.3.1 was triggered. Exports have recently increased due to an increase of inflow to the Delta from the San Joaquin River. It was also noted that the Snowpack for the state is currently greater than 200% of the average to date.

With regard to Banking Operations, it was noted that with the 30% SWP allocation the majority of our banking partners have pulled back their request for recovery and we are fielding questions relative to our recharge capability. MWD is currently requesting recovery for 2023, however that may change with subsequent changes to the 2023 SWP allocation. At this time the District is moving forward with limited recovery operations.

Mr. Gianquinto addressed questions from the Board regarding the potential of San Luis Reservoir (SLR) filling and the potential for Article 21. Mr. Gianquinto noted that filling San Luis Reservoir is difficult to predict due to the uncertainty of Delta Export operations and the changing demands from for water from the SWP including water stored in SLR. District staff is tracking SLR operations closely.

Mr. Gianquinto provided a brief update regarding the timing of a DWR determination regarding our GSPs, and noted that it is expected that DWR will provide a decision as to the adequacy of the Kern Subbasin GSPs in March of 2023.

Ms. Isela Medina, District Engineer, provided an update to the board regarding a number of the District’s projects including the Leonard Ave. Intertie Project, and the ongoing coordination with the California High Speed Rail Authority regarding conflict resolution. Ms.

Medina also provided an update to the Board regarding our utility rates, noting that PG&E is projecting a 36.2% increase in electricity rates for 2023 and also noted a significant increase in natural gas pricing. Lastly, Ms. Medina provided an update to the Board regarding the District's SCADA Upgrade project.

Mr. John Lynch, District Superintendent, provided an update regarding O&M activities, noting that the District is continuing the rehabilitation of its reverse flow pump stations and is also preparing for the potential for the transition to recharge operations.

At 1:22 p.m. President Waterhouse adjourned the Regular Board meeting.

Closed Session

At 1:30 p.m. the meeting continued with Closed Session.

Participants included:

Directors Present:	Dan Waterhouse, Todd Tracy, Tom Toretta, Jon Reiter, Tim Thomson, Jeff Fabbri, Phil Portwood
Directors Via Teleconference:	None
Directors Absent:	None
Others:	General Manager, Jason Gianquinto, District Engineer, Isela Medina, 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: 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*
- 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) *Two Claims.*
 - 2) *One Other 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 3:00 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 3:05 p.m. by President Waterhouse.

APPROVED:

A handwritten signature in blue ink, appearing to read 'D. Waterhouse', written over a horizontal line.

Daniel Waterhouse, President

A handwritten signature in blue ink, appearing to read 'Todd Tracy', written over a horizontal line.

Todd Tracy, Secretary

MINUTES OF THE SEMITROPIC WATER STORAGE
DISTRICT GROUNDWATER SUSTAINABILITY
AGENCY (GSA) MEETING OF THE
BOARD OF DIRECTORS OF THE
SEMITROPIC WATER STORAGE DISTRICT

Convened at 12:43 p.m. on Wednesday,
February 8, 2023

The GSA meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, February 8, 2023, at 12:43 p.m. at the District office which is located at 1101 Central Avenue, Wasco, California. Members of the public were provided a teleconference option for participation:

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

Directors Absent: None

Other Participants: General Manager, Jason Gianquinto,
District Engineer, Isela Medina,
District Superintendent, John Lynch
District Controller, Bobby Salinas,
District's Legal Counsel, Steve Torigiani,
Larry Rodriguez (GEI), Geoff Vanden Huevel, Don Wright, Stacie
Anne Silva

Via Teleconference: District Contract Administrator, Becky Ortiz
District Accounting Supervisor, Mariela Garza,
Rick Amigh (WM Lyles), Greg Allen (Aviva Energy),
Dean Florez (Balance), Doug Jackson, Floyd Wicks,
Kaho Kong (Valley Water), Kevin P. (Zone 7), Kristi
Robinson, Lindsay Cederquist, Lois Henry, Ranithri
Slayton (Valley Water), Sebastian Silveria, Travis
Milwee, Victoria L.

SEMITROPIC WSD GROUNDWATER SUSTAINABILITY AGENCY (GSA)

At 12:43 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 District is currently reviewing the Et data for calendar year 2022 as provided by Land IQ with regard to the landowner water budgets, and presented the Preliminary Et data by land use category. Mr. Gianquinto also noted that the Semitropic GSA's request to add two additional monitoring wells to the monitoring network was approved by the Kern

Groundwater Authority. Lastly, Mr. Rodriguez noted that work is being done to coordinate water model information with Todd Groundwater as Todd continues its work in the development of the Basin Model.

Consider Resolution ST GSA 23-02: Resolution to Delay Fixing Preliminary Landowner Water Budget Program Administrative Penalties and Hearing

The General Manager, Jason Gianquinto noted that the District is in the process of reviewing the 2022 Et Data as provided by Land IQ and will need additional time to prepare the information necessary for preliminary fixing and imposition of water budget exceedance penalties and the public hearing thereon.

On motion by Director Tracy, seconded by Director Toretta, the Board authorized adoption of Resolution No. ST GSA 23-02: Deferring Preliminary Fixing, Hearing, and Final Imposition of Penalties to be Administratively Imposed on Landowners Exceeding their Landowner Water Budgets. 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, Fabbri, Tracy, Toretta, Reiter
and Waterhouse
Noes: None
Abstain: None
Absent: None

Adjournment

The GSA meeting was adjourned by President Waterhouse at 12:53 p.m. to continue the Regular Meeting of the Board of Directors of Semitropic Water Storage District.

APPROVED:



Daniel Waterhouse, President


Todd Tracy, Secretary