

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
ARVIN-EDISON WATER STORAGE DISTRICT
November 10, 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 12:05 p.m., 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
Derek Yurosek
Kevin Pascoe

There was one absent Director:
Ron Lehr

There was one Vacancy:
Division 7

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
Randy Hopkins, Provost & Pritchard Engineering Group (Via WebEx)
Todd Robins, Esq., Robins Borghei, LLP (closed session only -via WebEx)

Visitors and Guests (In-person & Via Webex):
Catherine Fanucchi, Tri-Fanucchi Farms
Domenick Buck, Anthony Vineyards*
George Cappello, Grimmway Enterprises* (via WebEx)
Jason Phillips, Friant Water Authority (partial closed session; departed 3:30)
Austin Ewell, Water Blueprint for San Joaquin Valley* (via WebEx)
Scott Hamilton, Water Blueprint for San Joaquin Valley* (via WebEx)
Patty Poire, Kern Groundwater Authority* (via WebEx)
Matt Brady, South Valley Farms* (via WebEx)
Andrew Mason, Wonderful Orchards* (via WebEx)
Barry Titman, Applied Technology Group*

*Note: Departed at the start of Closed Session 2:25 p.m.

RECOGNITION OF VISITORS AND GUESTS

All visitors 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, but Mr. Kuney stated his law office will be scheduling "Ethics Training" via remotely on December 1, 8, and 9, 2020 for Directors and Management. Mr. Nixon further noted the Board and staff requirements surrounding both "Ethics Training", which was last completed in 2018 and "Harassment Training", which was last completed in 2019. State law requires both training sessions to be completed every two (2) years.

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), and are listed as follows:

- CA-1) **Agenda Item 6:** Approval of Minutes of Board of Directors' meeting held on October 13, 2020
- CA-2) **Agenda Item 7:** Approval of Treasurer's Report for October 31, 2020, Unaudited Financial Statements for Period Ending September 30, 2020, and Delinquent List for the 2019 Water Year in the amount of \$73,050.78

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

ACTION ITEMS

Consider Action to Appoint Division 7 Board Vacancy

President Camp presented the Ad-Hoc Committee (Camp, Moore, Giumarra, and Pascoe) memorandum to the Board, which highlighted the two (2) interested individuals in the position (Domenick Buck & Catherine Fanucchi).

Mr. Camp stated after extensive deliberation, the Ad-Hoc Committee unanimously recommends appointing Catherine Fanucchi to fill the Division 7 vacancy.

Mr. Buck addressed the Board in his appreciation of the process and noted he enjoys coming to the meetings to learn and being a part of the District.

Resolution No. 20-27, APPOINTING CATHERINE FANUCCHI TO FILL A VACANCY IN THE OFFICE OF DIRECTOR

Mr. Nixon presented a form of Resolution, whereby Director Martinez motioned, seconded by Director Pascoe, and unanimously carried to approve Resolution No. 20-27, APPOINTING CATHERINE FANUCCHI TO FILL A VACANCY IN THE OFFICE OF DIRECTOR. A copy of Resolution No. 20-27, is on file in the Resolution book and is hereby made a part of these minutes.

Catherine Fanucchi completed her "Oath of Office" and returned as a participating Board of Director.

Resolution No. 20-28, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (October 2020 - Warrant Numbers 42470 - 42582)

Mr. Nixon stated there was an additional batch totaling \$177K bringing the October disbursements to approximately \$2M. Mr. Nixon then presented a form of Resolution; whereupon, Director Johnston motioned, seconded by Director Giumarra, and unanimously carried to approve Resolution No. 20-28, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (October 2020). A copy of Resolution No. 20-28, is on file in the Resolution book and is hereby made a part of these minutes.

