

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
ARVIN-EDISON WATER STORAGE DISTRICT
February 11, 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
Jeffrey Giumarra, Vice President
John Moore, Secretary-Treasurer
Catalino Martinez
Dennis Johnston
Charles Fanucchi
Derek Yurosek (via teleconference)
Kevin Pascoe
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
Randy Hopkins, Provost & Pritchard Engineering Group*

Visitors and Guests:

Doug DeFlitch Friant Water Authority (arrived @ 12:20 p.m.)*
George Cappello, Grimmway Enterprises*
Matt Vickery, Grimmway Enterprises*
Domenick Buck, Anthony Vineyards*
Andrew Mason, Wonderful Citrus*
Emily Morris, Emrgy, Inc.*

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 2:35 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.

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 6:** Approval of Minutes of the Board of Directors' meeting held on January 14, 2020
- CA-2) **Agenda Item 7:** Approval of Treasurer's Report for January 31, 2020, Delinquent List in the amount of \$1,049.46, and Internal Unaudited Financial Statements for period ending December 31, 2019

Director Giumarra motioned, seconded by Director Pascoe, and unanimously carried to approve staff recommendations for the two (2) Consent Agenda items.

ACTION ITEMS

CONSIDER APPROVAL OF MEMBERSHIPS, CONTRIBUTIONS AND/OR CALL FOR FUNDS

Mr. Muhar presented the history and background on the following requests:

- a) Valley Ag Water Coalition in the amount of \$3,000
- b) San Joaquin Valley Ag Water Committee in the amount of \$200
- c) Agricultural Energy Consumers Association in the amount of \$4,625
- d) California Association of Mutual Companies in the amount of \$500
- e) Family Farm Alliance in the amount of \$5,067.75

There was a brief discussion, and Director Martinez motioned, seconded by Director Moore, and unanimously carried not to pay the Valley Ag Water Coalition and the San Joaquin Valley Ag Water Committee memberships, and approved Agricultural Energy Consumers Association (\$4,625 for 2019), California Association of Mutual Companies (\$500), and the Family Farm Alliance (\$5,067.75) memberships.

RESOLUTION NO. 20-04, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (January 2020 - Warrant Numbers 41312_ - 41428)

Mr. Nixon noted additional warrants totaling approximately \$41K, which brings January total payments to approximately \$1M. Mr. Nixon

presented a form of Resolution; whereupon, Director Fanucchi motioned, seconded by Director Pascoe, and unanimously carried that Resolution No. 20-04, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (January 2020), be adopted. A copy of Resolution No. 20-04, is on file in the Resolution book and is hereby made a part of these minutes.

CONSIDER APPROVAL OF CONSULTANT(S) TASK ORDERS FOR THE 2020 WATER YEAR

Mr. Muhar and Mr. Ceja provided an update of the following consultants task orders as well as rate increases for the 2020 Water Year:

- a) Provost & Pritchard Engineering Group
 - 1) Groundwater related activities in the amount of \$250K
 - 2) General engineering and grant related services in the amount of \$135K
- b) GEI, Inc.
 - 1) General engineering services for the Forrest Frick Pumping Plant and as-needed support in the amount of \$25K
- c) Robertson-Bryan, Inc.
 - 1) General power related services in the amount of \$25K
- d) EKI, Inc.
 - 1) SGMA compliance in the amount of \$227K
 - 2) General as-needed strategic/technical support services in the amount of \$50K
 - 3) Water quality related services in the amount of \$50K

There was a brief discussion regarding budgets and rate increases. President Camp noted any task order amendment(s) that exceeds the budgeted amount would need to come back to the Board for approval. Director Martinez motioned, seconded by Director Lehr, and unanimously carried to approve the task order(s) and rate increases for the 2020 Water Year.

