

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
ARVIN-EDISON WATER STORAGE DISTRICT
June 8, 2021**

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 at 20401 East Bear Mountain Blvd., Arvin, CA 93203 with Board Members and limited staff only, and 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 and remotely, to wit:

Edwin Camp, President
John Moore, Secretary-Treasurer
Catalino Martinez
Dennis Johnston
Derek Yurosek
Catherine Fanucchi
Brian Kirschenmann

There was one absent Director:

Jeffrey Giumarra, Vice President

District staff:

Jeevan Muhar, Engineer-Manager
David Nixon, Deputy General Manager
Fernando Ceja, District Engineer
Mark Dawson, Engineer*
David Grant, Controller*
Micah Clark, Engineer Technician* (Via WebEx)
Sherry Jauch, Executive Secretary* (Via WebEx)

District consultants:

Scott Kuney, Esq., Law Offices of Young Wooldridge, LLP
Brett Stroud, Esq., Law Offices of Young Wooldridge, LLP (via WebEx)*
Randy Hopkins, Provost & Pritchard Engineering Group (Via WebEx)*
John Bezdek, Water & Power Law, Inc. (via WebEx) **

Visitors and Guests (via Webex):

Matt Vickery, Grimmway Enterprises*
George Cappello, Grimmway Enterprises*
John Gaugel, Wonderful Orchards*
Greg Nicole, Gar Bennet Irrigation*

Note: *Departed at the start of Closed Session at 3:10 p.m.
 **Closed Session Only

PLEDGE OF ALLIGIANCE

The pledge of allegiance was recited.

RECOGNITION OF VISITORS AND GUESTS

All visitors were recognized and formally introduced.

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 (Government Code §54854.3)

There was no public comment(s).

RECOGNITION OF EMPLOYEES' 20 YEAR ANNIVERSARY - MAINTENANCE FOREMAN CLEMENTE CORONEL

Mr. Nixon stated he would like to recognize Maintenance Foreman Clemente Coronel for his 20-years of service with the District. Mr. Nixon then requested approval to hold a BBQ Lunch for all employees and Board members to celebrate employees who were not able to be recognized at a Board meeting during COVID-19 restrictions. Director Moore motioned, seconded by Director Johnston and unanimously carried to approve a BBQ Lunch.

ACTION ITEMS

CONSIDER APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS' MEETING HELD ON MAY 11, 2021

Mr. Muhar presented the Minutes of the Board of Directors' meeting held on May 11, 2021, and there was a brief discussion; whereby, Director Fanucchi requested the minutes be modified to include the Board direction that staff investigate cost reducing alternatives regarding the red/white strips and well as aviation safety requirements on future Standtank Painting bids. Director Johnston motioned, seconded by Director Kirschenmann, and unanimously carried to approve the Minutes of the Board of Directors' Meeting held on May 11, 2021 after the modification.

CONSIDER APPROVAL OF TREASURER'S REPORT FOR MAY 31, 2021, AND DELINQUENT LIST FOR THE 2019 & 2020 WATER YEAR IN THE AMOUNT OF \$52,273.84

Mr. Grant presented the Treasurer's Report for the period ending May 31, 2021 with cash and investments held in the amount of \$31.7M, which includes \$3.1M on deposit with Power and Water Resources Pooling Authority (PWRPA) for power reserves. Mr. Grant noted the Delinquent list for the 2019 & 2020 Water Year in the amount \$52,273.84.

Director Yurosek motioned, seconded by Director Martinez, and unanimously carried to approve the Treasurer's Report for the period ending May 31, 2021.

CONTINUATION OF PUBLIC HEARING TO HEAR COMMENTS OR OBJECTIONS REGARDING THE EXPANSION OF DISTRICT DISTRIBUTION SYSTEM PIPELINES INTO GROUNDWATER SERVICE AREA LANDS; AND RESOLUTION NO. 21-16, ADOPTION OF AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE EXPANSION OF DISTRICT DISTRIBUTION SYSTEM PIPELINES INTO GROUNDWATER SERVICE AREA LANDS PROJECT

Mr. Muhar reminded the Board of Director's the CEQA document public hearing from last month was delayed in order to provide staff and consultants adequate time to respond to California Fish & Wildlife comments and therefore the public hearing would be continued today. Mr. Muhar provided a brief description of the Project and a summary of the District responses to comments received, which responses would be incorporated into the final Mitigated Negative Declaration.

President Camp then opened the public hearing at 12:15 p.m. and inquired if anyone was present with comments (via remotely); and there being none, Director Fanucchi motioned, seconded by Director Kirschenmann, and unanimously carried to declare the public hearing closed at 12:20 p.m.

Director Martinez motioned, seconded by Director Johnston, and unanimously carried to approve Resolution No. 21-16, ADOPTION OF AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE EXPANSION OF DISTRICT DISTRIBUTION SYSTEM PIPELINES INTO GROUNDWATER SERVICE AREA LANDS PROJECT. A copy of Resolution No. 21-16, is on file in the Resolution book and is hereby made a part of these minutes.

