

**MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF  
ARVIN-EDISON WATER STORAGE DISTRICT  
September 13, 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 10:00 a.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  
Jeffrey Giumarra, Vice President (departed @ 12:15 p.m.)  
Dennis Johnston  
Matthew Vickery  
Derek Yurosek  
Catherine Fanucchi (departed @ 12:15 p.m.)

**THERE WERE TWO ABSENT DIRECTORS**

Catalino Martinez  
Brian Kirschenmann

**District staff:**

Jeevan Muhar, Engineer-Manager  
David Nixon, Deputy General Manager  
David Grant, Controller\*  
Christy Byon, Senior Accountant (departed at 11:00 a.m.)  
Mark Dawson, Engineer\*  
Jose Santana, Engineer Technician\*  
Joe Scerbo, General Superintendent\*

**District Consultants:**

Joseph Hughes, Esq., Klein DeNatale Goldner, LLP  
Randy Hopkins Provost & Pritchard Engineering Group\*  
Geoff King, Danhira Millan, Scott Westall, Barbich, Hooper, King  
Dill Accountancy Corporation (departed @ 11:00 a.m.)  
Alex Handlers, Bartle Wells & Associates (Via WebEx @ 11:25 a.m.)  
James Wawrzyniak, Jones Hall & Associates (via WebEx @ 11:25 a.m.)

**Visitors and Guests:**

Steve Jackson, Elevated Ag\*  
John Gaugel, Wonderful (Via WebEx)\*  
Glenn Chaflin, Watts Farming (Via WebEx)\*  
Victoria Lee, Elevated Ag (Via WebEx)\*

**PLEDGE OF ALLIGIANCE**

The pledge of allegiance was recited.

**Note:**      \*Departed at Closed Session at 11:50 a.m.

## 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, but the order of the agenda may be changed to accommodate Director and/or consultant schedules.

## 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

Legal Counsel Hughes noted this is to renew the required thirty (30) day determinations for remote attendance by Directors at Board of Director meetings. Director Fanucchi motioned, seconded by Director Johnston, and unanimously carried to make the determinations needed to utilize alternative teleconferencing requirement during a State of Emergency.

## CONSENT MATTERS

President Camp noted items listed on the Consent Agenda are considered routine and non-controversial by staff and will be approved by one motion. The following items were listed on the Consent Agenda, which items were detailed with staff reports in the Board packet:

7. Minutes of Board of Directors' meeting held on July 12, and the Minutes of the Special meeting held on July 21, 2022.
8. Treasurer's Reports for July 31, and August 31, 2022, Unaudited Financial Statements for Year Ending July 31, 2022
9. Memberships/ contributions, and/or Call for Funds:
  - a) California Farm Water Coalition - Cultivate California Fiscal Year 2022-2023 in the amount of \$3,000
10. Adoption of Resolution No. 22-21, AMENDING THE CONFLICT OF INTEREST CODE FOR THE ARVIN-EDISON WATER STORAGE DISTRICT
11. Approve discontinuation of water deliveries to certain areas of the District from Monday, November 28 through Sunday, December 18, 2022 for construction, maintenance, and repair of the District's Distribution System

Director Johnston motioned, seconded by Director Vickery, and unanimously carried to approve the five (5) Consent Agenda items.

## ACTION ITEMS

### Consider Approval of 2023 Budget Items related to Water Supply Assumptions, Water Use, and Annual Groundwater Pumping Cost Memorandum

Mr. Muhar provided a brief background on the budget process including historical method of setting average groundwater rates equal to that of average surface water rates. Mr. Muhar stated the Annual Groundwater Pumping Cost Memorandum by Provost & Pritchard notes the substantial increase in energy rates and therefore the average groundwater pumping cost increase from prior year of \$208/AF to current year of \$250/AF or an additional \$42/AF (20.2% increase). Mr. Muhar further noted the budget process, which is finalized at the December board meeting and outlined in the board packets. There was a brief discussion regarding cost increases, and Director Giumarra motioned, seconded by Director Yurosek, and unanimously carried to approve the 2023 Budget Item - Water Supply Assumptions, Water Use, and Annual Groundwater Pumping Cost Memorandum.

### Consider Approval of Audited Financial Statements for Year Ending February 28, 2022

Mr. Nixon formally introduced Geoff King, Danhira Millan, and Scott Westall from Barbich Hooper King Dill Hoffman Accounting Corporation to present the Audited Financials for Year Ending February 28, 2022.

Mr. King stated the audit went very well, completed on schedule, and the District has been issued an unqualified opinion. In addition, there are no items of deficiency to report in the management letter.

Mr. King then reviewed the Independent Auditor's Report and the Financial Statements for the Year Ending February 28, 2022. Mr. King explained certain line items on the Balance Sheet, Statement of Changes in Retained Earnings, Statement of Cash Flow, changes in net assets, capital assets, fixed assets, current assets, water in storage, banked water, and inventory.

Director Fanucchi motioned, seconded by Director Giumarra, and unanimously carried to approve the Audited Financial Statements for Year Ending February 28, 2022.

