

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
ARVIN-EDISON WATER STORAGE DISTRICT
October 13, 2020**

Pursuant to Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, and guidance by the California Department of Public Health dated March 16, 2020, this meeting was conducted both at 20401 E. Bear Mountain Blvd., Arvin, CA. 93203, (for Directors and Limited Staff only) and via WebEx. The public participated via WebEx.

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., with a quorum being then and there present remotely, to wit:

Edwin Camp, President
Jeffrey Giumarra, Vice President
John Moore, Secretary-Treasurer
Catalino Martinez (Via WebEx)
Dennis Johnston
Derek Yurosek
Kevin Pascoe
Ron Lehr (Via WebEx)

District staff present:

Jeevan Muhar, Engineer-Manager
David Nixon, Deputy General Manager
Steve Collup, Director of Water Resources (Via WebEx)
Mark Dawson, Engineer* (Via WebEx)
Fernando Ceja, District Engineer
Micah Clark, Engineer Technician* (Via WebEx)

District consultants present:

Scott Kuney, Esq., Law Offices of Young Wooldridge, LLP (Via WebEx)
Randy Hopkins, Provost & Pritchard Engineering Group (Via WebEx)
Anona Dutton, EKI (closed session only-via WebEx)
John Bezdek, Esq., Water and Power Law Group, PC (closed session only-via WebEx)
Mikael McCarty, Esq., Michael N. McCarty Law Office, PLLC (closed session only -via WebEx)

Visitors and Guests (Via Webex):

Emeritus Charles Fanucchi (departed @ 12:35 p.m.)
George Cappello, Grimmway Enterprises*
Alan Becker, Renewable Resources Group*
Joseph Gallegos, Uminda Ag*
Doug Gosling, Esq.*
Rick McCombs*
Glen Clafi*

**Note: Departed at the start of Closed Session 1:55 p.m.*

RECOGNITION OF VISITORS AND GUESTS

All visitors (via WebEx) were recognized and formally welcomed.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

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

Mr. Muhar stated no changes to the posted Agenda.

OPPORTUNITY FOR PUBLIC COMMENT

There were no public comments.

EMPLOYEE ANNIVERSARY AWARDS

Mr. Nixon noted two (2) employees with twenty (20) year anniversaries; Senior Accountant Christy Byon and Unit Chief Anthony Colvin.

CONSENT AGENDA

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

- CA-1) **Agenda Item 7:** Approval of Minutes of Board of Directors' meeting held on September 8, 2020
- CA-2) **Agenda Item 9:** Approval of memberships, contributions, and/or call for funds:
 - a) Friant Water Authority in the amount of \$76,586.11
 - b) Association of California Water Agencies in the amount of \$24,245 (\$24,005 in 2020)
- CA-3) **Agenda Item 10:** Approval of Provost & Pritchard Engineering Proposal for 123TCP "Feasibility Study" (\$98.5K).

Director Yurosek requested Agenda Item 8 be pulled from the Consent Agenda. Accordingly, President Camp noted the Consent Calendar will be Agenda Items 7, 9, and 10 only. Director Martinez motioned to approve as amended, seconded by Director Yurosek, and with the following vote to wit for three (3) Consent Calendar Agenda items:

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez, and Yurosek
 No: None
 Abstain: None
 Absent: Lehr

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ACTION ITEMS

PULLED FROM CONSENT CALENDAR AGENDA

Approval of Treasurer's Report for September 30, 2020; Unaudited Internal Financial Statements for Period Ending August 31, 2020; and Delinquency List for Water Year 2019 in the amount of \$72,426.38

Director Yurosek asked staff's view of the remaining forecast for actual 2020 Water Year versus the budget. Mr. Nixon stated that the budget process will begin this month and a detailed review of budget to actual will be prepared at that time. Mr. Nixon further stated that the August 2020 Financial Statements includes estimates at this time and is somewhat misleading when looking at the budget to actual comparison. Director Yurosek motioned, seconded by Director Pascoe, with the following vote to wit to approve the Treasurer's Report for September 30, 2020; Unaudited Internal Financial Statement for Period Ending August 31, 2020; and Delinquency List for Water Year 2019 in the amount of \$72,426.38:

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez, and Yurosek
No: None
Abstain: None
Absent: Lehr

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RESOLUTION NO. 20-23, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (September 2020 - Warrant Numbers 42334 - 42469)

Mr. Nixon stated there was an additional batch totaling \$205K bringing the September disbursements to approximately \$2.9M. There was a brief discussion regarding disbursement to Applied Technology being related to both SCADA/radio upgrades, but also upgrades to the headquarters internet. Mr. Nixon then presented a form of Resolution; whereupon, Director Johnston motioned, seconded by Director Giumarra, with the following vote to wit. A copy of Resolution No. 20-23, is on file in the Resolution book and is hereby made a part of these minutes.