REPORT ITEMS

FRIANT DIVISION AND FRIANT WATER AUTHORITY (FWA)

Temperance Flat

Mr. Collup provided an update on Temperance Flat Dam Project which included: Stantec completing and presenting a technical report, possible refund of approximately 40% to 50% of the initial participation costs, Stantec is no longer under contract with the Bureau of Reclamation (USBR) to assist with the Feasibility Report, and a recommendation to put Feasibility Report in "suspense".

Friant-Kern Canal Subsidence

Mr. Muhar reminded the Board that this agenda item related to three (3) separate items; 1) Tule Subbasin GSA comment letter with regard to SGMA Groundwater Sustainability Plans (GSP); 2) two private banking

projects adjacent to the Friant-Kern Canal (FKC); and 3) the FWA efforts to repair the FKC.

Mr. Muhar noted the District did submit a comment letter (jointly with Shafter-Wasco Irrigation District) along with additional agencies including USBR and FWA on the Tule Subbasin GSP and an official comment letter to the Department of Water Resources (DWR) could be necessary provided a subsequent review of the final GSPs. In addition, it was noted that FWA is having discussions with the Tule Subbasin GSA's regarding potential extraction fees as a form of mitigation with regards to the Tule Subbasins ability to continue subsidence.

Mr. Muhar stated EKI and their subsidence expert have provided significant feedback on the two private banking projects proposed along the FKC at the Deer Creek and Tule River crossing and comments would be provided by the end of February.

Mr. Collup provided an update on the FKC Capacity Correction Project (Project) to correct the conveyance capacity problems caused by subsidence as well as an original Project design deficiency.

FWA Chief Operating Officer Doug DeFlicht provided a funding/timeline update as well as a question and answer session, which included topics such as subsidence criteria development, funding, construction schedule, and overall project concerns.

Miscellaneous

Mr. Collup provided an update which included; "SJV Blueprint project efforts (summary in packets); FWA comment letters for the Governor's Water Resilience Portfolio and the Central Valley Project Improvement Act accounting "true up"; Friant O&M Agreement (through 2053); title transfer investigations; Annual Water Conference held January 21-24 in Reno (Muhar attended); Jason Phillips gave testimony on the Senator Cox bill (\$200M for Friant Subsidence); Harvey Bailey (Orange Cove ID) stepped down from FWA; Ian Buck McCloud (from Stantec) hired to fill position of Water Resource Manager vacated by Jeff Payne, FWA staff assigned to serve on ACWA Region 6 & 7 and the SJV Infrastructure Authority; and further noted the November board retreat summary enclosed in their board packets.

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, all Kern Subbasin GSP's and accompanying coordination agreements have been submitted to the DWR; District data has been submitted for the annual report that is due in April 2020; grant reimbursements are forthcoming to District; DWR commented on the KGA GSP in regards to subsidence near the Aqueduct. There was a brief discussion regarding implementation and CEQA requirements.

Kern River Watershed Coalition Authority

Mr. Muhar noted that Director Johnston and he attended the last meeting and highlighted that the landowners need to submit their nitrate forms by March 1, 2020.

Power and Water Resources Pooling Authority (PWRPA)

Mr. Dawson provided an update on the Lodi Energy Center, a PWRPA investment, which sustained significant damage to the plant and may be down until after May 2020 (approximately \$500K) with potential funds being reimbursed. Mr. Dawson further provided an update on an investment opportunity with Slate, solar energy with potential for battery technology.

MONTHLY STAFF REPORTS

Water Supply Update

Mr. Muhar provided an update on the upcoming 2020 Water Year, average snowpack, rainfall, carryover restrictions, groundwater balance, various reservoir levels (including Millerton Lake and SJR runoff estimates), the San Joaquin River Restoration Program allocation, exchange obligations, and projected wellfield demands. Mr. Muhar further noted, due to the limited surface water supply to-date, there is a possibility of instituting a six (6) month prorate program to water users. After discussion, the Board requested that staff send a letter to all landowners/water users denoting the potential prorate period from April 1 through September 30, 2020.

Report of District Operations

Mr. Ceja provided an update of deliveries for the month of January (including temporary and in-lieu deliveries), groundwater recharge, and water level information.

