

BOARD OF DIRECTORS
North Kern Water Storage District
Minutes of the Meeting of March 19, 2019

A Meeting of the Board of Directors of North Kern Water Storage District was held at the District Office, 33380 Cawelo Avenue starting at 7:00 a.m., on March 19, 2019.

President Andrew declared a quorum was present and called the meeting to order. The following Directors were present: Kevin Andrew, Winn Glende, Mike Mendes and Joel Ackerknecht. Others present: Richard Diamond (General Manager), Ram Venkatesan (District Engineer), Fernando Rizo (O&M Superintendent), Heather Williams (Hydrographer), Marinelle Duarosan (Controller), Christy Castaneda (Administrative Assistant) and Erica Celedon (Accounting Clerk) of North Kern Water Storage District, Scott Kuney (District Counsel), Ron Eid and Larry Rodriguez (GEI – Consulting Engineers). Guests included Todd Turley (Agreserves), Tim Gobler (Wonderful), Preston Britain (Pacific Resources) and Dave Dorrance (Sun World). Absent from today's meeting was Director Carole Fornoff.

President Andrew called the meeting to order at 7:02 a.m. and opened the floor for public comments. At this time, there was none.

(19-24) Upon motion of Director Ackerknecht, seconded by Director Glende and unanimously carried, to approve the minutes from the February 19, 2019 Regular Board meeting with changes.

(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

Watermaster – Mr. Munn reported that the Isabella remediation Phase II project construction and blasting continues.

The Bureau of Reclamation released the contract for repayment of the dam safety modifications for a 60 day public review process on January 2, 2019. It was recently completed without any comment.

The March B120 median forecast predicts 135% April – July runoff. It doesn't have the significant precipitation since March 1st.

Weather Modifications commenced in November and continues in accordance with the existing three year contract.

Kern River Watershed Coalition Authority – General Manager Diamond stated there was no update at this time.

Kern Groundwater Authority – President Andrew stated that the Authority continues to work with the Agency to make sure all white lands are captured since the County is no longer a member.

Operations Report – O&M Superintendent Rizo reported on District operations stating that the District's share of Isabella storage is estimated at 50,000 AF. Kern River natural inflow is averaging 1,200 cfs. The outflow is averaging 335 cfs. The District Kern River demand remains zero. We are bringing in an average of 85 CFS of our power flow obligation water. The district is averaging 150 AF of entitlement water to storage. All District wells remain off.

CRC produced water of 14 cfs and has been diverted to the 9-2 spreading pond in anticipation of a possible spreading operation to Poso Creek. Califia Farms continues to pump into the Lerdo Canal.

Financial Matters –

(19-25) Upon motion of Director Mendes, seconded by Director Glende and unanimously carried, to receive and file the Treasurer’s Report for the North Kern Water Storage District for the month of February as printed.

(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

(RR19-26) Upon motion of Director Mendes, seconded by Director Glende and unanimously carried, to receive and file the Treasurer’s Report for the Rosedale Ranch Improvement District for the month of February as printed.

(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

The Financial Statement, Summary of Water Sales, Deposits and the Accounts Receivable report for the month of February were reviewed and accepted as printed.

(19-27) Upon motion of Director Glende, seconded by Director Ackerknecht and unanimously carried, to approve for payment the Accounts Payable for the North Kern Water Storage District for the month of February as printed.

(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

(RR19-28) Upon motion of Director Glende, seconded by Director Ackerknecht and unanimously carried, to approve for payment the Accounts Payable for the Rosedale Ranch Improvement District for the month of February as printed.

(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

Consulting District Engineer – Consulting District Engineer Ron Eid reported:

A. High-Speed Rail Authority: Mr. Eid stated GEI had a meeting with California Rail Builders to review progress on comments on their last design package and their incorporation of the information into the design. He also mentioned GEI continues with reimbursement invoicing and reporting.

B. Poso Creek RWMG: At the public meeting held earlier this month they reviewed some of the district’s projects proposed for Prop 1 funding. Work continues on the Plan update. There has been an extension granted for the completion of the Plan update to June 2019.

C. Grants for Projects:

At the last Board Meeting the Board approved the preparation of two grant proposals to the Bureau of Reclamation by GEI. One is due March 19, 2019 and the other is due the following week. These grants involve canal lining on the Calloway, deep well instrumentation and drilling and equipping three new wells and connecting those and other existing wells to the Friant-Kern Canal.

The District was awarded an amount of \$750,000 for construction of replacement wells and additional well connections to the Friant –Kern Canal. Environmental work has been moving forward and archeological surveys are

also completed to support this award. The Bureau is currently working on drafting a contract for this award.

We have received notice that the District was awarded an amount of \$75,000 to fund the SCADA software and Land IQ ET improvements. The Bureau is currently working on drafting a contract for this award.

