

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, July 12, 2023

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, June 12th, 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, Tim Thomson, Jeff Fabbri, Phil Portwood

Directors Via Teleconference: Jon Reiter

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),
Rick Amigh (W.M. Lyles Co)
Greg Allen (Aviva Energy)
Lindsay Cedarquist (Maricopa Orchards)
Amrit Mangat (BVWSD)
Brian Hocket (NWKRCDD)
Brian Allum (Agua Via Ltd)
Floyd Wicks (Agua Via Ltd)
Brent Hankins (Hankin Farms)
John Gaugel (Wonderful)
Don Wright (Water Wrights)
Travis Millwee (Pacific Resources)
Geoff Vanden Heuvel (Milk Producers Council)
Jesus Alonso (Clean Water Action)
Andrew Garcia (Valley Water)
Douglas Jackson (Water & Land Solutions)

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 on June 14, 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 June 14, 2023 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 Fabbri, Portwood, Thomson, Toretta, Tracy, Waterhouse,
and Reiter
Noes: None
Abstain: None
Absent: None

The President announced that the motion carried.

Treasurer's Reports

The Treasurer's reports for June 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 April 2023 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 Fabbri, Portwood, Thomson, Toretta, Tracy, Waterhouse,
and Reiter
Noes: None
Abstain: None
Absent: None

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 June 2023.

Accounts Payable

The Cash Disbursement List for July 12, 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 July 12, 2023 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 Fabbri, Portwood, Thomson, Toretta, Tracy, Waterhouse, and Reiter
Noes: None
Abstain: None
Absent: None

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."

Agua Via – Presentation (Brian Allum)

Mr. Brian Allum of Agua Via addressed the Board and provided a presentation which included a mock-up of their new technology for treatment of brackish water project.

Consider Approval of First Amendment to Poso Creek Water Co., LLC Banking Agreement

Director Reiter recused himself from Item 5(g).

The General Manager, Jason Gianquinto provided an overview of First Amendment to Poso Creek Water co., LLC Banking Agreement.

On motion by Director Tracy, seconded by Director Toretta , the Board authorized approval of First Amendment to Poso Creek Water Co., LLC Banking. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy, and Waterhouse

Noes: None

Abstain: Director Reiter (recusal)

Absent: None

The President announced that the motion carried.

Consider Funding Agreement, NWKRCB – Poso Creek Emergency Repairs (2023)

The General Manager, Jason Gianquinto provided an overview of the estimate costs for Poso Creek Repairs, 2023 Flooding Events and proposed funding agreement.

On motion by Director Portwood, seconded by Director Fabbri, the Board authorized approval of Funding Agreement, NWKRCB – Poso Creek Emergency Repairs (2023). The President called for a roll call vote on the motion. The following is a record of the roll call vote:

Ayes: Directors Fabbri, Portwood, Thomson, Toretta, Tracy, Waterhouse, and Reiter

Noes: None

Abstain: None

Absent: None

The President announced that the motion carried.

SEMITROPIC WSD GSA UPDATE

At 12:52 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 at a recent board meeting State Water Resources Control Board (SWRCB) staff presented the SWRCB with their proposed schedule for when probationary hearings for the 6 groundwater subbasins deemed inadequate will be noticed for hearing. The hearing for the Kern County subbasin was proposed to be scheduled after the hearings for the Tulare, Tule, and Kaweah subbasins, and was estimated to be scheduled for probationary hearing as early as April 2024. To date, no formal hearing notice has been issued for any of the subbasins. Mr. Gianquinto further noted that if the District were to have a revised GSP in place it would need to be completed by December 2023 to allow for adequate review time.

The GSA meeting concluded at 1:18pm.

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 Package.

Consulting Engineer's Report

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

Balance Public Relations.

President Waterhouse noted that Dean Florez of Balance Public Relations was not present today, but that Mr. Florez's Monthly Report for June -July was included with the Board Packet.

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 June 2023," dated July 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 prepare the DCP amendment to the SWP long-term water supply contracts should the Project be approved. DWR is expecting that the Final EIR will be completed 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 June increased delivery of Article 21 water to

replace the reduced Kern River flows via Buena Vista WSD. The District's ability to take Article 21 at the Kern Water Bank and in District is limited due to preference for maximizing delivery of Kern River Lower River Water via the KCWA which started on March 17th. The District for the month of June was blocked from recharging water at the Pioneer Project as the recharge participants are banking for overdraft correction. On July 1st, the District resumed recharge operations at the Pioneer Project.

Ms. Isela Medina, District Engineer, provided an update on the High Speed Rail Project.

Mr. John Lynch, District Superintendent, provided an update regarding O&M activities, noting that the Wegis Pumping Plant had a 1500KVA 12470-4160V station class transformer failure. After a nationwide search the District was successful in locating a 2500KVA transformer.

At 1:44 p.m. President Waterhouse adjourned the Regular Board meeting.

Closed Session

At 2:35 p.m. the meeting continued with Closed Session.

Participants included:

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

Directors Via Teleconference: Jon Reiter

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),

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*

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 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*

1. Old Business/Correspondence

At 3:21 p.m. the Board reconvened to open session.

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

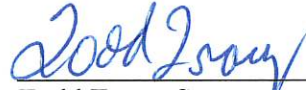
Adjournment

The meeting was adjourned at 3:22 p.m. by President Waterhouse.

APPROVED:



Daniel Waterhouse, President



Todd Tracy, Secretary