

KINGS COUNTY WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, SEPTEMBER 5, 2019

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

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

DIRECTORS ABSENT: Steven P. Dias

OTHERS PRESENT: Dennis Mills, General Manager
Ray Carlson, Attorney
Jesse Archer, G&J Heavy Haul, Inc.
Johnny Gailey, Delta View WA
Louise Silacci, Kings Co. Grand Jury
Becky Hudson, Kings Co. Grand Jury

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 AUGUST 8 MEETING

President Taylor asked if there was a motion regarding the minutes circulated in this month's Board packets. Attorney Carlson noted a minor correction. Director McCutcheon made a motion to approve the regular August 8, 2019 meeting minutes. Director Murray seconded the motion and the Board unanimously approved the regular August 8, 2019 meeting minutes. 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 that Draft GSP Notices were published in the paper Tuesday, Sept 3, SWSD for the Draft Tulare Lake Subbasin GSP. The District received a response letter on Kings River Water Rights. The District also received confirmation that President Taylor and Director McCutcheon went unopposed this election cycle. The District received an email request from Mario Santoyo as a consultant for HSR/DFJV for access to Old River channel for soil borings. Manager Mills responded that that was not the District's to provide. The District received a notice that James ID is now seeking a new General Manager. There was a recent notice that there is a new UC Davis Study on groundwater in the Tulare Lake Basin. The Draft Central Kings GSP became available on August 30. Related to SB 1, Mike Wade and Bob Reeb conveyed requests that the District call Assembly Representatives to convey opposition.

GENERAL MANAGER

DISTRICT AUDIT

Manager Mills relayed that work has begun on the annual audit with Mike Cuttone.

WATER SUPPLY

Manager Mills reported that the Peoples/Settlers system water run was scheduled to end on September 5 and the Last Chance system water run was scheduled to end on September 15.

FALL PROJECTS

Manager Mills discussed the following projects that were being considered this fall: Riverside maintenance efforts; Everett Basin Turnout; Last Chance-Riverside Xing; Cody Basin Turnout; Kishiue Slough; and Weedman Basin. In discussions with the Board maintenance on Rose Basin was also added to the list. Manager Mills recommended that the Board authorize him to arrange for consultant and contractor services related to these projects as needed. Director McCutcheon made that motion and Director Freitas seconded. President Taylor called for a vote and the vote of all of the Directors was as follows:

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

NOES: None

ABSTAINED: None

ABSENT: Steven P. Dias,

ESAJIAN BASIN PROJECT

UPDATE ON RECENT EFFORTS

Manager Mills reported that the District received a SMARA construction exemption from Kings County on August 26. Related to the permit he provided the County with a rough grading concept that reflected a maximum depth of 20 feet, 4:1 side slopes and over 2 million cubic-yards of excavation. The County was fine with the concept, and the permit states that it is only valid as long as efforts stay within the maximums described in the provided concept.

Manager Mills also reported that DFJV had been on the site and dug several pits to conduct material sampling. In the process several trees had to be removed and the District allowed DFJV to use the District's backhoe so that other damage to the orchard could be avoided. Manager Mills showed the Board the rough locations of the pits on an aerial photo and explained the character of the material that he saw from the pits.

CONSIDERATION OF G&J HEAVY HAUL, INC. LICENSE AGREEMENT

Manager Mills reported that over the last month, discussions with DFJV had led to the development of a draft license agreement for the Esajian Basin site for DFJV's material supplier, G&J Heavy Haul, Inc. (G&J). The arrangement is understood to have an agreement between DFJV and G&J, as well as an agreement between G&J and the District. The draft license agreement developed through discussions contains the following:

- Maximum excavation of 1,500,000 CY by July 1, 2021.
- Payment of \$0.50/CY to the District invoiced monthly based on the number truck loads.
- Minimum payment of \$500,000.
- Surveyed reconciliation at the end to determine how much was excavated. Settle up based on that surveyed difference.