- D. Water Delivery Improvements: Calloway Canal Lining portion and Well Instrumentation is completed. GEI continues to provide support to ProUsys to purchase and install equipment. The RFP Draft bid documents will be out to bid this week. Advertisement will commence right after.

Budget and Personnel Committee –

- (19-29) Upon motion of Director Glende, seconded by Director Mendes and unanimously carried, to approve the 2018 audit engagement letter with Barbich Hooper King Dill and Hoffman.
(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

Engineering Committee –

- (19-30) Upon motion of Director Mendes, seconded by Director Ackerknecht and unanimously carried, to approve issuance of standard form District License Agreement to Chevron U.S.A Inc.
(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)
- (19-31) Upon motion of Director Fornoff, seconded by Director Ackerknecht and unanimously carried, to approve Resolution No 19-31 to file an application with the Bureau of Reclamation for a grant under the Watersmart Grants: Water and Energy Efficiency grants for fiscal year 2019.
(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)
- (19-32) Upon motion of Director Ackerknecht, seconded by Director Glende and unanimously carried, to approve Resolution No 19-32 to file an application with the Bureau of Reclamation for a grant under the Watersmart Drought Reponse Program: Drought resiliency projects for fiscal year 2019.
(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

General Manager Diamond indicated he will set a meeting up with GEI to further discuss the evaluation of additional recharge land.

Groundwater Ad Hoc Committee – General Manager Diamond stated that North Kern is working with Shafter-Wasco ID and the two cities (and GEI) on the preparation of the GSP under SGMA. He also indicated they were making progress on the minimum thresholds.

Produced Water Ad Hoc Committee – General Manager Diamond stated that the amendment to the District's Waste Discharge Requirements (WDR) permit is set to be on the Regional's Board agenda on April 4th and 5th. Mr. Diamond mentioned the District is going to keep produced water in our spreading ponds.

Negotiating Committee –

*At this General Manger Diamond requested that the Board add agenda Item 9A 20192019 Water Banking agreements between Homer LLC & NKWSD and Agenda Item 9B Water Banking agreement between Southern San Joaquin Municipal Utility District.

(19-33) Upon motion of Director Ackerknecht, seconded by Director Glende and unanimously carried, to approve adding item 9A & 9B to the Agenda.
(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

*After a brief discussion concerning above said agreements General Manager Diamond requested the Board have the Committee review the agreements with subject to revisions.

(19-34) Upon motion of Director Mendes, seconded by Director Glende and unanimously carried, to authorize the Committee to review and approve the water banking agreements.
(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

Counsel of District – No Report at this Time.

Rosedale Ranch –

* Due to a potential conflict of interest Director Mendes left the meeting room for the discussion of the following matter and motion;

(19-35) Upon motion of Director Ackerknecht, seconded by Director Glende and unanimously carried, to approve time extensions for Temporary Recharge Agreements with Pacific Resources and Wonderful Orchards through 2019; with consideration of potential modification of terms for landowner water banking inputs for Rosedale Ranch Improvement Districts to:

*Reduce the District's share of any landowner water banked in 2019 to 10%

*Limit the future use of all water banked in 2019 to Rosedale Ranch ID

(Ayes: Andrew, Ackerknecht & Glende, Noes: None, Absent: Fornoff, Abstain: Mendes)

General Manager's Report – No Report at This Time.

The President publicly stated that the legal authorities for holding Closed Session at today's Board Meeting are the following sections of the California Government Code:

A. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION
(Govt. Code Section 54956.9(a))

(i) North Kern Water Storage District v. City of Bakersfield
(VCSC #56-2011-00408712-CU-CO-VTA)

(ii) Appeal of Regional Board General Order (R5-2013-0120) for Tulare Lake Basin to State Water Resources Control Board (re. Irrigated Lands Regulatory Program)

B. CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION

(Govt. Code Section 54956.9(b))

- C. PERSONNEL MATTERS
(Govt. Code Section 54957)

- D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Govt. Code Section 54956.8)—use of District facilities for various potential water management programs; negotiator, Richard Diamond

The above legal grounds were determined to exist based on advice of counsel, and discussion of such matters in an Open Session would cause prejudice to the District. The Board went into Closed Session at 8:55 a.m. The Board reconvened back into open session at 10:22 a.m. and it was noted no reportable actions were taken in closed session.

(19-36) Upon motion of Director Mendes, seconded by Director Glende and unanimously carried to adjourn the meeting at 10:22 a.m.
(Ayes: Andrew, Ackerknecht, Mendes & Glende, Noes: None, Absent: Fornoff, Abstain: None)

Respectfully Submitted,

Richard Diamond, General Manager

Approved by Board
April 16, 2019

Kevin Andrew, President