

KINGS COUNTY WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, FEBRUARY 11, 2021

As a results 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 1:30 p.m.

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

DIRECTORS ABSENT: Steven P. Dias

OTHERS PRESENT: Dennis Mills, General Manager
Ray Carlson, Attorney (phone)
Mike Cuttone, Cuttone & Mastro CPAs (phone)
Shawn Corley, Lakeside IWD (phone)

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 JANUARY 14, 2021 MEETING

President McCutcheon asked if there was a motion regarding the minutes circulated in this month's Board packets. Director Taylor made a motion to approve the minutes of the regular January 14, 2021 meeting. Director Freitas seconded the motion and the Board unanimously approved the regular January 14, 2021 meeting. 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:

- Steve Jackson called about District policies about private groundwater banking. He desires clarification on the banking rules to clear the way for private financing and investing.
- Dan Vink, former LTRID General Manager, reached out and inquired about a meeting to discuss possible dry year water supply for a development in southern Madera County.

- Hanford staff wanted to discuss the District’s desire to recharge water north Houston Avenue on Sand Slough.

FISCAL YEAR 2019-2020 AUDIT REPORT

Mr. Mike Cuttone, CPA joined the Board to review his report titled “Kings County Water District: Financial Statements and Independent Auditor’s Report, For The Year Ended June 30, 2020”. Mr. Cuttone discussed various portions of the financial statement with the Board and answered a few questions. Generally Mr. Cuttone conveyed that the District was in a solid financial position during the period considered. At the end of the presentation Director Taylor made a motion to accept the District Audit and Director Freitas seconded the motion. President McCutcheon called for a vote, and the vote for all Directors was as follows:

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

NOES: None

ABSTAINED:None

ABSENT: Steven P. Dias

At this point Mr. Cuttone left the meeting.

RIVERSIDE DITCH COMPANY

STAFF REPORT

Manager Mills reported that the District had received a letter from the State stating requirements for the Riverside Ditch Company. The District owns all of the available stock in the company and has operated and maintained Riverside Ditch for years. Also, the District has been annually paying the Riverside DC corporation tax board fees. The stated requests from the State were reasonable, but the existing Board of Directors for the Riverside Ditch Company hadn’t met in several years, and currently, a few directors have passed away and one retired from working at the District.

KINGS CWD RESOLUTION 2021-1

For these reasons, Manager Mills recommended that the District Board establish themselves as the Riverside DC Board of Directors, and fulfill the State’s requests from the State. Consistent with Manager Mills’ recommendation, the Kings CWD Board considered Resolution 2021-1, “A Resolution of the Board of Directors of the Kings County Water District Appointing the Board of Directors of Kings County Water District as the Board of Directors of Riverside Ditch Company”. Resolution 2021-1 states that the Kings CWD Board of Directors will appoint itself as the Board of Directors of Riverside Ditch Company and will take such actions as to reinstate Riverside Ditch Company in good standing with the California Secretary of State, and will continue in all respects to constitute and act as the Board of Riverside Ditch Company on an on-going basis. After a discussion, Director Taylor made a motion to approve Resolution 2021-1. Director Murray seconded the motion and President McCutcheon 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

ORGANIZATION OF RIVERSIDE DC BOARD OF DIRECTORS

At the direction of President McCutcheon, the Kings CWD Board of Directors meeting was temporarily adjourned and the meeting of the Riverside Ditch Company Board of Directors was convened. Manager Mills made a recommendation to the Board that officers for the Board being the same as those for the Kings CWD Board of Directors. After some discussion, Director Taylor made a motion to have the Riverside Ditch Company officers be the same as the Kings CWD Board, currently being Barry McCutcheon as president, Steven Dias as Vice-President, and Manager Mills as Secretary. Director Freitas seconded the motion and President McCutcheon 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

RIVERSIDE DC RESOLUTION 2021-1

Manager Mills presented the Board Resolution 2021-1 which directs Kings CWD staff to take such actions so as to reinstate Riverside Ditch Company in good standing with the California Secretary of State. Director Taylor made a motion to approve Riverside DC Resolution 2021-1. Director Murray seconded the motion and President McCutcheon 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

At the direction of President McCutcheon, the Riverside Ditch Company Board of Directors meeting was temporarily adjourned and the meeting of the Kings CWD Board of Directors was reconvened. As the Kings CWD Board, the Board of Directors affirmed the Riverside DC Board directions to Kings CWD staff.

