

KINGS COUNTY WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, FEBRUARY 6, 2020

President Taylor called the regular 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
Johnny Gaily, Delta View Water Association

SWEARING IN OF DIRECTORS

Attorney Carlson conducted the swearing in of Directors Ernest Taylor and Barry McCutcheon, as both had run unopposed in the November 2019 election. Both accepted the oath of office and signed documents related to the swearing in.

ESTABLISH QUORUM

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

CONFLICT OF INTEREST

None.

PUBLIC COMMENT PERIOD

None.

REORGANIZATION OF THE BOARD

President Taylor asked if there were any motions related to reorganizing the Board offices. Director McCutcheon made a motion to keep the same slate of officers as was currently serving. Those officers are President Ernest Taylor, Vice-President Steven P. Dias, and Secretary Dennis Mills. Vice-President Dias 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, Michael Murray, Barry McCutcheon,
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

APPROVAL OF MINUTES OF THE REGULAR NOVEMBER 14 MEETING

President Taylor asked if there was a motion regarding the minutes circulated in this month's Board packets. Director Murray made a motion to approve the regular November 14, 2019 meeting minutes. Director Freitas seconded the motion and the Board unanimously approved the regular November 14, 2019 meeting minutes. The vote for all of the Directors was as follows:

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

NOES: None

ABSTAINED: None

ABSENT: None

COMMUNICATIONS

Manager Mills discussed the following communications with the District:

- David Bergeren requested that he be allowed to obtain sand from the Lopez Basin for a family playground and a horse riding area. This was discussed and the Board supported Mr. Bergeren obtaining material from an existing stockpile at Smith Basin, but not to excavate in Lopez Basin.
- Josh Speer from the Kings County Sheriff's department requested that the Sheriff's Department be allowed to obtain sandy material from the stockpile at Smith Basin for use at the horse riding track that they train at. This was discussed and the Board supported making the stockpile material available to the Kings County Sheriff's Department for their use.
- Manager Mills relayed that the Peoples Ditch Company ditch tender Jonathan Granada had recently had issues with the Ditch Company and no longer was employed there.
- Manager Mills relayed that Matt Bunde from ACWA JPIA had recently visited the District to introduce himself and discuss the District's insurance and safety practices.
- Manager Mills relayed that the District had received notice that Fresno ID would soon celebrate its centennial anniversary.

GENERAL MANAGER

FISCAL YEAR 2018-2019 FINANCIAL STATEMENT

Manager Mills welcomed Mike Cuttone for his presentation of the "Kings County Water District Financial Statement and Independent Auditor's Report for the Year Ended June 30, 2019". Mr. Cuttone provided staff and the Directors with copies of his report and then guided them through key aspects of the evaluation. Mr. Cuttone conveyed that the District's finances were in good standing and the accounting of them appeared to be consistent with generally accepted accounting principles. The Board members asked a few questions of the information presented and general financial view of the District. Following the presentation, Vice-President Dias made a motion to approve the financial statement and auditors report as submitted. 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, Michael Murray, Barry McCutcheon,
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

2020 STAFF SALARIES

Manager Mills reported that in 2019 annual staff salaries was roughly \$170,000 for himself, \$63,000 for Renee Davis, \$47,700 for John Scribner and \$38,000 for Eddie Miranda. Manager Mills conveyed his view of staff performance in 2019, his evaluation of similar agency positions and comparable pay and other factors that he considered when developing 2020 annual staff salary recommendations. He then shared that his recommendation for 2020 annual staff

salaries was for himself to increase to \$185,000, for Renee Davis to increase to \$66,000, for John Scribner to stay at \$47,700 and for Eddie Miranda to increase to \$40,000. The Board discussed the recommendations with Manager Mills as well a few other staff issues. After the discussion, Vice President Dias, made a motion to accept Manager Mills' recommendations for the 2020 annual staff salaries. Director Freitas 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, Michael Murray, Barry McCutcheon,
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

2020 WATER RENTALS

Manager Mills reported that there were three parties that had paid their water rental invoices significantly late in 2019. He explained the previous payment history of the three parties. The contracts each grower signs up with include a requirement that "If the full amount due is not received from the Buyer within 60 calendar days then the Buyer will not be allowed to rent surface water from the District in the coming year." Manager Mills asked the Board if they wished to direct him to deviate from the terms of the contracts and they did not.

Manager Mills also reported that one renter had come in the Monday after the sign-up period closed and requested to be included. Manager Mills reviewed the party's sign-up history and payment history with the Board, and shared that he viewed that a one-time variance was appropriate.

WATER SEASON UPDATE

Manager Mills reported that it currently looked like roughly a 70% water year and that Pine Flat storage was at roughly 500,000 acre-feet.

