

+ MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
ARVIN-EDISON WATER STORAGE DISTRICT
May 16, 2023

President Camp called to order the rescheduled monthly meeting of the Board of Directors of the Arvin-Edison Water Storage District at the hour of 12:00 p.m., at District Headquarters, at 20401 East Bear Mountain Boulevard, Arvin, California, with a quorum being then and there present to wit:

CALL TO ORDER

Edwin Camp, President
Dennis Johnston, Secretary-Treasurer
Derek Yurosek
Catherine Fanucchi
Catalino Martinez
Brian Kirschenmann
Matthew Vickery
Scott Spitzer

There was one absent Director:

Jeffrey Giumarra, Vice President

District staff:

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

District Consultants:

Joseph Hughes, Esq., Klein DeNatale Goldner, LLP (Via WebEx)
Randy Hopkins, Provost & Pritchard Engineering Group (Via WebEx)*

Visitors and Guests:

Nicole Bonna, Manulife Investment (Via WebEx)*
Kristin Bilak, (Via WebEx)*
Craig Bono, Sunview Vineyards

PLEDGE OF ALLIGIANCE

The pledge of allegiance was recited.

RECOGNITION OF VISITORS AND GUESTS

All visitors were recognized and formally introduced.

*Note: *Departed at Closed Session at 1:45 p.m.*

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

Mr. Muhar stated changes to the posted Agenda regarding Item No. 7 that incorrectly mentioned Unaudited Financials, which were not completed because of the on-going Annual Audit.

OPPORTUNITY FOR PUBLIC COMMENT (Government Code §54854.3)

Mr. Muhar recognized May Director birthdays (Martinez, Camp and Vickery). President Camp noted the Howard Frick Dedication Ceremony to be held on Wednesday, June 14, 2023.

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: At this time Director Martinez requested Consent Agenda Item No. 8 - Memberships/Contributions/Call for Funds be pulled from the consent matters for discussion:

6. Approval of Minutes of the Board of Directors meeting held on April 11, and Special Minutes of the Board of Directors Landowner/Workshop meeting held on April 25, 2023.
7. Approval of Treasurer's Report for April 30, 2023.

Director Fanucchi motioned, seconded by Director Yurosek, and unanimously carried to approve those two Consent Agenda items.

ACTION ITEMS

Memberships/Contributions/Call for Funds

After a brief discussion, Director Kirschenmann motioned, seconded by Director Martinez, and unanimously carried for staff to collect additional information regarding the California Farm Water Coalition Cultivate California Program(s) and to table the \$3,000 contribution request until next month's board meeting.

Resolution No. 23-14, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (April 2023 - Warrant Numbers 46887-47052)

Mr. Grant reported on April disbursements totaling approximately \$3.4M, highlighting interest payment on \$25M loan, several water and power expenses, and Friant payments. Director Fanucchi voiced her concerns over purchasing promotional products.

Mr. Grant then presented a form of Resolution; whereupon, Director Johnston motioned, seconded by Director Yurosek, and unanimously carried to approve Resolution No. 23-14, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (April 2023). A copy of Resolution No. 23-14 is on file in the Resolution book and is hereby made a part of these minutes.

RESOLUTION NO. 23-15, FIXING CHARGES FOR GENERAL ADMINISTRATIVE SERVICES RENDERED BY THE DISTRICT; ORDERING THAT THE SAME BE COLLECTED FROM OWNERS OF LANDS RECEIVING THE BENEFIT HEREOF; FIXING CHARGES FOR GENERAL PROJECT SERVICE; ORDERING THAT THE SAME BE COLLECTED FROM THE OWNERS OF CERTAIN LANDS RECEIVING THE BENEFIT THEREOF; ORDERING PREPARATION OF A ROLL AND PRELIMINARY RATES; AND SETTING OF NOTICED HEARING (FISCAL YEAR 2023-2024)

Mr. Nixon stated that in accordance with the District's Rules and Regulations staff recommends approval of Resolution No. 23-15, which will set the Preliminary General Administrative and General Project Service Charges (GA&GP) for the 2023-2024 Kern County Fiscal Tax Year along with approving the notice of the public hearing, which would be published in the Bakersfield Californian once a week for two successive weeks in June 2023. In addition, a letter would be mailed to each holder of title to lands within the District, which mailing shall be completed by June 26, 2023. Mr. Nixon also stated the public hearing regarding the final fixing of the GA&GP Service Charges is scheduled to be held at the July 11, 2023 Board of Directors' meeting, at which time the Board can set the Final GA&GP Service Charges for the 2023-2024 Fiscal Year.

