

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
ARVIN-EDISON WATER STORAGE DISTRICT
July 12, 2022**

President Camp called to order the monthly meeting of the Board of Directors of the Arvin-Edison Water Storage District at the hour of 12:02 p.m., at District Headquarters, at 20401 East Bear Mountain Boulevard, Arvin, California, with a quorum being then and there and remotely present, to wit:

CALL TO ORDER

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

THERE WERE TWO ABSENT DIRECTORS

Jeffrey Giumarra, Vice President
Catherine Fanucchi

District staff:

Jeevan Muhar, Engineer-Manager
David Nixon, Deputy General Manager
David Grant, Controller*
Mark Dawson, Engineer*
Jose Santana, Engineer Technician*

District Consultants:

Joseph Hughes, Esq., Klein DeNatale Goldner, LLP
Randy Hopkins Provost & Pritchard Engineering Group*
Matthew Adams, Esq., Kaplan Kirsh Rockwell, LLP (Via WebEx)**
Todd Robins, Esq., Water and Power Law LLC (Via WebEx)**
Bruce McLaughlin, Esq., Cameron-Daniel, P.C., (Via WebEx)**

Visitors and Guests:

Vincent Sorena, Global Ag Properties*
Justin Murray, Illume Ag*
Kevin Assemi, Maricopa Orchards (Via WebEx)*
Maryse Suppinger, Manulife Investment Management*

PLEDGE OF ALLIGIANCE

The pledge of allegiance was recited.

Note: *Departed at "Closed Session" at 1:42 p.m.
 **Portion of "Closed Session" Only

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 were no public comments.

RECOMMENDATION AND APPROPRIATE ACTION REGARDING FINDINGS NEEDED TO UTILIZE ALTERNATIVE TELECONFERENCING REQUIREMENTS DURING A STATE OF EMERGENCY PURSUANT TO GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361. THE BOARD OF DIRECTORS WILL BE ASKED TO DETERMINE THAT (A) THE PROCLAIMED STATE OF EMERGENCY ARISING FROM COVID-19 CONTINUES TO EXIST AND (B) THE STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF THE MEMBERS TO MEET SAFELY IN PERSON

Mr. Muhar noted this is to renew the required thirty (30) day determinations for remote attendance by Directors at Board of Director meetings. There was a brief discussion, and Director Martinez motioned, seconded by Director Kirschenmann (Giumarra and Fanucchi absent), and unanimously carried to make the determinations needed to utilize alternative teleconferencing requirement during a State of Emergency.

CONSENT MATTERS

President Camp asked if there were any questions concerning the Consent Calendar, which items were detailed with staff reports in the Board packet. Director Yurosek requested to remove Consent Item Number 9 from Consent Matters. The following is the list of Consent Agenda items:

7. Minutes of Board of Directors' meeting held on June 14, 2022
8. Treasurer's Report for June 30, 2022, and Unaudited Financial Statements for Year Ending May 31, 2022
9. PULLED FROM CONSENT MATTERS

Director Martinez motioned, seconded by Director Vickery (Giumarra and Fanucchi absent), and unanimously carried to approve the two (2) Consent items:

MEMBERSHIPS, CONTRIBUTIONS, AND/OR CALL FOR FUNDS

Mr. Grant responded to Director Yurosek's questions regarding the Kern County Recovery of LAFCO's Operating Costs for Fiscal Year 2021-22 in the amount of \$8,996 and specifically the cost share calculation. Mr. Grant further presented the Teacher's Ag Seminar in the amount of \$500. Director Yurosek motioned, seconded by Director Johnston (Giumarra and Fanucchi absent), and unanimously carried to approve the

LAFCO Operating Costs in the amount of \$8,996 and a contribution to the Teacher's Ag Seminar in the amount of \$500.

ACTION ITEMS

Resolution No. 22-18, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (June 2022 - Warrant Numbers 435309-45429

Mr. Grant stated there was an additional batch totaling \$295k bringing the June disbursements to approximately \$3.3M, and noted power cost of \$2.3MM, RRBWSD 0.3MM, and other costs of 0.4MM. There was a brief discussion regarding accruals.

