

KINGS COUNTY WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, NOVEMBER 10, 2022

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: 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, DVWA (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 not yet completed the minutes for the regular meeting of October 2022.

COMMUNICATIONS

Manager Mills reported on the following communications:

- Arie deHoop on Settlers Ditch service.
- G&J-Jesse Archer on potential excavation from Rose Basin.
- Sherry Sellers on letter from SCE on power poles.
- Mass X query on available dirt.
- Meeting with Dino Giacomazzi on Settlers and MKR GSA topics.
- Sebastian Silveira on serving additional lands from Riverside Ditch.
- Farm Credit West on merger with Northwest Farm Credit Services.
- Kings County GW Export Policy - Water Resource Oversight Commission.

GENERAL MANAGER

FY 22-23 BUDGET/GOALS/STAFF DISCUSSION

Manager Mills reported on the following topics/efforts and answered Board questions:

- Resale of the Dutra Property
- Griswold Basin CEQA-Design-Bidding
- Esajian Basin
 - Continued excavation
 - Design services thru Summer 2023
 - Peoples realignment
 - Peoples modification evaluation
 - Turnout Facilities and Peoples Structure
 - Construction in late 2023
- Delta View Basin Purchase-CEQA-Design
- Last Chance Side Ditch Eval-Design-Proj

2023 SURFACE WATER RENTAL

Manager Mills reviewed with the Board last year's (WY 22) surface water rental costs and provided two options (Vers 1 and Vers 2) for Water Year 2023 surface water rental costs.

| | | Vers 1 | Vers 2 |
|------------------|--------------|--------------|--------------|
| System | WY 22 | WY 23 | WY 23 |
| | (\$/AF) | (\$/AF) | (\$/AF) |
| Peoples | 60 | 60 | 65 |
| Riverside | 60 | 65 | 70 |
| Settlers | 60 | 65 | 70 |
| New Deal | 70 | 85 | 85 |
| Last Chance Main | 60 | 60 | 65 |
| Last Chance Side | 60 | 65 | 75 |
| Lone Oak | 70 | 85 | 85 |
| | | Adjusts | Adjusts |
| | | for Maint | for Proj |
| | | Charges | Costs |

There was discussion with the Board regarding various components of the costs and reasons for the increases. Director Taylor expressed that he thought water prices should be \$100/AF for all users given the value of the water. Vice-President Dias made a motion to approve the Water Year 2023 surface water rental costs shown in Vers 2. Director Murray seconded the motion and President McCutcheon called for a vote. The vote for all of the Directors was as follows:

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

NOES: Ernest Taylor

ABSTAINED: None

ABSENT: None

DUTRA PROPERTY

Manager Mills reported on the following topics/efforts and answered Board questions:

- Discussion with County on Potential Office Location
- General adjustments to Property Resale Plan
- Basin/Canal Development Project
- Easement-Property Consultant proposal
- Discing Property

DWR SGM IMPLEMENTATION, ROUND 2 SOLICITATION – TULARE LAKE SUBBASIN

Manager Mills reported on the following topics/efforts and answered Board questions:

- Eligible costs from Oct 2022, so no property purchase costs
- Dutra Basin Project Components
 - Northern Basin
 - Southern Basin
 - Canal Development
- Budget = \$1.4 M
- Schedule = 2024-2026

Manager Mills recommended that the Board authorize the Dutra Basin Project, also called the North Hanford Basin Project, for inclusion in the DWR SGM Implementation, Round 2 Solicitation. Director Taylor made that motion and Vice-President Dias seconded the motion. President McCutcheon called for the vote, and the vote for all directors was as follows:

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

NOES: None

ABSTAINED: None

ABSENT: None

Griswold Basin Project

Manager Mills reported on the following topics/efforts and answered Board questions:

- Budget = \$3.0 M
- Meeting with P&P on CEQA/Design
- Proposal coming soon

Last Chance Side Ditch Maintenance Issues

Manager Mills reported on the following topics/efforts and answered Board questions:

- Ditch Company developed letter to side ditch users about maintenance issues.
 - The Board of Directors has reviewed this needed repair and has come to the conclusion that this does not fall within the Company's ditch maintenance program. This repair needs to be addressed in order to keep the ditch system operating safely and efficiently for the interests of all parties involved.

- Last Chance Water Ditch Company recognizes that many of these side ditches no longer meet for regular board meetings of their own to address these types of concerns. It is recommended that the water users of this side ditch collectively correct this repair. The Board of Directors has always held the opinion that all projects/repairs must be beneficial to all stockholders of LCWDC. The Company's canals: Main, East, Center, and West branches provide the ability to deliver water to all stockholders directly or indirectly via side ditches, so they are considered beneficial to all stockholders and the cost associated with them are covered under the budget.
- The Board is hopeful in that the water users of this ditch can correct this issue, so continued service can be provided. A list of water users of this ditch can be supplied by contacting Last Chance Water Ditch Company's main office at 584-4681.
- KCWD needs to decide whether to drive/dictate process or not, b/c side ditch users are mostly renters from KCWD.
- KCWD pays for most of the maintenance cost expense on the Side Ditches b/c we deliver the most water there.

Greater Kaweah GSA Update

Manager Mills reported on the following topics/efforts and answered Board questions:

- Pumping Cap set at 2.70 AF/acre of ET starting this water year.
 - Native Yield = 0.83 AF/acre of ET @ \$0/AF.
 - Tier One = 0.83 AF/acre of ET (transitional) @ \$125/AF.
 - Tier Two = 1.04 AF/acre of ET (transitional) @ \$250/AF.
- Approximate pumping step-down would be something like:
 - 2.7 AF/acre/yr in 2023,
 - 2.1 AF/acre/yr in 2026,
 - 1.6 AF/acre/yr in 2031, and
 - 0.8 AF/acre/yr in 2036.
- ET measured by Land IQ picks up evaporation of all kinds and crop transpiration.
- Precip amount partially included in accounting due to connection with Land IQ estimates.
- Fees are penalties for transitional pumping targeting conservation.
- MKR will likely have increased GW pumping along GK boundary because of annual limits and penalty fees this year. However, this increased pumping might continue if adjacent area fees are not considered in WY 2023 plans.

Mid-Kings River GSA Update

Manager Mills reported on the following topics/efforts and answered Board questions:

- Passed an ordinance to require well registration by May 1, 2023.
- Passed an ordinance to require flowmeters on wells by January 1, 2024.
- Beginning work on a max pumping cap to implement in Oct 2023.
- Considering finances and potential Prop 218 Election.

ON-GOING EFFORTS

- Conference call abilities currently scheduled to sunset in March 2023.

EXPENDITURE LIST APPROVAL & FINANCING STATEMENT ACCEPTANCE

On a motion by Director Taylor, 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, Barry McCutcheon, Michael Murray,
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

TRANSFER OF FUNDS

Manager Mills relayed that a transfer of \$300,000 from the District's L.A.I.F. account to the District's Union Bank General account. On a motion by Director Taylor, with a second by Director Freitas, it was unanimously approved by the Board to transfer \$300,000 from the District's L.A.I.F account to the District's Union Bank General account. 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 December 8, 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 there was no reportable action from the Closed Session.

ADJOURNMENT

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

Respectfully submitted,

Dennis Mills
MIN11.10.22