GENERAL MANAGER

RIVERSIDE CROSSING AT LAST CHANCE EFFORTS

Manager Mills reported that the Riverside ditch structure that flows over the Last Chance Main Canal was failing and needed to be immediately replaced. Consistent with that, Manager Mills asked the Board to consider passing a declaration of local emergency for the Riverside Crossing over the Last Chance Main Canal. Manager Mills further asked the Board to consider authorizing the emergency replacement of the facility with an estimated budget of roughly \$230,000. Manager Mills explained that he had been in contact with Mattos Underground and that they communicated they had the available time to complete the effort prior to the Last Chance Main Canal delivering irrigation supplies later this year. After some discussion, Director Taylor made a motion to pass a declaration of local emergency for the Riverside Crossing over the Last Chance Main Canal and authorize Manager Mills to move forward of the replacement

effort with Mattos Underground. Director Freitas seconded the motion and President McCutcheon 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

WATER SUPPLY UPDATE

Manager Mills reported the period of Oct 2020 through January 2021 was the driest on record. He shared a precipitation comparison to 2015 for perspective. He also shared the most recent DWR Bulletin 120 water supply estimate was 55% for April – July runoff if there is average precipitation through April. He relayed that the local ditch companies are currently viewing the likely run on the Peoples system as 30 days and the likely run on the Last Chance system as something between 1 and 21 days. Relatedly, Manager Mills also viewed that it was likely that Apex Ranch would operate later this year during the Peoples system run.

POTENTIAL DRY YEAR EFFORTS

CAFO Groundwater Pumping Evaluation

Manager Mills relayed that the information received from the Regional Board on CAFO water use in the area would be evaluated as time allowed over the next few months. Staff hopes to better understand the extent of required water supply related to Regional Board permitting connected to CAFOs.

TowTEM Evaluations

Manager Mills relayed TowTEM soil evaluations for seven basin sites in the area were being scheduled. At this point it appears the effort will be undertaken one day in February and another day in April.

Existing Basin Improvement Efforts

Manager Mills reported on three efforts that had been discussed recently. These efforts were the People Ditch realignment at Esajian Basin, the Houtson Avenue Pipeline to Sand Slough and the basins in Lakeside IWD and their connected systems.

New Basin Project Development

Manager Mills reported on five efforts that had been investigated and worked on recently. All of these efforts would potentially use wet year Kings River supplies including floodwater. These efforts were the Last Chance Basin along the Dutch John Cut, the Horseshoe Slough along the Dutch John Cut, Kingston Park, Bookout Basin, and a modified New Deal Canal.

Fallow Pilot Program

Manager Mills discussed developing a Pilot Program to rent or lease lands in the District during dry years to reduce the amount of groundwater pumping. He reported on several discussions that he had with local growers about arrangements that could be developed. The Board discussed this kind of program and the benefits and costs associated with it. Generally the Board was not in favor of the program as it was viewed that the financial investment was better focused on recharge basin development, rather than relatively expensive lease arrangements that would yield relatively small reductions in dry year groundwater pumping.

ON-GOING EFFORTS

Independent Ditch Company

Manager Mills reported that the ditch company is legally defunct and is struggling with the expensive restoration process. He met with their Board on the issues identified at the Independent Ditch flume. Manager Mills asked that their Board develop a unified message that could be communicated to the Kings CWD Board. They are still working on that response.

EXPENDITURE LIST APPROVAL & FINANCING STATEMENT ACCEPTANCE

Accounting Technician Renee Davis gave the quarterly reports (October, November and December 2020) on the District’s investments.

On a motion by Director Taylor, with a second by Director Murray, 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 \$1,200,000.00 from the County Fund Account #800350 to Union Bank General Account was needed then \$1,200,000.00 from Union Bank General Account to the District’s LAIF account was required. Director Taylor made a motion to approve the transfer and Director Murray seconded the motion. President McCutcheon called for a vote and the vote for all of the Directors was as follows:

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

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 March 11, 2021 at 1:30 p.m.

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 4:00 p.m.

Respectfully submitted,

Dennis Mills

MIN02.11.21