Mr. Grant then presented a form of Resolution; whereupon, Director Martinez motioned, seconded by Director Johnston (Giumarra and Fanucchi absent), and unanimously carried to approve Resolution No. 22-18, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (June 2022). A copy of Resolution No. 22-18, is on file in the Resolution book and is hereby made a part of these minutes.

CONSIDER APPROVAL OF CONTRACT BETWEEN ARVIN-EDISON WATER STORAGE DISTRICT AND THE TEJON INDIAN TRIBE FOR AGRICULTURAL WATER SERVICE

Mr. Muhar provided an update on the Tejon Indian Tribe project (Tribe) and further stated in July 2020 the Board approved a separate agreement with the Tribe, which addressed both surface and groundwater usage that ultimately limited total combined water use by the Tribe at 734 acre-feet per year (2.4 acre-feet per acre). Mr. Muhar noted this agenda item approval involved the Surface Water Service Area (SWSA) Agricultural Water Service Contract (Contract), which among other things had to be modified, to remove "lien" language as a federal trust cannot have such language in its contracts and to be consistent with the other separate agreement. Therefore, the redline version in the Board package provides the changes to the standard SWSA Contract. Mr. Muhar stated staff is recommending the Board approve the Contract between Arvin-Edison Water Storage District and the Tejon Indian Tribe for Agricultural Water Service. Director Vickery motioned, seconded by Director Yurosek (Giumarra and Fanucchi absent), and unanimously carried to approve execution of the SWSA Contract with the Tejon Indian Tribe.

CONSIDER APPROVAL OF KERN COUNTY WELL PERMIT ACKNOWLEDGEMENT FORM

Mr. Muhar provided an update as detailed in the board packets, on the Kern County Well Permit process due to the Governor's Executive Order (EO) specifically that Kern County is to comply with sub-section 9(b) of that EO, noting these new acknowledgment forms will allow well drilling to commence again. Mr. Muhar stated staff has received several requests to execute acknowledgment forms (Arvin GSA and Kern County), and staff is requesting to acknowledge these types of forms as part of the process for Kern County well permitting. Director Martinez motioned, seconded by Director Kirschenmann (Giumarra and Fanucchi absent), and unanimously carried to approve the Kern County Well Permit

Acknowledgement Form(s).

CONSIDER APPROVAL OF BID FOR THE "FORREST FRICK PUMPING PLANT EASTSIDE CANAL INTERTIE PROJECT" (\$1.2M)

Mr. Muhar provided the bid summary for the Forrest Frick Pumping Plant Eastside Canal Intertie Project (Project) as detailed in the Board packet, stating there were two (2) bids submitted with W.M. Lyles being the apparent low bidder:

Project (WM Lyles bid)	\$1,188,080	
Construction Management	\$ 61,920	
Total	\$1,250,000	
USBR Grant Amount	\$ 500,000	
District Share	<u>\$ 750,000</u>	(\$650,000 Budget Amount)

Staff recommends that the Board of Directors approve the Project with W.M. Lyles, and a not to exceed the Construction Management Task Order to Provost & Pritchard Engineering Group for \$61,920. Director Kirschenmann motioned, seconded by Director Yurosek (Giumarra and Fanucchi absent), and unanimously carried to award the Forrest Frick Pumping Plant Eastside Canal Intertie Project and the Provost & Pritchard Engineering Group Task Order.

Public Hearing at 1:00 p.m. to hear comments or objections regarding Fiscal Year 2022-2023 Preliminary Roll of General Administrative and General Project Service Charges (GA&GP), and to finalize both the preliminary roll and the rate for said respective charges to be applied to the categories of land as set forth in said roll

Mr. Camp opened the scheduled Public Hearing to solicit any comments or objections to the final fixing of the rates and the roll of General Administrative and General Project Service Charges for fiscal year 2022-2023 and requested staff to conduct its presentation.

