

KINGS COUNTY WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, MARCH 7, 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 SPECIAL FEBRUARY 20, 2019 MEETING

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 February 20, 2019 meeting minutes as submitted. Director Freitas seconded the motion and the Board unanimously approved the meeting minutes of February 20, 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 earlier this week the Kings River Watermaster had signaled that flood release would begin soon, and then later notified the full river that flood release would start on today, March 7 at 24:00 hours. The Watermaster's communication relayed that the flood release target was 200 cfs delivered past Crescent Weir and that supplies would not be made available to areas outside the Kings River service area. He would take orders from the river units for how much could be taken and then determine the length of the flood release based on developing conditions.

Manager Mills relayed that floodwater would be diverted into Apex Ranch and to the Old River through Riverside Ditch as soon as it was available. He also relayed that both Peoples and Last Chance were working toward disking portions of their canal systems before floodwater could be diverted.

PROPOSED FRESNO ID EXCHANGE ARRANGEMENT

Manager Mills reported that early in the week he and Gary Serrato were just about to finalize the arrangement on the Fresno ID Exchange when information began to come out about the coming flood release. Manager Mills contacted Mr. Serrato and let him know that given the new situation the District was no longer interested in the exchange. Mr. Serrato was very gracious about the matter and relayed that he would formalize the arrangement and send it to Manager Mills as a letter so that if conditions change again and the District is interested, the matter can quickly be arranged at a future date.

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. However, a request made by the Esajian's realtor would be discussed later in the meeting.

Phase One, CEQA and Pump Test Services

Manager Mills reported on the Phase One Report developed on the Esajian Property which only turned up normal pesticide use on the property. Related to the Pump Test on the property the well was tested and stably produced between 640-750 gpm depending on the system conditions. The Board discussed the information in light of the end of the due diligence period on March 8, 2019. Vice President Dias made a motion to authorizing Manager Mills to proceed with the close of escrow as planned. Director McCutcheon 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

Farm Credit West Financing & Resolution 2019-01

Manager Mills reported that despite having authorized the engagement of Farm Credit West at the last Board meeting, the attorneys from Farm Credit West had requested that the Board pass a resolution relating to the District's "Consent to Borrow". For this reason Farm Credit West produced the text of Resolution 2019-01, titled "A Resolution of the Board of Directors of Kings County Water District Consenting to Borrow or Lease". Resolution 2019-01 was reviewed by the Board and then Vice President Dias made a motion to pass Resolution 2019-01 and authorize President Taylor to sign on the District's behalf. The motion was seconded by Director McCutcheon 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

Dutch John Cut Board of Control Matters

Manager Mills reviewed recent developments at the Dutch John Cut Board of Control as they related to when the Dutch John Channel was used. Manager Mills relayed information he had learned over the last month on the matter to keep the Board abreast of the matter.

On-going Efforts

Manager Mills reported that he had engaged Steve Walker\Mesa Alta to do some maintenance on five District basins. Given the imminent flood release, that work would be accommodated if necessary and wrapped up as soon as possible.

At this point Vice-President Dias and Director Freitas left the meeting.

MONTHLY REPORTS

Manager Mills informed the Board members that the monthly budget review showing each category and the quarterly report (October – December 2018) was in the packets.

EXPENDITURE LIST APPROVAL & FINANCING STATEMENT ACCEPTANCE

On a motion by Director Murray, 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: Barry McCutcheon, Michael Murray, Ernest Taylor

NOES: None

ABSTAINED:None

ABSENT: Steven P. Dias, Joseph Freitas,

TRANSFER OF FUNDS

Manager Mills explained that two transfers would be needed this month. The first related to making sure there were sufficient funds in the District's Union Bank General Account for the Esajian property closing costs and would move \$300,000 from the District's LAIF Account to the Union Bank General Account. The second transfer would move \$800,000 from the County to the Union Bank General Account, and then transfer that same amount to the District's LAIF account. Director Murray made a motion to approve the two transfers as described and Director McCutcheon seconded the motion. President Taylor called for a vote and the vote for all of the Directors was as follows:

AYES: Barry McCutcheon, Michael Murray, Ernest Taylor

NOES: None

ABSTAINED:None

ABSENT: Steven P. Dias, Joseph Freitas,

BOARD MEMBER DISCUSSION/ANNOUNCEMENTS OR REPORTS

None.

SET NEXT MEETING DATE

The next regular Board of Directors meeting was set for April 4, 2019 at 1:30 p.m.

CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATIONS

Government Code Section § 54956.8

Property: Potential Basin Site

Agency negotiator: Dennis Mills, General Manager

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

Under negotiation: Requested letter from District

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 Director Murray had made a motion to authorize Manager Mills to produce a letter requested by the Esajian's subject to Attorney Carlson's review. Director McCutcheon seconded the motion and President Taylor called for a vote. The vote for all of the Directors was as follows:

AYES: Barry McCutcheon, Michael Murray, Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: Steven P. Dias, Joseph Freitas

ADJOURNMENT

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

Respectfully submitted,

Dennis Mills
MINSP03.07.19