Mr. Nixon reviewed the material provided in the Board Packet and stated that consistent with the 2021 Proposition 218 Election and the approved 2023 water year budget, staff is recommending an approximate 4% increase in the total GA/GP from last year. Mr. Nixon further stated the charges for all categories of lands compared to last year will be:

<u>Category</u>	<u>Preliminary Rates</u>	<u>Current Rates</u>
1. Charge for tracts less than one acre in area.	\$31.70 per parcel	\$30.51 per parcel
2. Tracts receiving only the General Administrative Service Charges.	\$3.48 per acre	\$3.48 per acre
3. Composite rate for parcels one (1) to ten (10) acres non-agricultural use receiving both the General Administrative and General Project Service Charges.	\$110.63 per acre	\$106.51 per acre
4. Parcels greater than one (1) acre used primarily for agricultural purposes receiving both the General Administrative and General Project Service Charges.	\$155.57 per acre	\$149.57 per acre
5. Special composite rate for tracts in the Overlap Area of AEWS and Wheeler Ridge-Maricopa Water Storage District as identified by Arvin-Edison	\$0.00 per acre	\$0.00 per acre

Board Resolution No. 73-4;
which tracts are receiving firm
contract water service from the
Wheeler Ridge-Maricopa Water
Storage District.

There was significant discussions regarding increasing surface water deliveries and reducing groundwater extractions including starting an awareness campaign showing the benefits of surface water (water quality, SGMA, allocations, etc.). Mr. Muhar mentioned staff and legal counsel are ready to begin the process of updating the Surface Water Service Area contracts, which are set to expire in March 2026. Director Fanucchi requested the notice table include the current charges to compare to the increases.

Mr. Nixon then presented a form of Resolution; whereupon, Director Yurosek motioned, seconded by Director Vickery, and unanimously carried that Resolution No. 23-15, FIXING CHARGES FOR GENERAL ADMINISTRATIVE SERVICES RENDERED BY THE DISTRICT; ORDERING THAT THE SAME BE COLLECTED FROM OWNERS OF LANDS RECEIVING THE BENEFIT THEREOF; FIXING CHARGES FOR GENERAL PROJECT SERVICE; ORDERING THAT THE SAME BE COLLECTED FROM THE OWNERS OF CERTAIN LANDS RECEIVING THE BENEFIT THEREOF; ORDERING PREPARATION OF A ROLL AND PRELIMINARY RATES; AND SETTING OF NOTICED HEARING (FISCAL YEAR 2023-2024). A copy of Resolution No. 23-15 is on file in the Resolution book and is hereby made a part of these minutes.

CONSIDER APPROVAL OF CONSULTING AGREEMENT BETWEEN ARVIN-EDISON WATER STORAGE DISTRICT AND JOHN CALTON ENGINEERING AND TASK ORDER 23-01 (\$110K)

Mr. Muhar highlighted the Consulting Agreement between Arvin-Edison Water Storage District and John Calton Engineering, which details are in the Board packet. Mr. Muhar noted Calton is an Electrical Engineering, who has worked for the District in the past as a sub-consultant and the direct relationship would save the District a 15% markup. The current electrical consulting needs are for the Pilot Pump Station Control Building Upgrades, Forrest Frick Pumping Plant troubleshooting and the Electrical Distribution Expansion Project. Director Martinez motioned, seconded by Director Kirschenmann, and unanimously carried to approve the Consulting Agreement with J Calton Engineering and the Task Order not to exceed \$110k.

