

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, June 14,2023

The regular meeting of the Board of Directors was called to order by President Waterhouse on Wednesday, June 14th, 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, 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),
Dean Florez (Balance)
Lindsay Cedarquist
Geoff King (Barbich Hooper King Dill Hoffman)
Mark Gehring(Barbich Hooper King Dill Hoffman)
Travis Millwee (Pacific Resources)
Geoff Vanden Heuvel (Milk Producers Council)
Floyd Wicks (Agua Via)
Mitch Partovi (The Water Agency)
Sebastian Silvera (GladStone)
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.

Consider Acceptance of 2022-2021 Audited Financial Statements

Mr. Geoff King of Barbich Hooper King Dill Hoffman presented the Audited Financial Statements for 2022-2021.

On motion by Director Toretta, seconded by Director Thomson, the Board accepted the Audited Financial Statements for 2022-2021.

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 Tracy, seconded by Director Portwood, 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.

Treasurer's Reports

The Treasurer's reports for May 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.

Financial Reports

District Controller, Bobby Salinas, reviewed the Financial Reports, including the Income Statement along with the Actual and Projected Cash Flow Report for May 2023. Mr. Salinas noted that the Income Statement with the Actual and Projected Cash Flow Report for 2023 are based on the original Budget.

Accounts Payable

The Cash Disbursement List for May 17, 2023, was presented for review and payment.

On motion by Director Portwood, seconded by Director Thomson, the Board authorized payment of the Accounts Payable as listed on the May 17, 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 2023 Budget Update

The District Controller, Bobby Salinas, Presented the updated 2023 Budget.

On Motion by Director Toretta, seconded by Director Portwood, the Board adopted the updated 2023 Budget.

SEMITROPIC WSD GSA UPDATE

At 12:59 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 updates relative to the Kern Groundwater Authority (KGA). Which included a discussion of the withdrawal of Shafter Wasco Irrigation District, North Kern Water Storage District, Cawelo Water District and Southern San Joaquin Municipal Utility District, and Rosedale-Rio Bravo Water Storage District from the KGA. KGA will work with those members to determine when the withdrawal will take place.

The GSA meeting concluded at 1:36 pm.

1:30 PM Hearing - NOTICE OF FILING PRELIMINARY ROLL, GASC & GPSC AND HEARING OF ANY OBJECTIONS TO ROLL, AND CONSIDERATION OF ADOPTION OF RESOLUTIONS BW 23-04, PP 23-04, AND ST 23-04 ADOPTING THE ROLL, SETTING CHARGES, ETC.

President Waterhouse called the Hearing to order at 1:36 p.m. and stated that this was the time and place for the public hearing to hear objections to the preliminary roll for General Administrative and General Project Service Charges and to finalize rolls and rates for said charges for 2023-2024.

District's legal counsel, Steve Torigiani, stated that at its May 17th 2023 meeting, with adoption of Resolutions Nos. BW 23-02 and PP 23-02, the Board preliminarily fixed the amounts to be collected for the General Administrative and General Project Service Charges for 2023 for the Buttonwillow Improvement District and Pond-Poso Improvement District. Mr. Torigiani offered the following items to

be marked as indicated and attached to the Minutes:

Affidavits of Publication prepared by The Bakersfield Californian showing Publication of the Notice of Filing of Preliminary Roll and Fixing Preliminary Rates at this Hearing.

To be marked as "Exhibit B-BW
and "Exhibit B-PP"

Affidavit of Mailing of Notice of this Hearing to landowners in the Buttonwillow And Pond-Poso Improvement Districts expected to receive a charge.

To be marked "Exhibit C"

A reduced copy of the map in the roll of Semitropic Water Storage District and The Buttonwillow and Pond-Poso Improvement District for reference as needed.

To be marked "Exhibit D"

A Memorandum from Manager
Jason Gianquinto dated June 14, 2023.

To be marked "Exhibit E"

The President called for a roll call vote on to approve inclusion of each and all of said Exhibits as part of the Minutes. The following is a record of the roll call vote:

AYES:	Directors Fabbri, Tracy, Thomson, Toretta, Waterhouse, Portwood, and Reiter
NOES:	None
ABSENT:	None
ABSTAIN:	None

The President announced that the motion carried.

Manager Gianquinto reported that preliminary rates per acre were calculated by dividing the charges fixed by the Board at the May 17, 2023 meeting for each classification by the number of acres in the respective classification. The preliminary rates developed are as follows:

For Buttonwillow Improvement District, the General Administrative Service

Charge is \$1.50 per acre and the General Project Service Charge is \$137.90 per acre. The Special Minimum General Project Service Charge for recreational land and irrigated native pasture is \$10.90 per acre, and made no change to the New Lands Surcharge

For Pond-Poso Improvement District, the General Administrative Service Charge is \$1.50 per acre and the General Project Service Charge is \$137.90 per acre. The Special Minimum General Project Service Charge for recreational land and irrigated native pasture is \$10.90 per acre, and made no change to the New Lands Surcharge

No written or verbal objections or comments were received or made, and President Waterhouse closed the Hearing.