Resolution No. 21-17, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (May 2021 - Warrant Numbers 43409 - 43535)

Mr. Grant stated there was an additional batch totaling \$200K bringing the May disbursements to approximately \$7M, which included Bank of America Semi-Annual Leasing payments of \$2.1M, purchase of Unreleased Flow water in the amount of \$1.7M, and PWRPA power in the amount of \$1.7M as well as other miscellaneous items.

Mr. Grant then presented a form of Resolution; whereupon, Director Yurosek motioned, seconded by Director Fanucchi, and unanimously carried to approve Resolution No. 21-17, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (May 2021). A copy of Resolution No. 21-17, is on file in the Resolution book and is hereby made a part of these minutes.

DISCUSSION REGARDING BOARD OF DIRECTORS "NOTICE OF VACANCY" FOR DIVISION 9 AND CONSIDER APPROVAL OF COMMITTEE ASSIGNMENTS

Mr. Nixon reviewed the steps/options to fill a board vacancy, which must be filled within sixty (60) days from the effective date of Director Pascoe's resignation (05/17/21), which included a public

notice. Mr. Nixon stated the requirements for a person to be on the Board of Directors are they must be a landowner within the district or be appointed to represent such landowner, be a U.S. citizen, eighteen (18) years of age, and a resident of the State of California.

After a brief discussion, the consensus of the Board was to appoint an Ad-Hoc Interview Committee (consisting of Directors' Camp, Giumarra, Moore, and Johnston) that would interview all interested individuals and said Ad Hoc would make a recommendation to the Board at the July 13 meeting. Director Yurosek motioned, seconded by Director Johnston, and unanimously carried approve the Ad-Hoc Committee and the appointment process.

Mr. Muhar further stated due to the vacancy, other Board/Committees representatives would need to be filled. After a brief discussion, it was unanimously agreed that Director Yurosek would be representatives on the Kern Groundwater Authority (KGA) Board including KGA Executive Committee (with Director Martinez being his "first" replacement), and Director Johnston would fill the Ad-Hoc Interview Committee.

RESOLUTION NO. 21-18, COMMENDATION AND EXPRESSION OF APPRECIATION TO KEVIN E. PASCOE

Director Camp presented a form of resolution to be presented to Kevin Pascoe; whereupon, Director Fanucchi motioned, seconded by Director Martinez and unanimously carried to approve Resolution No. 21-18, COMMENDATION AND EXPRESSION OF APPRECIATION TO KEVIN E. PASCOE. A copy of Resolution No. 21-18 is on file in the Resolution book and hereby made a part of these minutes.

REPORT ITEMS

San Joaquin River Restoration Program (SJRRP)

Mr. Muhar provided a brief background on water year types and an updated summary of 2021 Water Year accounting consisting of a Critical High Restoration Allocation and anticipated releases, zero Unreleased Restoration Flows (URF), estimated minimal Recapture/Recirculation (R/R) supplies, a call of 7,000 acre-feet of URF exchanges on AEWS's 2016 agreement (that would result in an additional 21,000 acre-feet from the SJRRP), and Arvin's share of such allocations and overall net losses to the SJRRP. After discussion, Director Fanucchi requested a summary of SJRRP releases to date.

FRIANT DIVISION AND FRIANT WATER AUTHORITY (FWA)

Friant-Kern Canal Subsidence

Mr. Muhar provided an update on the construction activities related to bidding, contracting, right-of-way, construction design, management, and funding related to the FKC subsidence correction project; Cost Share Agreement approval by FWA and USBR; finalizing a Settlement Agreement with the Pixley Irrigation District GSA; Governor's revised state budget includes up to \$200M for statewide canal conveyance; delays associated

with budget approval of the Friant O&M of \$50M as a result of the City of Fresno dispute; and potential financial assistance to City of Lindsay.

Friant Water Quality

Mr. Muhar provided an update that Friant staff along with Small Group Ad-Hoc continue to work with the USBR on 2008 Water Quality Policy revisions; USBR's Michael Jackson stated there are only a few outstanding items (dispute resolution process, request from contractors showing support) and believes a resolution can be reached by the end of the year.

Miscellaneous

Mr. Muhar provided an update on miscellaneous items which included; Friant water supply issues; lack of South of Delta allocations would increase Friant water rates in 2021; external affairs focused on water supply (letter to State Board) and FKC funding at both state and federal levels; FWA approved an additional accounting position to deal with FKC Project; SJV Blueprint continues to make progress; FWA hosted an Ethics Training and Brown Act course (Director Kirschenmann attended); Strategic Plan update has been set for June 29 and 30 in Paso Robles.

AGENCY/AUTHORITY/COMMITTEE REPORTS

Kern Groundwater Authority (KGA)

Mr. Muhar provided an update on the KGA Board meeting from May 26 attended by Director Yurosek and himself, which included: 2020 Audit to be initiated next month by Barbich Hooper King Dill; Attorney Valarie Kincaid provided a report on recent proposed State Board curtailment actions related to drought conditions; a second draft scope of work for a Native Yield Study, which includes an update to the C2VSIM model; Data Management System is starting to be populated with districts uploading seasonal water level data (Spring 2021).

