

KINGS COUNTY WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, NOVEMBER 4, 2021

As a result of the COVID-19 emergency, the public was able to participate through a conference call. Directors could choose to meet with Staff in the Board Room or participate through a conference call. President McCutcheon called the regular meeting to order at 1:00 p.m.

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

DIRECTORS ABSENT: Steven P. Dias

OTHERS PRESENT: Dennis Mills, General Manager
Ray Carlson, Attorney (phone)
Geoff VandenHuevel, Milk Producers Council (phone)
Johnny Gailey, Delta View WA (phone)
Shawn Corley, Lakeside IWD (phone)

ESTABLISH QUORUM

It was determined that a quorum was present at the meeting. Because Director Taylor was in the Board Room for the meeting he agreed to Chair the meeting so that President McCutcheon didn't have to do that over the phone.

CONFLICT OF INTEREST

None.

PUBLIC COMMENT PERIOD

Mr. VandenHuevel made a request to receive an emailed copy of the draft minutes.

APPROVAL OF MINUTES OF THE REGULAR OCTOBER 7, 2021 MEETING

Director Taylor asked if there was a motion regarding the minutes circulated in this month's Board packets. Manager Mills noted that Attorney Carlson had provided some minor edits to the draft minutes circulated. President McCutcheon made a motion to approve the minutes of the regular October 7, 2021 meeting including the edits provided by Attorney Carlson. Director Murray seconded the motion and the Board unanimously approved the regular August 5, 2021 meeting. 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

COMMUNICATIONS

Manager Mills reported that:

- He had discussions with Johnny Gailey of DVWA and Geoff VandenHuevel on the draft Greater Kaweah GSA groundwater pumping cap concepts.

- He had discussions with Dan Vink of Six-33 Solutions on the Tuschulte property and one along Kansas Avenue.
- There had recently been an emergency notice that had gone out to landowners from the East Kaweah GSA on a new Groundwater Pumping Restriction Policy. Also, he mentioned that several local growers had reached out related to the notice and were confused about whether it applied in the District area.

During the report on Communications, Director Freitas joined the meeting.

GENERAL MANAGER

STAFF REPORT

Manager Mills presented the Board with a proposed Budget for the Fiscal Year (FY) 2022. The total estimated revenue for the budget was \$3,261,000 and the total estimated expense for the budget was \$2,949,500. The differences from the FY 2021 budget were discussed. Manager Mills asked if the Board wished to consider the proposed budget further or accept it. After some discussion, President McCutcheon made a motion to approve the FY 2022 budget proposal as presented. Director Freitas seconded the motion and Director Taylor called for a 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

Manager Mills discussed the District's proposed Water Year (WY) 2022 rental rates. These included the rates that the District rents stock from local stockholders, as well as the rates that the District charges for rental of supplies from District owned stock. Manager Mills recommended that the WY 2022 rental rates remain the same as they were in WY 2021. However, he also recommended that if additional expenses were incurred from a water purchase, that provisions allow for some or all of that cost to be passed to renters. After some discussion, President McCutcheon made a motion to approve the WY 2022 rental rates as presented. Director Freitas seconded the motion and Director Taylor called for a 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

G&J HEAVY HAUL LICENSE AGREEMENT

Manager Mills provided a summary of previous efforts as well as a summary of efforts since the last Board meeting. Manager Mills conveyed that G&J had communicated that they needed the volume of additional material that could be made available for inclusion in the contract. Efforts with P&P were recently begun to work through the modified grading issues in realigning Peoples Ditch along the east and south. Initial estimates appear to indicate that an additional 100,000 CY could be made available by relocating Peoples Ditch. The redesign of Peoples Ditch is being evaluated and also whether a large existing oak tree near the Farmers structure can be removed.

LAND IQ CROPPING INFORMATION UPDATE

Manager Mills reported that the September monthly data had been received and that he was still evaluating applied water information from some local growers. The comparison of applied water information from Louis Giacomazzi to Land IQ ET appeared to be reasonable. Discussions were had with Joel Kimmelshue related to continuing services into 2022, as the District's initial contract ends December 31, 2021. Mr. Kimmelshue confirmed that what had been previously quoted was still valid.

GSA RELATED TOPICS

Manager Mills reported that DWR staff had emailed future SkyTEM Flight Lines that are planned to be flown in November.