NETTO LEASE

Manager Mills reported that the District's lease for the roughly 60 acre Griswold property needed to be renewed. The District owns this property primarily for the slough on the property and in the previous lease the District has a right to use the slough for recharge efforts. Manager Mills explained that he had been in discussion with Arnie Netto on the matter and that he used the previous lease language and terms to develop a new annual lease. He recommended that the Board authorize President Taylor and himself to sign the new 2020 lease with Arnie Netto for the Griswold property. Vice-President Dias made a motion that motion, Director Freitas seconded it and President Taylor called for a vote. The vote for all of the Directors was as follows:

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

NOES: None

ABSTAINED: None

ABSENT: None

REQUESTED SO CAL GAS LEASE AT GARNER BASIN

Manager Mills reported that the So Cal Gas Company had requested access to a part of the northern end of the Garner Basin property as a staging and storage area for a future effort to construct a gas pipeline. The So Cal Gas Company provided the District with a suggested agreement to consider, was willing to pay \$1,500 for roughly a 3 month period under the “Temporary Right of Entry Agreement”. The Board discussed the matter and was not against the request. However, the Board directed Manager Mills and Attorney Carlson work on the arrangement to address potential risks and bring the effort back to them at a future meeting.

ESAJIAN BASIN

Manager Mills reported on efforts related to Esajian Basin. In the last month a Digital Terrain Model (DTM) of the proposed basin design had been developed for G&J Heavy Haul’s use. The updated schedule for the start of excavation was March 1.

WEIDMAN BASIN

Manager Mills briefly described discussions that the Board had regarding Weidman Basin over the last few years. He then explained that the District had been contacted by a County staff member on a code violation Weidman Basin. During the discussion Manager Mills explained that the issue at the basin centered on homeless trespassers and that the trash at the site was not from any District effort. The County staff person understood and explained that the County would send a Notice of Violation letter, and the District would need to respond with the explanation. The Directors discussed what action should be taken at Weidman Basin and it was generally agreed that once the trespassing parties and their belongings were removed, that many of the trees in the basin needed to be bulldozed and burned. However, it was acknowledged that this effort would require cooperation from County Sheriffs, the City of Hanford and a contractor. Manager Mills was instructed to be working on how to accomplish the effort.

CODY SLOUGH

Manager Mills reported that he had a conversation with Frank Costamagna about potentially buying the area south of the eastern portion Cody Slough along 13th Ave. He was receptive and manager Mills explained that the District would be interested in pursuing some soil borings to better understand the geology at the site. Manager Mills asked for authorization to proceed with the soils evaluation through a local qualified professional. The Board discussed the effort and agreed to provide the authorization.

SGMA UPDATE

Related to the Tulare Lake Subbasin, all five of the GSAs in the subbasin ended up adopting and approving the Subbasin GSP for submittal to DWR. The GSP was submitted to DWR on time. DWR had also contacted the MKR GSA and informed them that they were preliminarily selected for funding on a Round 3 SGM Grant for an amount of \$350,000 towards GSP Development and monitoring efforts. There were on-going efforts to negotiate a revised Interim Operating Agreement between the GSAs and there had also recently been an article by Lois Henry about John Vidovich’s concerns about the Subbasin GSP.

Related to the Kaweah Subbasin, the three GSPs and the Coordinating Agreement were adopted and approved for submittal to DWR. The GSPs and Coordinating Agreement was submitted to DWR on time. Manager Mills expressed frustration in revisions from the Draft GSP to the Final that he provided to the Greater Kaweah GSA on behalf of the District, but were not included. The issue had only recently been understood, as it appears there was a

communication breakdown on the GSAs part. Manager Mills also relayed that efforts related to the Greater Kaweah GSA's Technical Advisory Committee were beginning again, with Manager Mills as the Chair of that committee.

ON-GOING EFFORTS

None

EXPENDITURE LIST APPROVAL & FINANCING STATEMENT ACCEPTANCE

Accounting Technician Renee Davis gave the quarterly reports (October, November and December of 2019) on the District's investments.

On a motion by Vice-President Dias, 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: Steven P. Dias, Joseph Freitas, Michael Murray, Barry McCutcheon,
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

TRANSFER OF FUNDS

Manager Mills conveyed that a transfer of \$550,000 from the Union Bank General Account to the District's LAIF account had been in December and he requested that the Board ratify the previous action. Director Freitas made a motion to ratify the transfer and Vice-President Dias seconded the motion. President Taylor called for a vote and the vote for all of the Directors was as follows:

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

NOES: None

ABSTAINED: None

ABSENT: None

BOARD MEMBER DISCUSSION/ANNOUNCEMENTS OR REPORTS

None.

SET NEXT MEETING DATE

The next regular Board of Directors meeting was set for March 5, 2020 at 1:30 p.m.

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 3:55 p.m.

Respectfully submitted,

Dennis Mills
MIN02.06.20