Mr. Nixon reviewed the timetable for levying the General Administrative and General Project Service Charges (GA&GP) for 2022-2023, and reviewed the annual process, with the adoption of Resolution No. 22-13, which designated the "Preliminary Fixing" with a proposed 2.1% increase of the General Project Service Charges as budgeted.

Mr. Nixon then presented to the Board three (3) exhibits in support of jurisdictional and other matters: (A) the copy of filing of the Preliminary Roll; (B) "Proof of Publication" of the "Notice of Hearing" document submitted to the Bakersfield Californian, published during the weeks of June 22 and June 29, 2022; and (C) the "Affidavit of Mailing" the "Notice of Public Hearing" and also mailed "Notice of Public Hearing" on/or before 4:00 p.m. July 1, 2022 to all landowners in the Arvin-Edison Water Storage District.

Mr. Nixon noted no written objections or comments had been received and only one (1) telephone call from a landowner with general inquiries about the GA&GP charges, but there were no requests for changes to the roll or changes to the charges.

There were no public comments and no landowners in attendance so President Camp stated the public hearing was declared closed at 1:10 p.m.

Resolution No. 22-19, FINALIZING ROLL OF GENERAL ADMINISTRATIVE AND GENERAL PROEJCT SERVICE CHARGES; FIXING RATES PER ACRE FOR SAID CHARGES; ORDERING THAT THE SAME BE COLLECTED FROM OWNERS OF LANDS RECEIVING THE BENEFIT THEREOF; AND ELECTING THAT SUCH CHARGES FOR FISCAL YEAR 2022-2023 TO BE COLLECTED BY THE COUNTY OF KERN AS PROVIDED IN ARTICLE 4, CHAPTER 13, PART 9 OF DIVISION 14 (COMMENCING WITH SECTION 47980) OF THE CALIFORNIA WATER CODE

Mr. Nixon presented a form of Resolution, whereby, Director Yurosek motioned, seconded by Director Kirschenmann (Giumarra and Fanucchi absent), and unanimously carried to adopt Resolution No. 22-19, FINALIZING ROLL OF GENERAL ADMINISTRATIVE AND GENERAL PROEJCT SERVICE CHARGES; FIXING RATES PER ACRE FOR SAID CHARGES; ORDERING THAT THE SAME BE COLLECTED FROM OWNERS OF LANDS RECEIVING THE BENEFIT THEREOF; AND ELECTING THAT SUCH CHARGES FOR FISCAL YEAR 2022-2023 TO BE COLLECTED BY THE COUNTY OF KERN AS PROVIDED IN ARTICLE 4, CHAPTER 13, PART 9 OF DIVISION 14 (COMMENCING WITH SECTION 47980) OF THE CALIFORNIA WATER CODE. A copy of Resolution No. 22-19, 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)

Friant-Kern Canal Subsidence (FKC)

Mr. Muhar provided an update on the information in the Board packet regarding the FKC construction including reports on cash flow activities with substantial completion of the project anticipated in January 2024.

Miscellaneous

Mr. Muhar provided an update on the information in the Board packet noting; Class I declaration is still standing at 15%, but could increase to 30% if the San Joaquin River Exchange Contractor deliveries are switched to Delta-Mendota Canal by mid-July; 2023 Budget approved for sixty (60) day comment period, which includes a \$2 million increase to \$12.2 million (\$1.6 million Arvin's share); the 25-year rolling average O&M cost allocation was corrected due to a formula error that impacts 2021 and 2022 O&M as well as the \$50 million "family plan" related to the FKC Middle Reach Project (nearly \$1 million to Arvin); FWA External Affairs report in the Correspondence portion of the Agenda.

AGENCY/AUTHORITY/COMMITTEE REPORTS

Kern Groundwater Authority (KGA)

Director Yurosek and Mr. Muhar attended the KGA Board of Directors' meeting held on June 22, 2022 as well as various other coordination calls/meetings regarding the DWR comment letter with a summary outlined in the Board packet.

