

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
ARVIN-EDISON WATER STORAGE DISTRICT
January 14, 2020**

CALL TO ORDER

President Edwin Camp called to order the monthly meeting of the Board of Directors' of the Arvin-Edison Water Storage District at the hour of 12:00 p.m., in the Board Room of District Headquarters, at 20401 East Bear Mountain Boulevard, Arvin, California, with a quorum being then and there present, to wit:

Edwin Camp, President
John Moore, Secretary-Treasurer
Catalino Martinez
Dennis Johnston
Charles Fanucchi
Derek Yurosek
Kevin Pascoe

There were two absent Director:

Jeffrey Giumarra, Vice President
Ron Lehr

District staff present:

Jeevan Muhar, Engineer-Manager
David Nixon, Deputy General Manager
Steve Collup, Director of Water Resources
Mark Dawson, Engineer*
Fernando Ceja, Engineering Technician*

District consultants present:

Scott Kuney, Esq., Law Offices of Young Wooldridge, LLP
Herb Simmons, Provost & Pritchard Engineering Group (arrived @ 1:10 and departed @ 1:30 p.m.)

Visitors and Guests:

Matt Feaver, Agricare*
George Cappello, Grimmway Enterprises*
Matt Vickery, Grimmway Enterprises*
Trelawney Bullis, Sun Pacific Farming*

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

RECOGNITION OF VISITORS AND GUESTS

All visitors introduced themselves and were formally welcomed.

**Note: Departed at the start of Closed Session 1:30 p.m.*

CORRECTIONS OR ADDITIONS TO THE AGENDA OF ITEMS, AS AUTHORIZED BY GOVERNMENT CODE §54950 et seq.

Mr. Muhar noted there were no changes to the posted Agenda.

OPPORTUNITY FOR PUBLIC COMMENT

There were no public comments.

CONSIDER THE BOARD OF DIRECTORS' MEETING ON FEBRUARY 11, 2020

President Camp noted next month's meeting scheduled for February 11, 2020, which there were no conflicts.

CONSENT AGENDA

President Camp asked if there were any questions in regards to the Consent Calendar, which items were detailed with staff reports in the board packet. The following is the list of Consent Agenda items:

- CA-1) **Agenda Item 7:** Approval of Minutes of the Board of Directors' meeting held on December 10, 2019
- CA-2) **Agenda Item 8:** Approval of Treasurer's Report for December 31, 2019
- CA-3) **Agenda Item 9:** Approval of memberships, contributions, and/or call for funds:
 - a) Friant Water Authority in the amount of \$62,381.95
 - b) Kern County Farm Bureau in the amount of \$250
 - c) North West Kern Resource Conservation District in the amount of \$6,000
- CA-4) Resolution No. 20-01, AUTHORIZING THE EXECUTION OF CONTRACT FOR TEMPORARY WATER SERVICE BETWEEN THE UNITED STATES AND ARVIN-EDISON WATER STORAGE DISTRICT

Director Martinez motioned, seconded by Director Yurosek, and unanimously carried to approve staff recommendations for the four (4) Consent Agenda items.

ACTION ITEMS

RESOLUTION NO. 20-02, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (December 2019 - Warrant Numbers 41185 - 41311)

Mr. Nixon noted two additional warrants totaling approximately \$650K to Bakersfield Well & Pump, which brings December total payments to \$2.5M. Mr. Nixon presented a form of Resolution; whereupon, Director Johnston motioned, seconded by Director Pascoe, and unanimously carried that Resolution No. 20-02, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (December 2019), be adopted. A copy of Resolution No. 20-02, is on file in the Resolution book and is hereby made a part of these minutes.

CONSIDER APPROVAL OF STRATEGIC PLAN

Mr. Muhar stated Martin Rauch was not able to make the meeting today, but reminded the Board of the update on the District's Draft Strategic Plan (Plan) last month and noted no editorial comments were received from the Board. Mr. Muhar stated at this time, without any further comments, staff would finalize the Plan. There was a brief discussion regarding the process, details, action items, etc., and Director Pascoe motioned, seconded by Director Martinez, and unanimously carried to approve the District's Strategic Plan as presented at the December 10, 2019 Board meeting.

RESOLUTION NO. 20-03, CLOSING FUND NUMBER 60307, ENTITLED "ARVIN-EDISON WATER STORAGE DISTRICT PROPOSITION 204 PAYMENT ACCOUNT" AND CHANGING THE NAME OF FUND NUMBER 60306 TO "DEBT RESERVE FUND BANK OF AMERICA"

Mr. Nixon stated this resolution addresses the accounts with the County of Kern Treasurer's Department to provide a new account title and an elimination of one account. Director Fanucchi motioned, seconded by Director Johnston, and unanimously carried to approve Resolution No. 20-03, CLOSING FUND NUMBER 60707, ENTITLED "ARVIN-EDISON WATER STORAGE DISTRICT PROPOSITION 204 PAYMENT ACCOUNT" AND CHANGING THE NAME OF FUND NUMBER 60306 TO "DEBT RESERVE FUND BANK OF AMERICA."

REPORT ITEMS

FRIANT DIVISION AND FRIANT WATER AUTHORITY (FWA)

Friant-Kern Canal Subsidence

Mr. Muhar provided an update on FWA with little to report due to the holidays, but noted comment letters from additional agencies including USBR and FWA on the Tule Subbasin Groundwater Sustainability Plans were enclosed in their Board packets. Mr. Muhar also noted design and environmental work continues with December 2020 construction potential, FWA approval of SJRRP Part 3 Groundwater Banking money (up to \$27 million), review of private investment funding possibilities, and the feasibility study, which was required to receive federal funds, has gone through the Commissioner's office and is near approval by the Bureau of Reclamation.