- G&J to use on-site groundwater well for on-site dust control at their own expense.
- G&J to remove trees and irrigation system at their expense.
- District to develop Dust Control Plan, Storm Water Pollution Prevention Plan, QSP reporting.
- G&J acknowledges Mitigated Negative Declaration and SMARA permit conditions.

Jesse Archer, Vice-President at G&J was in attendance and the Board asked him a few questions about their firm. The Board also discussed the arrangement and a few details of the draft license agreement. After the discussion, Manager Mills recommended that the Board authorize President Taylor and himself to sign the Esajian Basin license agreement on behalf of the District. Director McCutcheon made a motion to accept Manager Mills' recommendation, Director Murray seconded the motion and President Taylor called for the vote. 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

CONSIDERATION OF RELATED CONSULTANT SERVICES

Manager Mills relayed that a few consultant efforts would be needed as part of the Esajian Basin development. Those included: 1) Dust Control Plan, Storm Water Pollution Prevention Plan, QSP reporting; 2) survey of the property, 3) general and layout and design of water delivery structures and 4) construction review. General budgets were provided for each of the efforts and there was discussion related to what each included. After the discussion Manager Mills recommended that the Board authorize him to arrange for consultant services related to the Esajian Basin project as needed. Director McCutcheon made a motion to accept Manager Mills' recommendation, Director Freitas seconded the motion and President Taylor called for the vote. 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

HSR – RIVERSIDE CROSSING PLANS

Manager Mills reported that over the last month, it appeared the issues of up and downstream impacts had been satisfactorily resolved. Manager Mills various details related to the current HSR facility plans and the Directors provided their views. Manager Mills recommended responding to HSR on the submitted plans with a Letter of Qualification that would restate portions of the Master Agreement that would address District concerns about right-of-way. Director Freitas made the motion to accept Manager Mills' recommendation, Director McCutcheon seconded the motion and President Taylor called for the vote. 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

SGMA UPDATE

TULARE LAKE SUBBASIN

Manager Mills reported reimbursement request #4 had been submitted to DWR by the MKR GSA and was locally approved on August 29. Hopefully, DWR will send funds back with 45 days of that date. It was also reported that the August billing by Wood was expected to take the Tulare Lake Subbasin GSP development effort past the total of \$1.55 million.

Manager Mills reported that there have been lingering issues related to SFK GSA approval of an increased budget. However, it appeared that Bill Pipes had developed language that made some headway, and there are now efforts to finalize the arrangement.

Manager Mills reported on recent discussions related to the Tulare Lake Subbasin's Point of Contact. Manager Mills conveyed information about the view of several parties in the subbasin and provided his view of how the MKR GSA should approach the matter. The Board discussed this and provided feedback on that view.

Manager Mills also summarized the recent notices and availability of the Tulare Lake Subbasin Draft GSP.

KAWEAH SUBBASIN

Manager Mills reported that a groundwater modeling report had recently been received from the Greater Kaweah GSA with a request for review. Also, the Greater Kaweah GSA had requested that the District review a draft version of the implementation chapter of the Greater Kaweah GSP.

ON-GOING EFFORTS

Manager Mills reported that the Air Condition unit's interior coil had been replaced this month and that it seemed to be doing much better.

EXPENDITURE LIST APPROVAL & FINANCING STATEMENT ACCEPTANCE

On a motion by Director McCutcheon, with a second by Director Freitas, 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

Manager Mills conveyed that a transfer of \$200,000 from the District's LAIF account to the Union Bank General Account was needed this month. Director McCutcheon made a motion to approve the transfer and Director Freitas seconded the motion. President Taylor called for a 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

BOARD MEMBER DISCUSSION/ANNOUNCEMENTS OR REPORTS

None.

SET NEXT MEETING DATE

The next regular Board of Directors meeting was set for October 10, 2019 at 1:30 p.m.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section § 54956.9(b)

President Taylor asked if a Closed Session was needed and staff relayed that it was not.

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 4:25 p.m.

Respectfully submitted,

Dennis Mills
MIN09.05.19