

KINGS COUNTY WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, APRIL 7, 2022

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 1:00 p.m.

DIRECTORS PRESENT: Barry McCutcheon, Ernest Taylor,
Steven P. Dias (phone), Joseph Freitas (phone),
Michael Murray (phone)

DIRECTORS ABSENT: None

OTHERS PRESENT: Dennis Mills, General Manager
Ray Carlson, Attorney (phone)
Shawn Corley, LIWD (phone)
Johnny Gailey, Delta View Water Association (phone)
Sebastian Silveira, Gladstone Land Corp. (phone)

ESTABLISH QUORUM

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

CONFLICT OF INTEREST

None.

PUBLIC COMMENT PERIOD

None.

MINUTES OF THE PREVIOUS REGULAR MEETINGS

Manager Mills explained that he had developed minutes for the regular meetings of December 9 2021, January 13 2022, February 10 2022 and March 10 2022. President McCutcheon asked if there was a motion regarding the minutes of the December 2021 – March 2022 regular meetings. Vice-President Dias made a motion to approve the minutes of the December 2021 – March 2022 regular meetings. Director Taylor seconded the motion and the Board unanimously approved the minutes of the December 2021 – March 2022 regular meetings. 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

Manager Mills reported on the following communications:

- Phone call from Hanford Sentinel on recent Drought Emergency Order and potential County large diameter pipeline ordinance.
- Derrick Lawrence on Riverside Ditch issues.
- Various landowners interested in the Dutra Ranch property.

GENERAL MANAGER

WATER SUPPLY UPDATE

Manager Mills reported that based on this year's snowpack on April 1 the April – July run-off projection for the Kings River was just over 41%. Pine Flat Reservoir's storage was 380 thousand acre-feet (TAF) at the same time and DWR's Bulletin 120 from March 15 indicates the Kings River Water Year (Oct – Sept) is projected to be 881 TAF and the April – July run-off projection for the Kings River was 600 TAF.

For comparison, Manager Mills reported that DWR's Bulletin 120 from last year, based on snowpack on April 1, was a Kings River April – July runoff projection for the Kings Rivers was just over 45%. At that same time, Pine Flat Reservoir's storage was 267 TAF. So while the runoff projection in 2022 is lower than 2021, the amount in storage is higher in 2022 than in 2021.

GOVERNOR'S RECENT DROUGHT EMERGENCY ORDER N-7-22

Manager Mills provided an overview of the Governor's recent Emergency Order (EO) N-7-22. He relayed that generally the EO requires a lot of conservation measures in cities/communities and that the EO also seems to exempt conservation projects from CEQA. Section 9a of the EO conveys that for new or altered groundwater wells, GSAs are required to provide written verification that the proposed well: 1) would not be inconsistent with a GSP program, and 2) would not decrease the likelihood of achieving a sustainability goal. Section 9b of the EO conveys that for new or altered groundwater wells, Counties are required to determine the extraction of groundwater from the proposed well: 1) is not likely to interfere with the production and function of nearby wells, and 2) is not likely to cause subsidence that would adversely impact or damage nearby infrastructure. Manager Mills related that he believed that local GSAs could likely verify what is outlined in 9a, however the determinations in 9b appear to be very difficult to certify. He related that he had talked with two qualified consultants and they both said they could not provide services to develop the 9b determinations because of potential liability. Manager Mills and the Board further discussed the matter but no action was taken.

Incomplete GSA Letters from DWR

Tulare Lake Subbasin

Manager Mills provided an update to GSP revision efforts in the Tulare Lake Subbasin. Geosyntec is the consultant that is working with local GSAs on revision efforts and the consultant contract is still being revised and signed. There are ongoing efforts to evaluate water level conditions in 2015, to evaluate ag/domestic well locations, to evaluate well density per section and to evaluate well depths of 90% the of shallowest wells. Manager Mills reported there will be a second meeting of the GSA managers tomorrow.

Kaweah Subbasin

Manager Mills provided an update on GSP revision efforts in the Kaweah Subbasin. Montgomery & Assoc and Provost & Pritchard Consultant Group are working on a number of evaluations. Manager Mills serves as KCWD's representative on the Greater Kaweah GSA

Technical Advisory Committee and will be meeting every Friday on the Kaweah Subbasin effort. The effort appears to be evaluating many of the same things as in the Tulare Lake Subbasin. However, they are making an effort to evaluate wells below and above Corcoran Clay on the west side of the subbasin, which wasn't really done in the 2020 Greater Kaweah GSP or groundwater model for the subbasin.

DUTRA PROPERTY ESCROW

Manager Mills reported on the effort to finalize the District's purchase of the Dutra Ranch and Peoples Ditch stock. He reported that the realtor involved in the purchase/sale, Sandra Mikaelian, had back surgery last Wednesday and will be out until next Monday. He reported that on Wednesday, staff transferred \$1.25 million from LAIF to Union Bank to prepare for a wire transfer tomorrow, prior to the close of Escrow. This transfer will need to be ratified later in the meeting. Manager Mills reported that he had signed loan docs with Farm Credit West this morning. They will process and wire transfer funds prior to the close of Escrow. Chicago Title is preparing Escrow Docs so Manager Mills can DocuSign them this evening or tomorrow morning. District staff plan to execute a wire transfer to Chicago Title on Friday, which should complete the District process. Manager Mills also reported that the Pierce Lease Agreement has been developed and will later be discussed in Closed Session, as noted on the agenda. This agreement will hopefully be executed as soon as possible so that it is in place for May. Rent for the home was initially described as \$900/month, which is the same as was being charged by the Dutra's prior to their passing.

ON-GOING EFFORTS

Manager Mills relayed that staff had received a late surface water rental deposit payment from B&B Walker Farms. The payment was ten days late, the party had submitted payments late to the District before and the party didn't seem to think being late was significant. Manager Mills recommended enforcing the terms of the rental contract and not providing service this year. Vice-President Dias expressed concern about providing grace to some parties at the March meeting but not this party. The Board discussed the matter and directed Manager Mills to provide grace to B&B Walker Farms this year, but that next year there should be no allowance for late payments.

EXPENDITURE LIST APPROVAL & FINANCING STATEMENT ACCEPTANCE

On a motion by Director Taylor, with a second by Vice-President Dias, 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, Barry McCutcheon, Michael Murray,
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

TRANSFER OF FUNDS

President McCutcheon asked if there was a motion to ratify the transferred \$1.25 million from the District's LAIF account to the District's General Union Bank account to prepare for a wire transfer tomorrow, prior to the close of Escrow. Vice-President Dias made a motion to ratify the transferred \$1.25 million from the District's LAIF account to the District's General

Union Bank account. Director Murray seconded the motion and the Board unanimously ratified the transfer of \$1.25 million from District's LAIF account to the District's General Union Bank account to prepare for a wire transfer tomorrow, prior to the close of Escrow. 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

BOARD MEMBER DISCUSSION/ANNOUNCEMENTS OR REPORTS

None.

SET NEXT MEETING DATE

The next regular Board of Directors meeting was set for May 5, 2022 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, President McCutcheon reported that the following action out of Closed Session.

Manager Mills presented the draft Pierce Lease Agreement to the Board and various aspects of it were discussed. At the end of the discussion Director Taylor made a motion to approve the Pierce Lease Agreement and authorize Manager Mills to sign it on the District's behalf. Director Freitas seconded the motion. 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

ADJOURNMENT

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

Respectfully submitted,

Dennis Mills
MIN04.07.22