### Closed Session (Government Code §54957(b)) Performance Evaluation of Engineer-Manager

President Camp noted the remarks from Mr. King and therefore in the interest of time, this agenda item was not considered.

### Resolution No. 22-23, COMMENDATION AND EXPRESSION OF APPRECIATION TO JOHN C. MOORE

President Camp provided a form of Resolution in recognition of the retirement of John C. Moore of Division 5, and noting the Moore family provided over 55 years of service to the District, and further stated

the District will be honoring him with a luncheon. Director Johnston motioned, seconded by Director Fanucchi, and unanimously carried to approve Resolution No. 22-23, COMMENDATION AND EXPRESSION OF APPROECIATION TO JOHN C. MOORE. A copy of Resolution No. 22-23, is on file in the Resolution book and is hereby made a part of these minutes.

**Discussion and Appropriate Action regarding Appointment of Director to fill Vacancy for Division 5**

President Camp stated the "Notice of Vacancy" will be posted by Staff. Furthermore, President Camp noted that the Director Interview Ad-Hoc Committee (currently consisting of Directors' Camp, Giumarra, Johnston) could use a fourth Director to replace retired Director Moore. After discussion, Director Vickery was nominated to replace Moore. The Ad-Hoc Committee would interview all interested individuals and would then make a recommendation to the Board of Directors at the November 8 meeting. Director Yurosek motioned, seconded by Director Johnston, and unanimously carried to approve the Director Interview Ad-Hoc Committee and the appointment process.

**Reorganization of Board of Directors to appoint a Secretary-Treasurer**

President Camp stated the position of Secretary-Treasurer would need to be filled, and after a brief discussion, Director Yurosek motioned, seconded by Director Johnston, and the Board unanimously approved to appoint Dennis B. Johnston to the position of Secretary-Treasurer of the Board of Directors.

**Resolution No. 22-24, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (July 2022 - Warrant Numbers 45430-45607**

Mr. Grant reported on selected July disbursements for the Board's information.

Mr. Grant then presented a form of Resolution; whereupon, Director Vickery motioned, seconded by Director Giumarra, and unanimously carried to approve Resolution No. 22-24, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (July 2022). A copy of Resolution No. 22-24, is on file in the Resolution book and is hereby made a part of these minutes.

**Resolution No. 22-25, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (August 2022 - Warrant Numbers 45608-45708**

Mr. Grant stated there was an additional batch for Board approval.

Mr. Grant then presented a form of Resolution; whereupon, Director Vickery motioned, seconded by Director Giumarra, and unanimously carried to approve Resolution No. 22-25, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (August 2022). A copy of Resolution No. 22-25, is on file in the Resolution book and is hereby made a part of these minutes.

Resolution 22-22, DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A TAX-EXEMPT FINANCING FOR CERTAIN CAPITAL EXPENDITURES AND AUTHORIZING THE ENGAGEMENT OF PROFESSIONAL SERVICES FIRMS IN CONNECTION THEREWITH FINANCING OF DISTRICT

Financial Consultant Alex Handlers and Bond Counsel James Wawrzyniak presented a PowerPoint presentation "Capital Program Financing Plan" summary and initial resolution, which included; background, financing updates, summary of General Administrative / General Project Service needs, proposed rate increases, a capital projects schedule (i.e., SGMA, FKC Infrastructure, and Annual Projects), debt financing summary, debt issuance summary; projected debt service and impact on General Project Charges; debt repayment by General Project Service Charges; WIFIA financing program regarding funding eligibility for SGMA projects, which could potentially fund up to 49% of eligible future projects.

A form of Resolution was presented for the intent to allow District to reimburse itself for certain capital project expenses with future debt financing and further acknowledges Board intent to fund roughly \$62M SGMA Capital program and Friant Kern Canal project with tax-exempt financing, provides direction to staff to move forward with process for issuing of bonds/COPs in an amount not to exceed \$30M, applying to WIFIA financing program; authorizes staff to engage professional services related to such financing. There was a brief discussion, and the Finance Committee recommended the Board of Directors approve the "Capital Program Financing Plan" with the adoption of Resolution No. 22-22. Director Fanucchi voiced concerns with some of the language, which legal counsel was instructed to clarify. Director Fanucchi motioned, seconded by Director Johnston,, and unanimously carried to approve Resolution No. 22-22, DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A TAX-EXEMPT FINANCING FOR CERTAIN CAPITAL EXPENDITURES AND AUTHORIZING THE ENGAGEMENT OF PROFESSIONAL SERVICES FIRMS IN CONNECTION THEREWITH FINANCING OF DISTRICT. A copy of Resolution No. 22-22, is on file in the Resolution book and is hereby made a part of these minutes.

Adjourned to Closed Session

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 11:50 a.m. Upon returning to open session at 12:10 p.m., Legal Counsel Hughes stated no reportable action was taken.