Legal counsel, Steve Torigiani stated that now is the time and place set by the Board to adopt the final Roll and fix the General Administrative and General Project Service Charges. He stated the action taken by the Board would be in the form of resolutions requiring a roll call vote.

On motion by Director Tracy, seconded by Director Fabbri, the Semitropic Board of Directors passed and adopted Resolution No. BW 23-04. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

AYES: Directors Fabbri, Tracy, Thomson, Toretta,
Waterhouse, Portwood, and Reiter
NOES: None
ABSENT: None
ABSTAIN: None

RESOLUTION FINALIZING ROLL OF GENERAL
ADMINISTRATIVE AND GENERAL PROJECT SERVICE
CHARGES; FIXING RATES PER ACRE FOR SAID CHARGES;
ORDERING THAT THE SAME BE COLLECTED FROM THE
OWNERS OF LANDS RECEIVING THE BENEFIT THEREOF AND
ELECTING THAT SUCH CHARGES BE COLLECTED BY THE
COUNTY OF KERN (2023; COLLECTED 2023-2024)

On motion by Director Fabbri, seconded by Director Toretta, the Semitropic Board of Directors passed and adopted Resolution No. PP 23-04. The President called for a roll call vote on the motion. The following is a record of the roll call vote:

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

NOES: None
ABSENT: None
ABSTAIN: None

RESOLUTION FINALIZING ROLL OF GENERAL
ADMINISTRATIVE AND GENERAL PROJECT SERVICE
CHARGES; FIXING RATES PER ACRE FOR SAID CHARGES;
ORDERING THAT THE SAME BE COLLECTED FROM THE
OWNERS OF LANDS RECEIVING THE BENEFIT THEREOF AND
ELECTING THAT SUCH CHARGES BE COLLECTED BY THE
COUNTY OF KERN (2023; COLLECTED 2023-2024)

In furtherance of collection of the General Administrative and General Project Service Charges by the County, the following resolution was offered:

On motion by Director Portwood, seconded by Director Thomson, the Secretary was authorized to execute the agreement and the Directors passed and adopted Resolution No. ST 23-04. The President called for a roll call vote on the motion. The following is a record of the roll call vote

AYES: Directors Fabbri, Tracy, Thomson, Toretta,
Waterhouse, Portwood, and Reiter
NOES: None
ABSENT: None
ABSTAIN: None

AUTHORIZING THE EXECUTION OF AN AGREEMENT
BETWEEN COUNTY OF KERN AND THE SEMITROPIC WATER
STORAGE DISTRICT FOR THE COLLECTION OF SPECIAL
ASSESSMENTS (GENERAL ADMINISTRATIVE AND GENERAL
PROJECT SERVICE CHARGES)

CONSULTANT REPORTS

SWRU – Construction Update by W.M. Lyles

W.M. Lyle's Representative, Rick Amigh, did not have a report this month.

Consulting Engineer's Report

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

Balance Public Relations

Dean Florez of Balance Public Relations discussed various legislative matters including water rights reform bills and the proposed budget.

REDTrac

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

INFORMATIONAL AND UP-DATE ITEMS

Manager Gianquinto noted that the Staff Report, titled "District Activity During April 2023", dated May 10, 2023, was included with the Board Package. In addition, the following items were discussed:

On April 20, 2023 the SWP Allocation was increased from 75 to 100%. The SWP has not provided a 100% allocation since 2006. On April 28th the SWC's Operation's committee held a meeting at which DWR presented an updated suite of allocation studies based upon the most recent hydrology. The 100% allocation is consistent with DWR's Allocation analysis for the 90% probability of exceedance.

As previously noted, DWR initiated deliveries of Article 21 on March 22nd. The District, for the month of April continued taking delivery of Article 21 in District as well as delivering Article 21 to the Kern Water Bank. 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 is currently blocked from recharging water at the Pioneer Project as the recharge participants are banking for overdraft correction.

District staff are working diligently to maximize opportunities for recharge for the benefit of the District and our Banking partners. District staff continues to engage with landowners to promote landowner recharge as well as to maximize delivery of Non-Contract water for in-lieu recharge. The District, based upon our historical operations for the months of May to December expects to deliver between 330,000 and 400,000 AF. This includes a minimum of 140,050 for our bankers and delivery of our 100% table A (155,000 AF) by December 31, 2023. Lastly, the District continues working with our neighboring districts (Buena Vista, North Kern, Shafter Wasco) to maximize the utility of our existing interties.

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

At 2:24 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, Jon Reiter

Directors Absent: None

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

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 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*
 - b. Negotiation with: Multiple sellers*

At 3:45 p.m. the Board reconvened to open session.

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

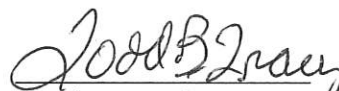
Adjournment

The meeting was adjourned at 3:46 p.m. by President Waterhouse.

APPROVED:



Daniel Waterhouse, President



Todd Tracy, Secretary