CONSIDER APPROVAL OF PRELIMINARY WATER YEAR 2021 BUDGET AND WATER CHARGES

Mr. Muhar highlighted the necessary actions for today being a Preliminary Water Year 2021 Budget and Water Charges with an accompanying notice to Water Users. Mr. Muhar referenced the Budget Packet that was provided earlier and noted several key assumptions including assumed full deliveries in 2021, an approximately \$10/acre-foot increase in average groundwater pumping cost from \$179 to \$189 per acre-foot, the General Administrative and General Project Service (GA&GP) charges are to remain the same as 2020 provided the current allowed maximum and a pending a 2021 Proposition 218 Election, and the proposed dual "Standby" charges of a) \$100/acre during Unrestricted Allocation months that is offset by water use or b) current range of \$6/acre to \$56/acre applied to contract acreage during a Prorate period of 1.5 to 1.0 acre-feet/acre, respectively (final to be determined in December 2020). Mr. Muhar noted additional details including increasing the "Water Use" Charge by \$7/af from \$108/af to \$115/af, increasing the Energy Charge for the first lift by \$2/af from \$45/af to \$47/af, and increasing the Energy Charge for the second and all additional lifts by \$1/af from \$16/af/lift to \$17/af/lift.

Mr. Nixon reviewed the estimated actual Water Year 2020 vs. 2021 Preliminary Budget components, with an assumption of 120,000 acre-foot of water deliveries, and further reminded the Board of several key assumptions that are not included in the Preliminary Budget being Friant-Kern Canal Zone 3 funds, pending increase in power cost as a result of PG&E WDT3, and Proposition 218 election results related to

GA&GP. There was a brief discussion regarding water rates, groundwater usage, energy rates, new capital and O&M expenditures, debt, and methodology. The Board then requested staff to produce a prioritized list of capital and O&M improvement projects for the December meeting.

Director Moore motioned, seconded by Martinez, and unanimously carried to approve the Preliminary Budget, and to raise the Water Use Charges an additional \$7/af from \$108 to \$115/af, and increasing the Energy Charge for the first lift by \$2/af from \$45/af to \$47/af, and the second and all additional lifts to increase \$1/af from \$16/af to \$17/af, which includes In-Lieu and Miscellaneous charges, and to send a notification letter to all landowners and water users in the District.

RESOLUTION NO. 20-29, FIXING PRELIMINARY SURFACE WATER SERVICE AREA, WATER SERVICE CHARGES FOR THE 2021-2022 WATER YEAR; CONSISTING OF BOTH A "STANDBY" CHARGE AND A "WATER USE" CHARGE

Mr. Nixon presented a form of Resolution; whereupon, Director Moore motioned, seconded by Director Martinez, and unanimously carried that Resolution No. 20-29, FIXING PRELIMINARY SURFACE WATER SERVICE AREA, WATER SERVICE CHARGES FOR THE 2021-2022 WATER YEAR; CONSISTING OF BOTH A "STANDBY" CHARGE AND A "WATER USE" CHARGE. A copy of Resolution No. 20-29, is on file in the Resolution book and is hereby made a part of these minutes.

REPORT ITEMS

FRIANT DIVISION AND FRIANT WATER AUTHORITY (FWA)

Temperance Flat

Mr. Collup provided an update on the Temperance Flat Reservoir Authority (Authority) noting after meeting with the California Water Commission (Commission) last month, which copy of the presentation is in their board packets, and it was reported to the Commission that the Authority was unable to meet the timeline and all the commitments to maintain eligibility for WSIP funding. The Authority intends to withdraw its application for \$171.3M in WSIP funds, and requested that the funding go to other San Joaquin Valley projects.

Friant-Kern Canal Subsidence

Mr. Collup provided an update on the Friant-Kern Canal (FKC) Subsidence Project including FWA Board certifying the FKC Capacity Correction Project final Environmental Impact Report

Mr. Muhar also noted sensitive information with on-going funding negotiations by FWA that would be discussed in closed session.

Miscellaneous

Mr. Collup provided updates on various Friant issues which included: updated Friant Operational Guidelines nearly complete;

negotiating a funding agreement with San Luis Delta Mendota Water Authority, resulting from San Joaquin River Exchange Contractor delivery, expenses of Delta motor rewinds (approximately \$12.3M), which Friant contractors responsible to pay roughly 40% share and Friant contractors' desire to pay cash for its share (\$4.9M) rather than bonds (Arvin's share is \$425K over three (3) water years; Annual audit for 2018 and investment policy approved; Approved \$300K of herbicide for Milfoil treatment; Central Valley Project Improvement Act true-up and Best Practices Guidelines being reviewed by staff; and the Friant Board Retreat in scheduled for next week in Pismo Beach.