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 staff and various options for the distribution pipeline expansion are being evaluated, which at this time landowners would need to incur all the costs in order for it to be built to District specifications. There was a long discussion regarding SGMA compliance, funding, water supply, and project benefits. Mr. Muhar stated staff requested clarification regarding eligibility for In-Lieu and Groundwater Service Program(s) for landowners who request and construct infrastructure to District standards. Director Johnston motioned, seconded by Director Fanucchi, and unanimously agreed to execute In-Lieu and Groundwater Service

Agreements with Landowners that make the investment in distribution system extensions.

Offsetting District's Headquarters Energy with Alternative Sources

Mr. Muhar stated staff has been researching offsetting the District's various PG&E bills including headquarters (of approximately \$45K annually), with options to install solar and/or low head hydro within the canal prism.

Mr. Dawson presented comparisons, which included costs of PG&E rates, solar quotes, capital costs, and noted Emily Morris from Emrgy provided a low head hydro quote. Ms. Morris responded to questions regarding the low head hydro. Mr. Dawson noted several outstanding items remain and a recommendation to the Board would be presented at a future date.

CORRESPONDENCE

Mr. Muhar noted legislative reports from VAWC, KCWA, and in addition a new report from the Association of California Water Agencies, and an appreciation letter from JPIA for the District's membership and participation in training programs.

MATTERS OF DISTRICT COUNSEL

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

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/Casino Project 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 2:35 p.m., and upon returning to open session at 3:25 p.m.: 1) Director Martinez motioned, seconded by Director Johnston, and unanimously carried to authorize staff to execute an Engagement Agreement between Arvin-Edison Water Storage District and Water and Power Law Group PC under the terms discussed in Closed Session; 2) Director Johnston motioned, seconded by Director Giumarra, and unanimously carried to authorize entering into a Tolling Agreement with Cross Valley Canal participants, subject to review by District Legal Counsel and Engineer-Manager; and 3) the following resolutions were approved as discussed in closed session:

RESOLUTION NO. 20-05, AMENDMENT TO EMPLOYMENT HANDBOOK EFFECTIVE MARCH 1, 2020

Mr. Nixon presented a form of resolution, whereupon, Director Johnston motioned, seconded by Director Fanucchi, and unanimously carried that Resolution No. 20-05, AMENDMENT TO EMPLOYMENT HANDBOOK EFFECTIVE MARCH 1, 2020 be adopted. A copy of Resolution No. 20-05, is on file in the Resolution book and is hereby made a part of these minutes.

RESOLUTION NO. 20-06, ADJUSTMENT IN SALARIES FOR NON-EXEMPT EMPLOYEES PERIOD COMMENCING MARCH 1, 2020

Mr. Nixon presented a form of resolution, whereupon, Director Johnston motioned, seconded by Director Fanucchi, and unanimously carried that Resolution No. 20-06, ADJUSTMENT IN SALARIES FOR NON-EXEMPT EMPLOYEES PERIOD COMMENCING MARCH 1, 2020 be adopted. A copy of Resolution No. 20-06, is on file in the Resolution book and is hereby made a part of these minutes.

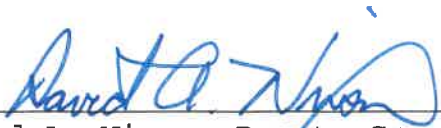
RESOLUTION NO. 20-07, ADJUSTMENT IN SALARIES FOR EXEMPT EMPLOYEES

Mr. Nixon presented a form of resolution, whereupon, Director Johnston motioned, seconded by Director Fanucchi, and unanimously carried that Resolution No. 20-07, ADJUSTMENT TO SALARIES FOR EXEMPT EMPLOYEES MARCH 1, 2020 be adopted. A copy of Resolution No. 20-07, is on file in the Resolution book and is hereby made a part of these minutes.

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 Martinez motioned, seconded by Director Johnston, and by unanimous vote, adjourned the meeting at 3:30 p.m.





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