Mr. Muhar shared the draft "KGA Action Plan Related to Exceedance of Minimum Threshold" document, which outlines steps that need to be taken when a single Representative Monitoring Well exceeds a Minimum Threshold. Mr. Muhar reported the KGA has requested individual home boards approve such document as it will become a part of KGA's Umbrella Groundwater Sustainability Plan. Following was a brief discussion, Director Martinez motioned, seconded by Director Johnston, and unanimously carried to approve such KGA document.

White Wolf Groundwater Sustainability Agency (WWGSA)

Mr. Muhar provided and update on the June 1, 2021 Board of Directors' meeting that was attended by Director Martinez (Chair), Director Giumarra, and staff (Muhar and Clark), which included a technical presentation from EKI Consultants highlighting progress made on the water budget, projects and management actions after considering

climate change scenarios, plan implementation, and tentative dates for the administrative draft GSP review in August, followed by a 75-day public comment period for the draft GSP release in September, and the final GSP submittal by January 2022; Proposition 68 Grant funding updates; Groundwater Model is calibrated and validated with better results than the C2VSIM model; Baseline scenario (status quo) indicates a deficit of 4,700 acre-feet per year (AF/yr) up to a deficit of 25,800 AF/yr under 2070 Climate Change scenario, and the WWGSA Board directed consultants to use the 2030 Climate Change scenario (deficit of 9,200 AF/yr) for SGMA planning purposes; and upcoming Stakeholder Workshop #3 on Monday, July 26.

Power and Water Resources Pooling Authority

Mr. Dawson provided an update on the power costs from January through April 2021, which is currently about 12¢ per kWh, and projections for the remaining calendar year.

Mr. Nixon reported CASIO requested additional funds for reserves (due to a rule change requested nine (9) days of collateral), which is \$5M to PWRPA with District share of \$1.5M, and further noted the district budget related to 30-year average water and power of nearly \$19M will be exceeded by roughly \$2M due to lack of base resource supply from CVP reservoirs and market rate for power purchases. After a brief discussion, Mr. Nixon noted the budget vs. actual will be updated and presented to the Board at a subsequent meeting.

Kern County Water Agency - Cross Valley Canal (CVC)

Mr. Muhar provided an update on CVC Advisory Committee activities which included; approval of \$297K for a scaled model of canal on mitigating hydraulic issue; approval of \$25K for additional SCADA upgrades, of which both were unbudgeted and the District's share of approximately \$29K.

MONTHLY STAFF REPORTS

Report of District Operations

Mr. Ceja reviewed the year-to-date delivery summary, May deliveries, in-district demand, groundwater and surface supplies for the year, wellfield activities, and groundwater level information.

Water Supply and Prorate Update

Mr. Muhar provided the 2021 Water Supply and Prorate update outlining the below staff recommendations; a) district can use the declared 20% Class 1 but its potentially subject to water being classified as 2022 pre-use if the declaration is reduced; b) if status quo in surface supply - administer a second pool in July after end of June meter readings at a price of \$300/AF; c) if a peaking supply issue arises - institute a groundwater purchase program by District; d) if surface supply has a drastic change a special board meeting would be

called. In addition, if the second pool request for water exceeded the turnback amount, landowner pump-ins would be allowed to supplement schedules for those requesting water. There was a brief discussion, and Director Fanucchi motioned, seconded by Director Kirschenmann, and unanimously carried to approve 1) continued use of 20% allocation, 2) a second pool after June deliveries at a cost of \$300/AF, and 3) allow Management discretion to purchase landowner groundwater at a price of \$400/AF, if necessary, and execute accompanying Landowner agreements.

Strategic Plan Update

Mr. Muhar reviewed the final 2019 Strategic Plan Goal 1 (Water Supplies) accomplishments to date and noted Goals 2 through 7 would be reviewed at an upcoming board meeting.

Proposition 218 Election Update

Mr. Nixon provided an update on the Prop 218 Election stating all the ballots have been mailed and there were about 50 calls from sub-acre parcels requesting Spanish translation and/or Spanish language flyers.

CORRESPONDENCE

Mr. Muhar noted legislative updates from FWA, Kern County Water Agency, and the Ag Energy Coalition Association and the Western Growers 30-year anniversary photo for the district.

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 (Irrigated Lands Program); City of Fresno, et al vs. USA, Court of Federal Claims; The California Natural Resources Agency, et al, vs. Wilbur Ross (Biological Opinions Intervention); Rosedale-Rio Brave Water Storage District et al. v. Kern County Water Agency et al, (Cross Valley Canal); 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 3:10 p.m. Upon returning to open session at 4:12 p.m. Director Martinez motioned, seconded by Director Moore, and unanimously carried to approve a "Common Interest and Confidentially Agreement" with Kern Delta Water District and Kern County Water Agency regarding the Cross Valley Canal litigation.

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 Kirschenmann, by unanimous vote, adjourned the meeting at 4:15 p.m.



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