Greater Kaweah GSA

Manager Mills reported on the draft groundwater pumping cap proposal that had recently been made public by the Greater Kaweah GSA. In general, he reported that the annual maximum pumping cap which would be adjusted down over time, through the GSP Implementation period. The current proposal would start in October 2022 and would be evaluated using Land IQ Et estimates per field. The categories of groundwater involved are 1) Native = 10 in/ac/yr, no cost, 2) Tier 1 = 10 in/ac/yr, \$75/AF, and 3) Tier 2 = 10 in/ac/yr, \$150/AF. The funds developed would primarily be used to purchase and lease land for fallowing to reduce groundwater pumping in the Greater Kaweah GSA. The Greater Kaweah GSA is working to evaluate what fields would be affected by the potential policy and what the expected effect on groundwater levels would be.

SGM Implementation Grant by Subbasin

Manager Mills reported on a draft Proposal Solicitation Package (PSP) made available by DWR called the SGM Implementation Grant that involves recently appropriated State general funds and previously appropriated Prop 68 funds. The current proposal appears to make available \$7.8 million per subbasin for projects and planning efforts. The PSP is very different from what was expected from the earlier Spring 2021 Implementation Grant applications. For that reason, District staff is trying to learn what is intended to be funded through the PSP. The Board discussed potential efforts that could be involved in a future grant application and understood that additional information would be coming at a future meeting.

FACILITIES AND PROJECT UPDATES

Manager Mills briefly reported on the following facilities:

- Apex Well 2 – Repairs to the pump panel were accomplished by Rain 4 Rent last week. Also fencing around Wells 2 and 4 are being pursued.
- Railsback Basin – Met with a local party that represents himself as the new owner of the property around the Railsback Basin. He is open to consider a basin expansion proposal from the District. An investigation into the site indicates that the existing basin footprint may be slightly larger than the District's property. Also, it appears that the current turnout to the Railsback basin is not on the District's property. Manager Mills was able to obtain an aerial photo of the site from the 1940s from Kings River CD records. The aerial shows a significant slough through the basin area, as well as the old alignment of the Railsback Ditch. Both indicate the potential expansion area would be mostly in sandy soils.

ON-GOING EFFORTS

Modification of Lease with Arnie Netto

Manager Mills asked the Board to authorize him to revise the current lease with Arnie Netto. The property in question is where the future Griswold Basin would be developed. Manager Mills relayed that he had discussed the matter with Mr. Netto, explaining that currently the District planned to begin basin development effort this year on the south end of the property. They discussed Mr. Netto continuing to farm the northern fields and Mr. Netto desired to do that. President McCutcheon made a motion to authorize Manager Mills to revise the lease arrangement with Mr. Netto as described. Director Murray seconded the motion and Director Taylor called for a 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

Groundwater Measurements

Manager Mills reported that the fall groundwater measurements generally indicated a decline of somewhere from 10-20 feet. However more review was needed to put the information into perspective.

EXPENDITURE LIST APPROVAL & FINANCING STATEMENT ACCEPTANCE

On a motion by Director Murray, 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 reported that a transfer of \$275,000 was needed from the L.A.I.F. Account to the Union Bank General Account. On a motion by Director Freitas, with a second by President McCutcheon, it was unanimously approved by the Board to transfer \$275,000 from the L.A.I.F. Account to the Union Bank General Account. 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 December 9, 2021 at 1:00 p.m.

CONVENE TO CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.9 (A) AND 54956.9(D)(1)

CLOSED SESSION

RECONVENE TO OPEN SESSION

Following the Closed Session, Director Taylor reported that on a motion by President McCutcheon with a second by Director Murray, the Board had voted to authorize Manager Mills to negotiate the terms and conditions of potential purchase of property with Mr. Rogers on behalf of the District as directed by the Board. 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

Director Taylor also reported that on a motion by Director Murray with a second by President McCutcheon, the Board had voted to authorize Manager Mills to negotiate the terms and conditions of potential purchase of property with Mr. Myers on behalf of the District as directed by the Board. 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

Director Taylor also reported that on a motion by President McCutcheon with a second by Director Murray, the Board had voted to authorize Manager Mills to negotiate the terms and conditions of potential purchase of a specified amount of surface water with Alta ID on behalf of the District as directed by the Board. 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

ADJOURNMENT

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

Respectfully submitted,

Dennis Mills
MIN11.07.21