CONSIDER APPROVAL OF FOUR (4) STANDTANKS (\$68.7K)

Mr. Blue and staff reviewed the locations, bids, schedule, and cost of painting four (4) Standtanks (details in the Board packet). Staff addressed last year's request from the Board for an alternative color scheme (white only with red top ring). Staff noted since red/white rings has become a trademark that distinguishes the District, and since the cost savings are relatively minimal for alternate color scheme, staff recommends that the Board of Directors accept low bid and direct Staff to execute Contract Documents with Apache Industrial United for

\$68,7k. Staff further recommends utilizing Diversified Project Services International for inspection services and Labor Consultants of California for prevailing wage contract compliance, together estimated at \$30,315. Director Fanucchi motioned, seconded by Director Johnson, and unanimously voted to approve the Painting of four (4) Standtanks to the lowest bidder in the amount of \$68.7k, and the additional \$30k for inspection and labor consultants for an amount not to exceed \$99k.

CONSIDER APPROVAL OF CONTRACT BETWEEN ARVIN-EDISON WATER STORAGE DISTRICT AND FOR INTERMITTENT WATER DELIVERIES IN-LIEU GROUNDWATER PUMPING FRICK UNIT

Mr. Nixon highlighted the Draft Contract for the Frick Unit, which started by modifying the recent In-Lieu Contract except for landowner obligation to return water. The Frick Unit will be comprised of approximately 2,800 acres in the northern portion of the District that relies on 100% of groundwater and was recently awarded grant money. Staff is preparing for landowner meetings and one of the first steps is to be able to present a contract that will be required to be executed by each of the Frick Unit landowners as condition to receiving wet period surface water supplies. Mr. Nixon stated staff is recommending the approval of the draft Frick Unit contract. There was a brief discussion, and Director Johnston motioned, seconded by Director Vickery, and unanimously carried to approve the draft Frick Unit Contract.

AGENCY/AUTHORITY/COMMITTEE REPORTS

Friant

Mr. Muhar provided an update on Friant stating details have been provided in the Board packet and highlighting Delano-Earlimart and Shafter-Wasco Irrigation Districts joining FWA general membership, which will reduce the District dues. President Camp also noted the long overdue water quality guidelines and related EIR was recently released for public comment for 45 days.

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

Mr. Muhar provided an update on the South of Kern River GSP stating details have been provided in the Board packet, which include coordination between SOKR districts and other Basin GSA's regarding the Plan Manager Scope of Work (with the District's share of cash call being \$1,667), DWR and State Board meetings regarding next steps, and a DWR correspondence regarding no need for a 2025 Plan Update submittal to DWR.

Power and Water Resources Pooling Authority

Mr. Nixon noted decreases to 2023 rates due to the wet hydrology and pending reconciliation of 2022 cost.

STAFF REPORTS

District Operations

Mr. Blue reviewed year-to-date delivery summary, historical deliveries, in-district demand, spreading including on-farm recharge, and rainfall/snowpack info.

Mr. Muhar stated he is working with the Department of Water Resources regarding potential reimbursement of flood equipment to increase recharge efforts.

Summary of Grants and On-going Projects

Mr. Blue presented an update of on-going grants and projects, which included the Groundwater Model, two new wells, Eastside Canal Intertie, Frick Unit, SGMA Monitoring Well Work, Sunset Groundwater Recharge Project, DiGiorgio Phase 2, and Sandrini Unit.

Electrical Distribution Expansion Project

Mr. Dawson provided an update on the Electrical Distribution Expansion Project, which included project goals and a timeline. Mr. Dawson noted that Western Area Power Administration (WAPA) has submitted an application package for a 230-kV load interconnection at the Wheeler Ridge Substation on behalf of Power and Water Resources Pooling Authority and the District, which details are also provided in the Board packet.

CORRESPONDENCE

Mr. Muhar noted Legislative updates for Kern County Water Agency and Friant Water Authority.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL

Legal Counsel Hughes then advised the Board he would like to discuss existing litigation, and anticipated litigation, namely:

Potential litigation (Two Items);
Arvin-Edison WSD vs. J.R. Simplot, et al (123TCP);
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);

Public Employment (Government Code §54957.6)
Conference with Labor Negotiator Employee Organization: International
Union of Operating Engineers Local 501;


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 2:50 p.m., Director Fanucchi motioned, Director Vickery second, and with unanimous vote to approve staff and legal recommendations to Intervene on FERC Order ER23-1661 regarding PG&E's tariff on Interconnection Agreements.

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 2:55 p.m.





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