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez, Lehr and Yurosek
Nos: None
Abstain: None
Absent: None

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RESOLUTION NO. 20-24, COMMENDATION AND EXPRESSION OF APPRECIATION TO CHARLES FANUCCHI

President Camp and other Board members recognized and thanked Director Fanucchi for his thirty-five (35) years of dedicated service

to the Arvin-Edison Water Storage District, noting accomplishments of the District and his contributions. Director Pascoe motioned, seconded by Director Martinez, with the following vote to wit. A copy of Resolution No. 20-24, is on file in the Resolution book and is hereby made a part of these minutes.

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez,
Lehr, and Yurosek
Nos: None
Abstain: None
Absent: None

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RESOLUTION NO. 20-25, DIRECTING PUBLICATION NOTICE OF ELECTION OF DIRECTORS' OF THE ARVIN-EDISON WATER STORAGE DISTRICT AS PRESCRIBED BY THE PROVISIONS OF SECTION 41308 OF THE CALIFORNIA WATER CODE

Mr. Nixon reviewed the procedures necessary for conducting the General Election of Directors', which is to be held on March 2, 2021, and the following directors' whose terms are scheduled to expire in April 2021:

- Ronald Lehr, Sr. - Division 1 (4-year term)
- Derek Yurosek - Division 3 (4-year term)
- John C. Moore - Division 5 (4-year term)
- Vacant - Division 7 (2-year term)

Mr. Nixon then presented a form of Resolution, whereupon Director Giumarra motioned, seconded by Director Martinez, with the following vote to wit. A copy of Resolution No. 20-25 is on file in the Resolution book, and is hereby made a part of these minutes.

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez,
Lehr, and Yurosek
Nos: None
Abstain: None
Absent: None

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Consider Approval of United States Department of Energy Western Area Power Administration Sierra Nevada Region Contract for Electric Service Base Resources with Arvin-Edison Water Storage District; and Resolution No. 20-26, AUTHORIZING EXECUTION OF CONTRACT FOR ELECTRIC SERVICE BASE RESOURCE BETWEEN THE UNITED STATES DEPARTMENT OF ENERGY WESTERN AREA POWER ADMINISTRATION SIERRA NEVADA REGION, AND ARVIN-EDISON WATER STORAGE DISTRICT

Mr. Nixon stated Legal Counsel Michael McCarty along with the PWRPA manager have been negotiating this contract for the past year, and the contract is for a thirty (30) year term beginning in 2025. Mr. Nixon stated the current WAPA Contract with the District, which has been assigned to PWRPA, is set to expire December 31, 2024. Mr. Nixon

further reviewed WAPA customer percentages of base resource, which power generation is from CVP reservoirs. Mr. Nixon stated staff, legal counsel, and consultants are all recommending the execution of this contract, which has termination windows every five (5) years, if necessary. After brief discussion, Director Johnston motioned, seconded by Director Yurosek, and unanimously carried with the following vote to wit:

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez,
and Yurosek
Nos: None
Abstain: None
Absent: Lehr

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CONSIDER APPROVAL OF BID(S) FOR THREE (3) NEW VEHICLES

Mr. Nixon stated staff is recommending the purchase of two (2) ½ ton trucks at \$49,000 less trade-in for a total of \$28,870 from Haddad Dodge, and one (1) ½ ton truck from Jim Burke Ford at a net cost of \$26K. Mr. Nixon shared General Motors is not making short bed trucks at this time; therefore, Three-Way Chevrolet declined to bid and Motor City submitted a bid that did not meet the vehicle specs. Mr. Nixon stated the total purchase price for three (3) vehicles is not to exceed \$55K (within budget amount). There was a brief discussion regarding bid assistance and vehicle service departments. Director Yurosek motioned, seconded by Director Johnston, and unanimously carried with the following vote to wit:

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez, Lehr,
and Yurosek
Nos: None
Abstain: None
Absent: None

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CONSIDER APPROVAL OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN ARVIN-EDISON WATER STORAGE DISTRICT AND EAST NILES COMMUNITY SERVICES DISTRICT FOR IMPLEMENTATION OF THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) FOR OVERLAPPING LANDS

Mr. Muhar presented the MOU regarding SGMA implementation for lands located within the northwest portion of the District that overlap with East Niles Community Services District (ENCSD). Mr. Muhar noted it's an appropriate time to make some adjustments/corrections to clarify GSA boundaries and accordingly the reclassification of approximately 158 acres of agriculture lands (including 100 acres of Surface Water Service Area contracts) as Arvin GSA from the Kern River GSA (or ENCSD). Mr. Muhar further noted the primary purpose of this MOU is to facilitate a cooperative working relationship between AE and ENCSD and document the Overlap Theme (AE to cover Agriculture and ENCSD to cover Urban/M&I).

Mr. Muhar then reviewed maps of the affected parcels that will be removed from the Kern River GSA and incorporated into the Arvin GSA boundaries. There was a brief discussion, and Director Moore motioned, seconded by Director Giumarra, and unanimously carried with the following vote to wit:

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez, Lehr, and Yurosek
Nos: None
Abstain: None
Absent: None

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CONSIDER APPROVAL OF BID(S) FOR PUMP REPLACEMENT PROGRAM

Mr. Muhar stated there is a write-up in their Board packets for additional information and staff is recommending a Pump Replacement Program over multiple phases and several years. The current recommendation is to implement Phase 1 (new pumps for canal-side vertical lift sites that are frequently impacted by pipeline prorates) and budget for Phase 2 (new pumps for in-line booster/horizontal sites). Mr. Muhar shared that Phase 3 would occur over several years, which would transition the entire District to have new pumps and permanently retire the current fleet of pumps. Mr. Muhar noted that a majority of pumps are from original 1960's, and staff is recommending the Board to approve purchasing seventeen (17) pumps from Ruhrpumpen for a total not to exceed \$592K, of which \$500K was included in the 2020 Water Year Budget. It was noted that the total amount includes a five percent (5%) contingency factor as well as miscellaneous contractor work associated with the pump base plates. Mr. Muhar further stated staff is recommending the Board approve \$650K to be included in the 2021 Water Year Budget for Phase 2. There was a brief discussion regarding prorates, field installation (by District staff), pricing, distributors, specifications, and manufactures. Director Moore motioned, seconded by Director Johnston, and unanimously carried by the following vote to wit:

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez, Lehr, and Yurosek
Nos: None
Abstain: None
Absent: None

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REPORT ITEMS

San Joaquin River Restoration Program (SJRRP)

Mr. Collup provided an updated summary of Restoration Allocation, actual releases including use of buffer flows, Unreleased Restoration Flows (URF), estimated Recapture/Recirculation (R/R) supplies,

Arvin's share of such allocations and overall net losses to the SJRRP, and on-going work on the Restoration Flow Guidelines and Friant Operational Guidelines.

FRIANT DIVISION AND FRIANT WATER AUTHORITY (FWA)

Friant-Kern Canal Subsidence

Mr. Muhar provided a brief update on the Friant-Kern Canal Subsidence Project being: finalizing environmental documents, O&M Agreement executed for 35-year extension (assist with financing options), SB559 veto by Governor Newsom, right-of-way land appraisals and design concerns voiced by middle reach districts related to turnout construction. Mr. Muhar also noted funding topics, given sensitive information and on-going negotiations by FWA, will be discussed in closed session.

Friant-Kern Canal Water Quality

Mr. Muhar provided an update of the proposed FKC water quality policy which includes mitigation and limited degradation from programs and projects that introduce water into the FKC of lesser quality being: the Ad-Hoc/small group continues to work with Reclamation to revise the 2008 Policy to incorporate the proposed changes, understand authority to implement concerns (FWA vs. USBR), and Water Quality Special Counsel Matt Adams has been provided documents to get familiar with AE's water quality history.

