

KINGS COUNTY WATER DISTRICT  
BOARD OF DIRECTORS SPECIAL MEETING MINUTES  
WEDNESDAY, FEBRUARY 20, 2019

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

**DIRECTORS PRESENT:** Steven P. Dias, Joseph Freitas Barry McCutcheon,  
Michael Murray, Ernest Taylor

**DIRECTORS ABSENT:** None

**OTHERS PRESENT:** Dennis Mills, General Manager  
Ray Carlson, Attorney

**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 JAN. 10 AND SPECIAL JAN. 18, 2019 MEETINGS**

President Taylor asked if there was a motion regarding the minutes circulated in this month's Board packets. Vice-President Dias made a motion to approve the January 10, 2019 and January 18, 2019 meeting minutes as submitted. Director McCutcheon seconded the motion and the Board unanimously approved the meeting minutes of January 10, 2019 and January 18, 2019. The vote for all of the Directors was as follows:

AYES: Steven P. Dias, Joseph Freitas, Barry McCutcheon, Michael Murray,  
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

**COMMUNICATIONS**

None.

**GENERAL MANAGER**

**WATER SUPPLY UPDATE**

Manager Mills reported that the previous day there had been a KRWA Executive Committee meeting where the Water master reported conditions had improved to an estimated 140% of April-July runoff. He was considering a scenario for flood release if conditions continued to be wet. There was discussion among the units of a voluntary flood release, but the matter appeared to lack support.

Following this meeting Manager Mills contacted several Kings River managers to see if surplus supplies might be obtained. Potential opportunities with Tranquility ID and Fresno ID were described and discussed. The Board agreed on a range of scenarios that they would be in favor of and directed Manager Mills to attempt to acquire surplus water supplies based on the described ranges.

**SURFACE WATER RENTAL SITUATIONS**

Manager Mills reported that there were two or three rental applications that had come in a few days after the deadline for a variety of reasons. He suggested that a onetime waiver be granted to the parties, but asked for guidance from the Board on how to respond to these requests. Director McCutcheon made a motion that a onetime waiver be granted to the late applying renters as long as they are up to date financially with the District. Director Murray seconded the motion and President Taylor called for a vote. The vote for all of the Directors was as follows:

AYES: Steven P. Dias, Joseph Freitas, Barry McCutcheon, Michael Murray,  
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

NEW BASIN PROPERTY

Update on Escrow

Manager Mills reported that things were on schedule for the planned close of escrow for the Esajian property on March 15, 2019. He also explained that due diligence efforts would need to be completed a week before escrow closed, March 8, 2019.

Phase One, CEQA and Pump Test Services

Manager Mills reported that contract issues had been resolved between the District and P&P for Phase One and CEQA consultant services. He also reported that he was in the process of scheduling a pump test for the well on the property.

Proposed Options for Financing

Manager Mills explained the financing options that had been developed through Hollman Capital and Farm Credit West. The Hollman Capital proposal had a slightly lower interest rate, but the security for the loan was the District's revenue stream rather than using the property as collateral. The Farm Credit West proposal used the property as collateral and the interest rate was very close to the Hollman Capital rate. Manager Mills said that both of these options were excellent and he would recommend them both. Both proposals had been developed for 80% of the purchase price of the property and had repayment periods of 10 years. The Board asked questions about both proposals and there was discussion about various points. Vice-President Dias made a motion to select the Farm Credit West proposal and authorize Manager Mills and President Taylor to develop contracts to finalize and document the arrangement. The motion was seconded by Director Freitas and President Taylor called for a vote. The vote for all of the Directors was as follows:

AYES: Steven P. Dias, Joseph Freitas, Barry McCutcheon, Michael Murray,  
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

Update on Search for Custom Farm Services

Manager Mills reported that he had a number of individuals to contact, but given other matters he hadn't accomplished that yet. The Directors expressed interest in whether certain farming practices had been accomplished on the property yet and asked Manager Mills to look into it.

**MONTHLY REPORTS**

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

**EXPENDITURE LIST APPROVAL & FINANCING 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: Steven P. Dias, Joseph Freitas, Barry McCutcheon, Michael Murray,  
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

**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 March 7, 2019 at 1:30 p.m.

**CLOSED SESSION**

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 a potential property purchase. The Board of Directors and General Manager Mills proceeded into Closed Session.

**RECONVENE TO OPEN SESSION**

Following the Closed Session, President Taylor reported that no reportable action was taken.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at approximately 3:45 p.m.  
Respectfully submitted,

Dennis Mills  
MINSPO2.20.19