Miscellaneous

Mr. Muhar provided an update which included; Governor's Water Resilience Plan introduced and is out for comments, but it does not specifically mention or include the SJV Water Blueprint effort; Central Valley Project Improvement Act accounting "true up" regarding delta fish restoration and related project(s) shows a water/power surplus to contractor benefit, Friant \$7/af surcharge reduced to \$4/af as of October 2019, ASO flights are expected this winter, and Jeff Payne is leaving FWA to work for the Bureau of Reclamation.

AGENCY/AUTHORITY/COMMITTEE REPORTS

Kern Groundwater Authority (KGA)

Mr. Muhar provided an update of the KGA stating all KGA member agency Management Area Plans were approved, another support letter from the Community Water Center for the Arvin GSP was provided in the board packet, and the next Board of Directors' meeting (tomorrow) was expected to finalize the Umbrella GSP and the Coordination Agreement appendices. There was a brief discussion regarding coordination agreement, administration issues involving Shafter-Wasco annexation area (separate GSP submitted thus asked to share in KGA cost), and lastly the KGA Board approved a comment letter to be submitted to Tule Subbasin GSP.

Power and Water Resources Pooling Authority (PWRPA)

Mr. Dawson provided an update on 2019 rate adjustments with an expected refund forthcoming to the District in June 2020 and 2019 average rate of approximately 9.4¢ per kWh. Mr. Dawson shared the approved Calendar Year 2020 Budget. There was a discussion about the pending 12% PG&E rate increase, which was assumed to pass for budgeting purposes.

MONTHLY STAFF REPORTS

Water Supply Update

Mr. Muhar provided an update on the 2019 Water Year, summarized water supplies, transfers/exchanges, spreading activities, carryover, groundwater balance, 2020 Water Year Runoff projection, and various reservoir levels (including Millerton Lake and SJR runoff estimates).

Report of District Operations

Mr. Ceja highlighted deliveries for the month of December (including temporary and in-lieu deliveries), groundwater recharge, and water level information. There was a brief discussion about the five North Canal wells adjacent to the canal.

Report of In-Lieu Contracts and Groundwater Service Program

Mr. Muhar provided an update on six (6) landowner (near Tejon Spreading Works) covering nearly 2,500 acres that are interested in a distribution system pipeline expansion in order to receive temporary water service (approximately a \$3M project). Mr. Muhar noted that all interested parties have met with District staff and various options for the distribution pipeline expansion are being evaluated.

Mr. Muhar explained the Groundwater Service Program agreement was executed by 3 of 5 landowners. In addition, it was noted that the agreement, which was approved in 2019, included an annual rate setting structure and staff recommends that the Board adopt the 2020 rates to be the same as 2019 rates.

Director Johnston motioned, seconded by Director Martinez and unanimously carried to adopt the 2020 rates identical to that of the 2019 rates for the Groundwater Service Program participants (the fixed and variable cost components consisting of \$128 per month meter charge, \$10.10 demand charge (\$/KW) and an energy charge of \$0.101 (\$/kWh)).

Update of District's Website

Mr. Nixon provided an update on the construction of the District's website stating the website is live and is in compliance with State of California law. Mr. Nixon requested the Board review the website and provide any feedback. There was a brief discussion regarding contents.

CORRESPONDENCE

Mr. Muhar noted legislative updates and audit letters from Barbich Hooper King Dill Hoffman for the District's upcoming audit.

MATTERS OF DISTRICT COUNSEL

Legal Counsel Kuney stated there is no issues for open session.

OPERATIONS AND MAINTENANCE PROJECTS

Mr. Simmons provided an update on the latest wells drilled under the Well Replacement Program (new Wells N22 & N23), with N23 being the best performing well in the District (specific capacity over 200 gpm/ft). Mr. Simmons stated both the wells are fully developed and they are working on the pump and collector pipeline designs. Mr. Simmons then discussed the Projected Maximum Potential Well Field Production for the 2020 Water Year. Mr. Simmons also noted the 2020 Water Year production (assuming all new wells are on-line) will be 278 CFS, which surpasses 2007 production at 248 CFS. There was a brief discussion regarding construction, power issues, construction of pipelines, annual water supply, total peak irrigation needs for surface water, banked water by facility, and production forecast.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL

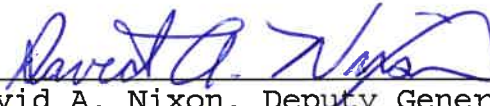
Legal Counsel Kuney then advised the Board he would like to discuss existing litigation, and anticipated litigation, namely: Potential Litigation (Two Items); NRDC vs. Murillo, et al (SJRRP); Appeal of Regional Board General Order for Third Party Groups for Tulare Lake Basin (Resol #R5-2013-0120) to State Water Resources Control Board; City of Fresno, et al vs. USA, Court of Federal Claims; Salaries, Salary Schedules or Fringe Benefits; Wages & Benefits, Personnel Committee, and Tejon Indian Tribe Negotiations; and based upon advice from Legal Counsel, discussing such matters in open session would cause prejudice to the District; therefore, the Board adjourned into closed session in accordance with Government Code Section §54956.9 at 1:30 p.m., and upon

returning to open session at 3:00 p.m., there was no reportable action taken in Closed Session.

OTHER ITEMS TO BE DISCUSSED PURSUANT TO GOVERNMENT CODE SECTION §54954.2 (RELATING TO ITEMS NOT APPEARING ON THE POSTED AGENDA); AND ADJOURNMENT

President Camp asked if there were any further matters that needed to be brought before the Board of Directors, and there being none; Director Yurosek motioned, seconded by Director Pascoe, and by unanimous vote, adjourned the meeting at 3:05 p.m.





David A. Nixon, Deputy General Manager
/Assistant Secretary-Treasurer