#### Returned to Open Session

#### Consider Approval of Provost & Pritchard Engineering Group Task Order for CEQA and Engineering Design Services on Treatment Plant Facilities to Remove 123TCP

Mr. Muhar provided an update and reminded the Board of the various actions staff has taken related to 123TCP (feasibility study and RFP). It was noted that P&P has gathered an impressive project team consisting of EKI, Stantec and others. Staff is recommending the Board approve the P&P Task Order to perform the requested CEQA and Engineering Design Services for the 123TCP GAC Treatment Facilities, as recommended in the Study, at a financial impact of \$4.577M. Director Yurosek motioned, seconded by Director Giumarra, and unanimously carried to approved the Task Order from Provost & Pritchard Engineering Consultants in the amount of \$4.577M.

#### Consider Approval of Agreement between Landowner and Arvin Groundwater Sustainability Agency providing for Confirmation of Consistency with Groundwater Sustainability Plan

Mr. Muhar reviewed the Agreement between Landowner and Arvin Groundwater Sustainability Agency (Arvin GSA) providing for Confirmation of Consistency with Groundwater Sustainability Plan (Agreement) noting the District has received request from two project proponents for proposed development projects (location maps in board packet), and furthermore that the requests are under the direction of the Kern County Planning Department as part of the zone change process. Mr. Muhar stated staff worked with special legal counsel to incorporate the well verification forms into the Agreement and essentially puts the Landowner (and its future successor provided that the Agreement runs with the land and is recorded) on "higher alert" of the new groundwater regulations and future uncertainties regarding groundwater management including extraction volumes. Staff is recommending the Arvin GSA Board of Directors approve management to execute the Agreement for the two pending requests and to enter into this standard Agreement with future proposed project Landowners assuming they are similar requests. Director Johnston motioned, seconded by Director Vickery, and unanimously carried to authorize management to execute the Agreement with Landowners of proposed current and future projects.

**Consider Approval of Sunset Groundwater Recharge Facility Pump Station and Pipeline Payment to Kern Delta Water District (\$2.26M)**

Mr. Muhar reviewed the Sunset Groundwater Recharge Facility Pump Station and Pipeline Project (Project) as further detailed in the board packet and noted the contract advertisement was completed in August 2022 after competitive bidding, the apparent lowest responsible bidder was Specialty Construction at a bid of \$3.76M. In addition to the Project construction contract, an additional \$350k is recommended to be budgeted to expediate electrical distribution service as well as a Zeiders Consulting task order for construction management, testing and inspection for another \$400k for a total Project cost of over \$4.5M. There was discussion about increasing cost, total project cost to date, the desire to complete the project provided declining water levels in the near vicinity and schedule (given equipment lead times on electrical drives, panels, pumps, Project is expected to be operational around March 2023):

\$3,760,908.00	Contract
\$350,000.00	PG&E Estimate
\$400,805.00	Construction Management
\$4,511,713.00	Total Project Cost

Staff is recommending the Board of Directors approve the District's 50% cost share payment to Kern Delta Water District as outlined in the Sunset O&M Agreement of \$2,255,856.50. Director Yurosek motioned, seconded by Director Johnston, , and unanimously carried to approve payment for Sunset Groundwater Recharge Facility to Kern Delta Water District in the amount of \$2,255,856.50.

12:15 p.m. - Director Giumarra and Director Fanucchi left the meeting and there was no longer a quorum present. The remaining Directors continued to meet as a committee of the Board.

**AGENCY/AUTHORITY/COMMITTEE REPORTS**

**Friant**

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; and noted the "Water Supply Strategy Adopting to a Hotter, Drier Future" (attached in the board packet).

**South of Kern River (SOKR) Groundwater Sustainability Plan (GSP)**

Mr. Muhar stated the SOKR Executive Committee and the Kern subbasin Coordination Committee have both meet once with Director Yurosek and Muhar in attendance. Mr. Muhar highlighted meeting topics and also summarized coordination activities with Kern Subbasin GSAs and other interested parties.

## **White Wolf Subbasin GSA**

Mr. Muhar stated the Board of Directors' meeting was held on September 6, 2022 and attended by Director Martinez, Director Giumarra and Muhar. Mr. Muhar noted the technical presentation included in the Board packet and highlighted the drastic decline in water levels that will be subject to a Landowner workshop in the near future.

## **Kern Groundwater Authority (KGA)**

Director Yurosek and Mr. Muhar attended the KGA Board of Directors' meetings held on July 20, and August 24, 2022 as well as several other coordination calls/meetings regarding basin coordination issues.

## **Kern River Watershed Coalition Authority (KRWCA)**

Director Johnston attended the KRWCA Board meeting held on September 1, 2022 and noted the 2023 Budget new rate of \$3/acre.

## **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.

Mr. Dawson provided a brief recap of District efforts to assist the State during the months peak energy demands and load reduction program associated with District wellfields that are anticipated to generate nearly \$300k to the District.

### **Water Supply and Prorate Update**

Mr. Nixon provided an update on the 2022 Water Year Prorate Program ending on September 30, and noted the third pool results, which highlighted that all requested water was met from returned water.

### **Groundwater Model Update**

Mr. Muhar noted the memo in the Board Packet with District still waiting for the C2VSIM model files from the Kern Basin and there would be an EKI presentation on the model next month.

## **CORRESPONDENCE**

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



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 the meeting was adjourned at 12:53 p.m.



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