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; Water Quality Special Counsel Matt Adams will be providing three (3) project comment letters during the month (CVC Notice of Preparation, Terra Bella Warren Act, and Kern Fan Groundwater Storage by Rosedale Rio Bravo) associated with environmental documentation related to FKC discharges and associated potential degradation of water quality.

Mr. Phillips stated a Water Quality Plan through the Ad-Hoc/small group continues to work with Reclamation revising the 2008 Policy in order to incorporate the proposed changes.

Update of San Joaquin Valley Blueprint

Mr. Muhar introduced Austin Ewell and Scott Hamilton to present the San Joaquin Valley Blueprint, which presentation has been provided in other forums (KGA, Western Growers, FWA, etc).

Mr. Ewell and Mr. Hamilton presented an update of activities and technical studies, respectively, associated with the San Joaquin Valley Blueprint effort, which develops a plan of action to sustain and improve the communities, habitats, working landscapes, and jobs. The presentation included steps to sustainability, groundwater sustainability, finding new sources of water, water quality, estimated capital costs, conveyance capacity, funding possibilities, and projected time frame. Mr. Camp stated this Blueprint effort was a result of a FWA retreat two years ago.

AGENCY/AUTHORITY/COMMITTEE REPORTS

Kern Groundwater Authority (KGA)

Mr. Muhar provided an update which included: KGA Board approved a budget with \$535K in administrative costs, \$100K to complete an annual report for SGMA, and many tasks being completed by grant funds with Arvin's share being approximately \$30K; however, no cash call until later in 2021; change in leadership with the current chair stepping down and additional districts interested in serving on the Executive Committee but Director Pascoe shared he prefers to continue serving; Kern River GSA approved boundary changes (200 acres) related to the

East Niles Community Services District and District MOU related to the Arvin GSA.

Mr. Muhar highlighted a presentation for remote sensors, which includes grant funds for weather stations that better define the Evaporation Transformation (ET). Mr. Muhar noted there is an opportunity to take advantage of the grant, being administered by the KGA to install these weather stations, and staff is working with Joel Kimmelshue from Land IQ regarding the water budget analysis that can be completed on a parcel by parcel basis. Mr. Muhar stated Joel Kimmelshue is available to discuss further with the board. Mr. Muhar noted that these stations assist landowners with crop consumption and is currently priced at 50¢ to 70¢/per acre or approximately \$70K/per year for AEWS. There was a brief discussion regarding costs, grant funds for Kern subbasins, and various districts that are currently participating in the effort and the Board requested Land IQ present the information next month.

Power and Water Resources Pooling Authority

Mr. Nixon stated Power and Water Resources Pooling Authority to be discussed in closed session.

MONTHLY STAFF REPORTS

Water Supply Update & Report of District Operations

Mr. Ceja provided an update as of November 15 snowpack relative to prior years, 2020 Water Year deliveries, Millerton Lake storage, FKC dewatering with the District switching to groundwater and CVC supply, which results in approximately 8,000 acre-feet of carryover supplies into the 2021 Water Year.

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

Update of District Election

Mr. Nixon reviewed the procedures noting the "Notice of Election" has been published and Nominating petitions distributed to be returned to the District by January 1, 2021. Mr. Nixon further stated the General Election is to be held on March 2, 2021, for the following directors' whose terms are scheduled to expire in April 1, 2021:

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

CORRESPONDENCE

Mr. Muhar noted legislative reports from FWA, KCWA, and VAWC, the California Groundwater Conditions Update from the Department of Water Resources, and a Friant news release.

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); 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; The 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 2:25 p.m. Upon returning to open session at 4:29 p.m. Director Pascoe motioned, seconded by Director Giumarra, and by unanimous vote approved staff's recommendation for the position of Controller under the terms discussed 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 Pascoe motioned, seconded by Director Giumarra, and by unanimous vote, adjourned the meeting at 4:30 p.m.





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