

KINGS COUNTY WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES
THURSDAY, DECEMBER 14, 2023

The public was able to participate either in person or through a conference call. Directors were required to meet in person, unless there was an emergency. President McCutcheon called the regular meeting to order at 1:00 p.m.

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

DIRECTORS ABSENT: None

OTHERS PRESENT: Dennis Mills, General Manager
Ray Carlson, Attorney (phone)
Sebastian Silveira, (phone)
Johnny Gailey, Delta View Water Assoc.

Shawn Corley, Lakeside ID
Marty Murray, (phone)
Matt Kelley, (phone)

ESTABLISH QUORUM

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

CONFLICT OF INTEREST

None.

PUBLIC COMMENT PERIOD

Johnny Gailey asked the District to consider supporting the Delta View land repurposing effort through a letter of support.

MINUTES OF THE PREVIOUS REGULAR MEETINGS

Manager Mills explained that previous meeting minutes were not ready for approval.

COMMUNICATIONS

Manager Mills reported that a few additional parties had requested to regularly receive agendas.

GENERAL MANAGER

PROJECT UPDATES

-- *Esajian Basin*

Manager Mills reported that at the Esajian Basin excavation was completed for now, that maintenance was proceeding on weeds around the perimeter, and that it appeared there is a need to scrape the bottom of the basin for silt and disc it afterward.

-- *Griswold Basin*

Manager Mills reported that permitting was completed for the basin site, and construction plans were being reviewed by staff. The hope is to complete design plans and for them to be circulated for bid as soon as possible. Construction is planned for 2024.

-- Dutra Basins

Manager Mills reported that a CEQA exemption is being requested from the CA Natural Resource Agency (CRNA).

-- Railsback Expansion

Manager Mills reported that there is property for sale surrounding the existing Railsback Basin, and that KCWD made an offer to purchase the property for a new recharge basin.

-- Delta View Basin

Manager Mills reported that there is no new information on this new basin project. Discussions continue with the owner related to willingness to sell.

2024 SALARY RECOMMENDATIONS

Manager Mills recommended a 5% increase for all employees to account for inflation and also performance bonus over a tough flood year. There was some discussion about the particulars of each employee. After this Vice-President Dias made a motion to increase all employee salaries by the recommended 5%. Director Taylor 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,
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

2024 ANNUAL BUDGET

Manager Mills provided the Board information about the proposed 2024 budget. This information included the following:

- 07/01/23 LAIF Reserves = \$8,717,716
- Projected Income = \$6,001,000
- Projected Expenses = \$9,448,000
- Significant items were the expenses and revenues associated with Delta View and Griswold Basin construction. Also, significant expenses for land purchase and land financing.

There was some discussion about the particulars of various budget categories. After this discussion, Vice-President Dias made a motion to adopt the proposed 2024 budget. Director Taylor 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,
Ernest Taylor

NOES: None

ABSTAINED: None

ABSENT: None

MKR GSA EFFORTS

Manager Mills gave a report on the following MKR GSA efforts:

- '24 Shallow Well Mitigation Plan:
 - Funding from A and B zone pumpers.
 - Initial funding target for 63 wells at \$75K/well would develop a budget of \$4,725,000 annually.
 - Range of \$20-\$60/AF.
- '24 Subsidence Mitigation Plan
 - Funding from C Zone pumpers.
 - Initial funding target of \$1.0 million/yr.
 - Estimate of \$22/AF.
- '24 Pumping Restrictions:
 - A-Zone = 0.5 AF/acre
 - B-Zone = 3.0 AF/acre
 - C-Zone = 2.0 AF/acre
- '24 GSA Funding = \$10-\$15/acre assessment

ON-GOING EFFORTS

None

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, Barry McCutcheon, Ernest Taylor

NOES: None

ABSTAINED:None

ABSENT: Joseph Freitas, Michael Murray

TRANSFER OF FUNDS

Manager Mills reported that a transfer of \$400,000 was needed from the L.A.I.F. Account to the US Bank General Account. On a motion by Director Taylor, with a second by Vice-President Dias, it was unanimously approved by the Board to transfer \$400,000 from the L.A.I.F. Account to the US 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:

BOARD MEMBER DISCUSSION/ANNOUNCEMENTS OR REPORTS

None.

SET NEXT MEETING DATE

The next regular Board of Directors meeting was set for January 11, 2024 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 out of Closed Session that negotiation guidance was conveyed to Manager Mills on various topics, as well as guidance on restructuring the current loan for the Dutra Ranch property with Ag West.

President McCutcheon also reported out that the Board, given current interest in the property, lowered the asking price for the Dutra Ranch property that is up for sale. Vice-President Dias made the motion to lower the asking price for the property to a certain amount. The motion was seconded by President McCutcheon. The vote for all directors was as follows:

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

NOES: Ernest Taylor

ABSTAINED: None

ABSENT: None

ADJOURNMENT

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

Respectfully submitted,

Dennis Mills
MIN12.14.23