

KINGS COUNTY WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, JANUARY 10, 2019

President Taylor called the regular meeting to order at 1:30 p.m.

DIRECTORS PRESENT: Joseph Freitas, Barry McCutcheon,
Michael Murray and Ernest Taylor

DIRECTORS ABSENT: Steven P. Dias

OTHERS PRESENT: Dennis Mills, General Manager
Ray Carlson, Attorney
Geoffrey Vanden Heuvel, Milk Producers Council

ESTABLISH QUORUM

It was determined that a quorum was present at the meeting.

CONFLICT OF INTEREST

None.

PUBLIC COMMENT PERIOD

None.

**APPROVAL OF MINUTES OF THE REGULAR NOVEMBER 8, 2018 MEETING &
SPECIAL DECEMBER 19, 2018 MEETING**

President Taylor asked if there was a motion regarding the minutes circulated in this month's Board packets. Director McCutcheon made a motion to approve the November 8, 2018 and December 19, 2018 meeting minutes as submitted. Director Freitas seconded the motion and the Board unanimously approved the meeting minutes of November 8, 2018 and December 19, 2018. The vote for all of the Directors was as follows:

AYES: Joseph Freitas, Barry McCutcheon, Michael Murray, Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: Steven P. Dias

COMMUNICATIONS

Manager Mills reported the following recent communications:

- DFJV requests permission to do new soil tests in Riverside Ditch and Batti Basin.
- Keith Forbes from ACWA JPIA visited Apex Ranch facilities in December prior to his retirement at the end of 2018.
- The MKR GSA received its first reimbursement check from DWR for the Tulare Lake GSP Development efforts. It was over \$400K and the second reimbursement request is now being put together.
- Dan Vink announces a new consulting firm called Six-33 Solutions.
- Announcement of a Water Market Exchange Symposium at FSU on January 24, 2019.

- Doug Verboon communicated that he would be buying his father's Peoples stock and wants to update the share assessment agreement.
- Gary Serrato's retirement celebration was January 9, 2019.
- Met with Art Brieno, the new MKR GSA director for Hanford, for the first time.

GENERAL MANAGER

BOARD REORGANIZATION

The previous year's slate of Board officers was Ernest A. Taylor as President, Steven P. Dias as Vice-President and Dennis Mills as Secretary. Director McCutcheon made a motion to reseal the current slate of officers. Director Freitas seconded the motion. President Taylor called for the vote, and the vote for all of the Directors was as follows:

AYES: Joseph Freitas, Barry McCutcheon, Michael Murray, Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: Steven P. Dias

2019 SALARIES

Manager Mills reviewed the salaries of employees for 2018 and provided some information on efforts and achievements through the year. Also Manager Mills provided a spreadsheet showing other salaries for 2017 and 2018 for local water managers and GSA managers. He then recommended that his salary be increased to \$170,000 per year, Renee Davis' salary be increased to \$63,000 per year and that John Scribner's salary remain unchanged. After some discussion from the Board and the public, Director Murray made a motion to accept the salary adjustments that Manager Mills had recommended. Director McCutcheon seconded the motion. President Taylor called for the vote, and the vote for all of the Directors was as follows:

AYES: Joseph Freitas, Barry McCutcheon, Michael Murray, Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: Steven P. Dias

SB 929 COMPLIANCE

In previous meetings the District Board had authorized in concept the development of a new District website to be compliant with SB 929 requirements. Manager Mills shared the details of a proposal that he had solicited from Provost & Pritchard Consulting Group to develop a basic District website. After some discussion from the Board members, Director Freitas made a motion to accept the proposal, and authorize the effort, subject to Manager Mills working through acceptable consultant agreement terms with Provost & Pritchard Consulting Group. Director Murray seconded the motion. President Taylor called for the vote, and the vote for all of the Directors was as follows:

AYES: Joseph Freitas, Barry McCutcheon, Michael Murray, Ernest Taylor

NOES: None

ABSTAINED:None

ABSENT: Steven P. Dias

GSA EFFORTS

Manager Mills first reported on the Mid-Kings River GSA efforts. He reported that six month assessments had been developed for the JPA partners and that they would be sent out shortly. He reported that the Draft Basin Setting document for the Tulare Lake Subbasin had been received on Dec 28. The draft document estimates that the MKR GSA has experienced a long-term average of roughly 50,000 acre-feet/year of overdraft. The document is now under review and comments will be provided back to Wood as soon as possible. Also, the MKR GSA water budget will be used to compare with the Basin Setting estimates. There will be a Tulare Lake GSA Parties meeting on Friday, January 11, 2019 to discuss these matters. Also there will be a MKR GSA Board meeting on Tuesday, January 15, 2019.

Next Manager Mills reported on the Greater Kaweah GSA efforts. He reported that draft Basin Setting document for the Kaweah Subbasin was received on December 1, 2018. Upon receiving the document Manager Mills requested the supporting documents that showed how estimates were derived for the water budget and what data was used in the calculations. The backup information for the Kaweah subbasin water budget and groundwater flow calculations were provided on December 7, 2018. Manager Mills reported that he has spent considerable time reviewing the materials and that portions of the water budget and Basin Setting document appeared to need significant revisions. However, his review was on-going and he was in discussions with the other technical GSA leads in the subbasin. A Greater Kaweah GSA Board meeting is scheduled for Monday, January 14, 2019 and a Greater Kaweah TAC meeting is scheduled for Thursday, January 17, 2019.

ON-GOING EFFORTS

None.

MONTHLY REPORTS

Manager Mills informed the Board members that the monthly budget review showing each category.

EXPENDITURE LIST APPROVAL & FINANCIAL STATEMENT ACCEPTANCE

On a motion by Director Freitas, with a second by Director McCutcheon, it was unanimously approved by the Board that the expenditure list and financial statement be accepted as submitted. The vote for all of the Directors was as follows:

AYES: Joseph Freitas, Barry McCutcheon, Michael Murray, Ernest Taylor

NOES: None

ABSTAINED:None

ABSENT: Steven P. Dias

TRANSFER OF FUNDS

None.

BOARD MEMBER DISCUSSION/ANNOUNCEMENTS OR REPORTS

None.

SET NEXT MEETING DATE

The next regular Board of Directors meeting was set for February 7, 2019 at 1:30 p.m.

CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATIONS

Government Code Section § 54956.8

Property: Potential 80 acre Basin Site, Kings County APN 002-190-003

Agency negotiator: Dennis Mills, General Manager

Negotiating Parties: Gary and Elene Esajian, Kings County Water District

Under negotiations: Parcels, Price and terms of payment

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Government Code Section § 54956.9(a)

(Case Name: KRAPOA v. KCWD)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Government Code Section § 54956.9(b)

President Taylor directed that the Board move into Closed Session to discuss the above listed matters. The Board of Directors and General Manager Mills proceeded into Closed Session.

RECONVENE TO OPEN SESSION

Following the Closed Session, President Taylor reported the following actions during Closed Session.

Related to property negotiations on a potential basin site, after much discussion, Director McCutcheon made motion to authorize Manager Mills to submit a counter offer of \$2,800,000 on behalf of the District through the District's realtor to the Esajian's for the 80 acres of almonds and persimmons. Director Murray seconded the motion and then President Taylor called for a vote. The vote for all of the Directors was as follows:

AYES: Barry McCutcheon, Michael Murray, Ernest Taylor

NOES: Joseph Freitas

ABSTAINED: None

ABSENT: Steven P. Dias

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 4 p.m.
Respectfully submitted,

Dennis Mills
MINSP01.10.19