

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF
ARVIN-EDISON WATER STORAGE DISTRICT
July 9, 2024**

President Camp called to order the monthly meeting of the Board of Directors of the Arvin-Edison Water Storage District at the hour of 12:00 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
Jeffrey Giumarra, Vice President
Dennis Johnston, Secretary-Treasurer
Catherine Fanucchi
Matthew Vickery (Via Remote and arrived @ 12:40 p.m.)
Scott Spitzer
Derek Yurosek

There was two absent Directors:

Catalino Martinez (Via Remote @ 1:15 p.m.)
Brian Kirschenmann

District staff:

Jeevan Muhar, Engineer-Manager
David Nixon, Deputy General Manager
Samuel Blue, Resource Manager
David Grant, Controller*
Christy Byon, Senior Accountant*
Michele Nop, Engineering Technician*

District Consultants:

Joseph Hughes, Esq., Klein DeNatale Goldner, LLP
Randy Hopkins, Provost & Pritchard Engineering*
Geoff King and Danhira Millan, Barbich Hooper King Dill Hoffman, LLP*
Aaron Lewis and Christina Lucero, EKI Consultants*

Visitors and Guests:

Sonia Lemus, SJV Water (Via Remote)*
Lefty Delis, Delis Farms (Via Remote)*
Andrew Edstrom, Wonderful Orchards (Via Remote)*

PLEDGE OF ALLIGIANCE

The pledge of allegiance was recited.

Note: *Departed at start of Closed Session at 1:35 p.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.

OPPORTUNITY FOR PUBLIC COMMENT (Government Code §54854.3)

Mr. Muhar noted the Water Association of Kern County's "Make Water Conservation a Way of Life" event on the 23rd with U.S. Bureau of Reclamation Regional Director Karl Stock and noted the District tour with Karl. Mr. Muhar provided the survey questions regarding groundwater usage stating staff will be sending out this survey to all landowners/water users. Mr. Muhar further noted an August Board meeting may be scheduled, but would let the Board know, if necessary.

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:

6. Approval of Minutes of the Board of Directors meeting held on June 11, 2024.
7. Approval of Treasurer's Report for June 30, 2024, and Unaudited Internal Financial Statements for Period Ending May 31, 2024.
8. Approval of Director & Staff Assignments for Officers, Committees, Authorities, Agencies, Associations, and Plans.

Director Yurosek motioned, seconded by Director Fanucchi, and unanimously carried to approve the three (3) Consent Agenda items.

ACTION ITEMS

Approval of Memberships/Contributions/Call for Funds

Mr. Muhar presented the following requests:

- a) Western Growers Association membership dues in the amount of \$400
- b) San Joaquin Valley and Delta Farmer-to-Farmer contribution in the amount of \$10,000
- c) Teachers Ag Seminar contribution in the amount of \$500

After a long discussion about Farmer-to-Farmer activities, Director Giumarra motioned, seconded by Johnston, and unanimously approved the three (3) requests in the total amount of \$10,900.

Resolution No. 24-17, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (June 2024 - Warrant Numbers 49133-49278)

Mr. Grant reported on the June disbursements totaling approximately \$6.5M during the month, which included water payments of \$2.2M and a power payment of \$1.9M.

Mr. Grant then presented a form of Resolution; whereupon Director Yurosek motioned, seconded by Director Fanucchi, and unanimously carried to approve Resolution No. 24-17, ORDERING PAYMENT OF ACCOUNTS AND CLAIMS (June 2024). A copy of Resolution No. 24-17 is on file in the Resolution book and is hereby made a part of these minutes.

Consider Approval of of Audited Financial Statements for Year Ending February 29, 2024

Mr. Nixon formally introduced Geoff King and Danhira Millan from Barbich Hooper King Dill Hoffman, LLP to present the Audited Financials for Year Ending February 29, 2024.

Mr. Grant mentioned the single audit was completed related to grants funds received over \$750k and further stated the First-in-First-Out method was used for the first time with this audit.

Mr. King stated the audit went 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 29, 2024. 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.

Closed Session (Government Code §54957(b)) Public Employee Performance: General Manager

President Camp requested the Board, and accountants go to closed session for public employee performance at 12:23 p.m. After returning to open session at 1:00 p.m., there were no discrepancies to report.