South of Kern River Amended Groundwater Sustainability Plan (GSP) Update

Mr. Muhar highlighted the items related to Arvin's joint development of an amended GSP for management areas in the South of Kern River GSP with Wheeler Ridge-Maricopa Water Storage District, Tejon-Castac Water District and Arvin Community Services District as summarized in the Board packet, which also summarized coordination activities with Kern Subbasin GSAs and other interested parties.

Kern River Watershed Coalition Authority (KRWCA)

Director Johnston and Mr. Muhar attended the KRWCA Board meeting held on July 7, 2022 and noted that the next KRWCA meeting in September will review the Budget and rate setting.

Kern County Water Authority - Cross Valley Canal

Mr. Muhar provided an update on the Kern County Water Agency - Cross Valley Canal Advisory Committee meetings with a focus on the CVC Capacity Study and potential impasse on unanimous agreement on expert assumptions related to the modeling.

Power and Water Resources Pooling Authority

Mr. Dawson provided an update on the monthly routine power issues and costs as outlined in the Board packet, and noted a \$3 million balance due is estimated for the PWRPA Calendar Year 2022 underfunding to date and an estimated \$5.3 million net power/water costs increase to the District's Water Year 2022. There was a discussion regarding budget actual to date, which will be provided in more detail at the next meeting. President Camp noted the on-going efforts by staff to review power expenses and the desire to a power distribution master plan including micro-grid options to reduce power expenses that will be presented to the full Board at a future meeting.

STAFF REPORTS

District Operations

Mr. Muhar reviewed year-to-date delivery summary, in-district demand, wellfields, groundwater and surface supplies for the year, groundwater level information and recent rainfall/snowpack info.

Water Supply and Prorate Update

Mr. Nixon provided an update on the 2022 Water Year Prorate Program and noted the second pool results would be finalized after the July 15

deadline. In addition, Mr. Nixon noted the staff would administer the 3rd and final pool at \$200 per acre-foot unless the Board desired to make changes. In addition, staff noted with the additional Class 1 water supplies, if water request exceeded turnback, staff would supplement the pools with the additional water supplies instead of administering the pump-in program. The Board unanimously approved staff recommendation to complete 3rd reallocation at \$200 per acre-foot and supplement the pool with additional water.

Financial Committee Update

Mr. Nixon provided an update on the AEWS Finance Committee (Giumarra and Yurosek) meeting held on June 20, 2022 and additional details would be provided to the full Board at a future meeting.

2021 Land Use Survey

2021 Land Use Survey was provided in the Board packet.

JM Lord Report

Mr. Dawson provided a summary of the "Assessment of Reasonable Water Requirements completed by Agricultural Scientist (JM Lord, Inc.), which presents an estimate of total water use within the entire district as outlined in the Board packet.

CORRESPONDENCE

Mr. Muhar noted the FWA External Affairs and the KCWA Legislative updates.

MATTERS OF DISTRICT COUNSEL

Mr. Hughes had nothing to report.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL

Legal Counsel Hughes then advised the Board he would like to discuss existing litigation, and anticipated litigation, namely: Initiation of litigation (One Item); Arvin-Edison WSD vs. J.R. Simplot, et al (123TCP); Arvin-Edison WSD v. Porterville ID, et al (FKC issues); 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 (Resolution #R5-2013-0120) to State Water Resources Control Board (Irrigated Lands Program); City of Fresno, et al v. USA, Court of Federal Claims; The California Natural Resources Agency, et al, v. Wilbur Ross (Biological Opinions Intervention); Rosedale-Rio Brave Water Storage District et al. v. Kern County Water Agency et al, (Cross Valley Canal); Closes Session (Government Code §54957.6) Conference with Labor Negotiator Employee Organization:

International Union of Operating Engineers Local 501; Employment Engineering Technician; 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 1:45 p.m. Upon returning to open session at 3:13 p.m., Mr. Hughes reported that no reportable action was taken.

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 Moore motioned, seconded by Director Johnston and by unanimous vote, adjourned the meeting at 3:15 p.m.



A handwritten signature in black ink, appearing to read "David A. Nixon".

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