Miscellaneous

Mr. Muhar provided updates on various Friant issues which included: San Luis Delta Mendota Water Authority expenses (motor rewinds (each motor is approximately \$2.5M), which Friant contractors pay roughly 40% share as a result of SJR Exchange contract deliveries,; 2021-2022 General Member \$2.6M budget and \$15M O&M budgets approved; Voluntary Agreements discussions slowed by the presidential election; SJV Blueprint efforts continue; Friant will hold a Board Retreat in November; 1.8% COLA increase for FWA employees approved; and Newsom executive order "conserving" 30% of California lands to preserve and protect biodiversity.

AGENCY/AUTHORITY/COMMITTEE REPORTS

Kern Groundwater Authority (KGA)

Mr. Muhar stated Director Pascoe has attended the Executive Committee and KGA Board meeting which include: Stanislaus well permit decision could affect Kern County well permit; discussions on a county-wide Data Management System; \$15K cash call less \$19K refunds as a result from a grant; and Kern Tulare WD looking at a basin boundary adjustment. Mr. Muhar further noted there is an Environmental Defense Fund Webinar to talk about groundwater allocations and minimizing legal

risks and if anyone was interested to contact Mr. Muhar for an invitation.

Power and Water Resources Pooling Authority

Mr. Muhar and Mr. Dawson provided a brief update on the Solar and Low Head Hydro potential projects to offset headquarters energy and related PG&E expenses and in order to better understand the rate structures Pacific Gas & Electric is requiring an Interconnection Agreement. The Board agreed to execute the Interconnection Agreement(s) process with PG&E for both resources.

Mr. Nixon noted the PG&E filing with FERC to propose wholesale distribution tariff rate increases will be discussed in closed session.

MONTHLY STAFF REPORTS

Water Supply Update & Report of District Operations

Mr. Ceja provided a quick summary of the 2020 Water Year and deliveries through September, noting the FKC will be dewatering in November and FKC deliveries were impacted by Deer Creek fires but the District switched over to groundwater and CVC supply, which resulted in an additional 4,000 acre-feet of Friant supplies into the 2021 Water Year.

Mr. Ceja further reviewed the year-to-date summary, groundwater and surface supplies for the year, wellfield levels and repair issues, groundwater level information, historic deliveries, and spreading operations.

2021 Budget Modeling Assumptions

Mr. Ceja reviewed the power rates received from landowner input, and noted staff recommends utilizing Provost & Pritchard's assumed electrical energy rates to finalize the Groundwater Cost Memorandum. Mr. Muhar stated the more detailed preliminary budget package will be presented at next month's board meeting.

Grants Update

Mr. Hopkins provided an update noting two (2) grant applications were submitted to the Bureau of Reclamation, one under the Drought Response Program with a budget of \$750K (50% cost share), and the second was under the Water & Energy Efficiency Program (DiGiorgio Unit), with a budget of \$3.2M (50% cost share). In addition, Mr. Hopkins shared a third grant opportunity under the USDA Natural Resource Conservation Service, Regional Conservation Partnership Program for the Tejon Expansion Project is being considered provided the significant landowner interest, which is a grant requirement (landowner and agency partnership and cost shares).

CORRESPONDENCE

Mr. Muhar noted legislative reports from FWA, KCWA, and VAWC, the Ag Energy Consumers report, and an article on the Friant-Kern Canal.

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 (Three Items); PG&E WDT3 Rate Case, ER20-2878; NRDC vs. Conant, 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; California Natural Resources Agency, et al, vs. Wilbur Ross (Biological Opinions Intervention); Wages & Benefits; 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 1:55 p.m. Upon returning to open session at 4:22 p.m., Director Pascoe motioned, seconded by Director Moore, and by unanimous vote to Ratify Intervening in Pacific Gas & Electric Company "WDT3" rate case (FERC Docket Nos. ER20-2878-000) and has confirmed that the District is also participating through PWRPA's intervention in the same case as discussed in closed session.

Ayes: Camp, Giumarra, Moore, Johnston, Pascoe, Martinez, and Yurosek

Nos: None

Abstain: None


Absent: Lehr

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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 Johnston motioned, seconded by Director Yurosek, and by unanimous vote, adjourned the meeting at 4:25 p.m.





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