Director Yurosek motioned, seconded by Director Fanucchi, and unanimously carried to approve the Audited Financial Statements for Year Ending February 29, 2024.

Public Hearing at 1:00 p.m. to hear comments or objections regarding Fiscal Year 2024-2025 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 and Resolution No. 24-18, 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 2024-2025 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. Camp opened the scheduled Public Hearing at 1:00 p.m. 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 2024-2025 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 2024-2025, and reviewed the annual process, with the adoption of Resolution No. 24-12, which designated the "Preliminary Fixing" with a proposal of "no change" to 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) copy of filing Preliminary Roll; (B) "Proof of Publication" of the "Notice of Hearing" document submitted to the "Bakersfield Californian" published during the weeks of June 14 and June 21, 2024; and (C) the "Affidavit of Mailing" the "Notice of Public Hearing" on/or before 4:00 p.m. June 24, 2024, to all landowners in the Arvin-Edison Water Storage District.

Mr. Nixon noted no written objections or comments had been received and no telephone calls from landowners about the GA&GP charges, and there were no requests for changes to the roll or changes to the charges.

There were no public comments from landowners in attendance, so President Camp stated the public hearing was declared closed at 1:14 p.m.

Mr. Nixon presented a form of Resolution, whereby, Director Giumarra motioned, seconded by Director Spitzer, and unanimously carried to adopt Resolution No. 24-18, 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 2024-2025 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. 24-18 is on file in the Resolution book and is hereby made a part of these minutes.

REPORT ITEMS

AGENCY/AUTHORITY/COMMITTEE REPORTS

Friant

Mr. Muhar provided a brief update on Friant including FK construction activities for substantial completion and a new parallel flowing canal is complete! The new canal was recently tested at 2,440 cfs. Ribbon cutting was completed on June 21 (attended by Camp, Giumarra, Spitzer and Blue). President Camp participated in Farmer-to-Farmer calls between Delta and San Joaquin Valley interest. Mr. Muhar further noted additional Friant details are included in the

Board packet.

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

Mr. Muhar noted an agenda detail sheet enclosed in the Board packet along with updated SOKR and Arvin GSA monitoring network maps. There was a brief discussion about the new Kern Non-Districted Lands Authority.

STAFF REPORTS

District Operations

Mr. Blue provided a brief update on current water supply conditions including snowpack.

Mr. Muhar noted the switch in operations to include majority of wellfield extractions and limited surface water usage, especially with a decrease to 90% Class 1.

Summary of Grants and On-going Projects

Mr. Blue noted the on-going grants and projects written up in the board packet, along with EKI's memos on Groundwater Model update and Land Repurposing as well as the typical Provost & Prichard's project update report.

2023 Land Use Survey

Mr. Blue noted the 2023 Land Use Survey was provided in the Board Packet and highlighted some details with regards to acreage, crops, and values.

Water Association of Kern County Standtank Wraps

Mr. Blue stated that the Water Association of Kern County (WAKC) would like to renew the five (5) year agreement for the water conservation wraps on three (3) Standtanks. WAKC is requesting that the current wraps be removed and replaced with a different image and that the agreement be amended to extend the term. The Board requested the wraps be removed and would consider future wraps upon review.

JM Lord Report

Mr. Muhar reviewed the Assessment of Reasonable Water Requirements report, which is completed by Agricultural Scientist (JM Lord, Inc), and presents an estimate of total water use by growers within the entire District (surface water and groundwater service areas).

CORRESPONDENCE

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

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL

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

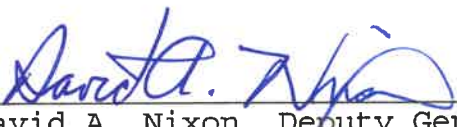
- Potential litigation (Four Items);
- Arvin-Edison WSD vs. J.R. Simplot, et al (123TCP);
- NRDC vs. Conant et al (SJRRP);
- Appeal of Regional Board General Order for Third Party Groups for Tulare Lake Basin (Resolution #R5-2013-0120) to State Water Resources Control Board (Irrigated Lands Program);
- 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);
- Friant Water Authority and AEWSA et. Al., v. Eastern Tule GSA; 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 1:35 p.m. Upon returning to open session at 3:00 p.m., there was no reportable action 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 Fanucchi motioned, seconded by Director Vickery, and unanimously carried, to adjourn the meeting at 3:01 p.m.





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