

MINUTES OF AN ADJOUNED REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
LOST HILLS WATER DISTRICT

Held: January 10, 2019

An adjourned regular meeting of the Board of Directors of Lost Hills Water District was held at 12:00 p.m. on January 10, 2019 at the O&M office at 800 Aqueduct St., Lost Hills, California.

CALL TO ORDER:)
_____)

President Don Elholm called the meeting to order at 12:00 p.m. and presided thereat.

ROLL CALL:)
_____)

The following Directors were present: Doug Anderson, Don Elholm, and Bernard Pugét.

Directors Monte Mitchell and Mike Nordstrom were not in attendance.

Also present were: Janie Moehnke; Steve Bottoms; Kim Constant; Mary King; Greg Hammett; Gnell Babb, Controller; Phil Nixon, Manager; and Joseph D. Hughes, Legal Counsel.

APPROVAL OF MINUTES)
SPECIAL MEETING)
OF NOVEMBER 13, 2018)
REGULAR MEETIN OF)
DECEMBER 6, 2018)
AND JANUARY 3, 2019)
_____)

On motion of Bernard Pugét, seconded by Doug Anderson, and unanimously carried, the minutes from the special meeting of November 13, 2018 and regular meetings of December 6, 2018 and January 3, 2019, were approved.

Joe Hughes arrived at this point in the meeting.

Monte Mitchell arrived at this point in the meeting.

FINANCIAL REPORTS)
_____)

Approval of Treasurer’s Report: Gnell Babb presented the Treasurer’s Report for December 2018, in the form attached as **Exhibit “A”**. Following discussion, on motion of Doug Anderson, seconded by Monte Mitchell, and unanimously carried, the reports were approved and ordered filed.

Approval of Warrants: Gnell Babb presented the register of warrants for approval in the form attached as **Exhibit “B” and “C”**. Following discussion, on motion of Bernard Pugét, seconded by Doug Anderson, and unanimously carried, payment of warrants were approved on the following roll call vote:

AYES: Don Elholm
Doug Anderson
Monte Mitchell
Bernard Pugét

NOES: None

ABSENT: Mike Nordstrom

ABSTAIN: None

MANAGER’S REPORT:)
_____)

The Manager updated the Board on the following topics.

2019 SWP Allocation:

The 2019 SWP allocation remains at 10 percent. DWR did not provide studies with the initial 2019 allocation. The January 1, 2019 studies should be available mid to late January.

The State share of San Luis Reservoir (SLR) as of December 31, 2018 was approximately .868 MAF and Oroville storage was about 1.03 MAF. Repairs to the main spillway at Oroville were completed on November 1, 2018. Work at the emergency spillway will continue into spring 2019. Finally, DWR reviewed a draft 2019 Winter Operations Plan for Oroville during its November 28, 2018 workshop.

District staff continues to work with other members of the Westside group and Agency staff to secure supplemental supplies.

2019 Water Supplies:

The District's 2019 water supply is currently estimated to be 26,911 acre feet including the following sources:

- Contract Water (10%) 11,911 AF
- Est. 2018 Carryover 15,000 AF
- **Total 26,911 AF**

District Water Deliveries: Water deliveries in the District during December totaled 227 acre feet compared to 536 acre feet in December 2017. Year to date deliveries this year total 85,381 acre feet compared to 87,798 acre feet last year. Total annual deliveries during 2017 were 87,542 acre feet, 86,613 acre feet in 2016, and 82,379 acre feet in 2015. No actions taken.

Operations & Maintenance: District staff continues repair and maintenance activities including, system repairs, general maintenance, and weed control throughout the District. No actions taken.

Evaporation Basin: The Manager presented a 2018 Biannual Wildlife Monitoring report prepared by H.T. Harvey & Associates. For informational purposes only.

LEGAL COUNSEL)
_____)

Proposed Revision to Fee and Rates for Legal Services: Legal Counsel presented a proposal to revise the fee and rates for legal services for review. After discussion, Legal Counsel was instructed to draft an amendment to the current Legal Services Agreement, reflecting the proposed changes, for consideration at the next regular meeting.

OLD BUSINESS)
_____)

Westside District Water Authority: The Manager presented the agenda for the meeting that was held on January 9, 2019.

The Manager reported that the WDWA Board would like to utilize their meeting to discuss items of common interest between the three Districts and change the time and location of the WDWA board meeting to encourage more landowner participation. The next meeting will be held on February 6, 2019 at the Belridge Water Storage District office at 11:30 a.m.

Westside Water Quality Coalition (WWQC): Greg Hammett reported WWQC received comments from the Regional Board, on October 23, 2018, regarding the Surface Water Management Plan (SWMP), submitted on November 17, 2014, with response to comments due

by January 22, 2019. A ninety day extension to respond to comments was requested by WWQC, however, only a forty-five day was granted by the Regional Board. Responses are now due March 8, 2019.

All Coalitions received a comment regarding a requirement to sample ag conveyance facilities. A group of District Managers and staff from the other Coalitions in Kern County plan to discuss this issue with Fresno Regional Board staff to better understand Regional Board staff's reasoning.

The Groundwater Trend Monitoring was completed in November and December 2018.

A Basin Plan Amendment Work Plan was submitted to CV-SALTS September 19, 2016. CV-SALTS Executive Tech Committee is pending per a request for additional information from WWQC and it is working to revise the boundary to be consistent with the GSP TDS threshold (2,000 mg/L).

Groundwater Quality Management Plan (GQMP) was submitted September 20, 2016. A revised GQMP, with changes to address comments received from Regional Board staff, was revised January 10, 2018. The GQMP was approved October 17, 2018.

WWQC has received no feedback from the Regional Board in regards to the Sediment Discharge Erosion Assessment Report (SDEAR) and the Proximity Work Plan (Work Plan) submitted on May 2, 2016.

Coordination efforts with Northern Management Practice Evaluation (MPEP) continue at the request of the Executive Officer.

Provost & Prichard continues work on the ILRP Farms data base.

Hearings are being held in February 2019 regarding the revised TLB General Order. WWQC is coordinating comments with other Coalitions.

Two grower outreach meetings pertaining to the preparation and submittal of Nitrogen Management Plans, Nitrogen Summary Reports and Farm Evaluations are scheduled in January 2019.

Kern River Watershed Coalition Authority (KRWCA): There were no reportable items.

Kern Groundwater Management JPA: Greg Hammett reported that the Manager's group have been meeting to start working on definitions for Undesirable Results under the Sustainable Groundwater Management Act (SGMA). Undesirable Results include such things as, adverse impacts to water levels and water quality, and subsidence. A draft of said definitions was presented to the Board. The KGA adopted these definition in December 2018. Comments were received at the stakeholder meeting held January 7, 2019.

Mr. Hammett reported on the following activities pertaining to the KGA effort: 1) the County's withdraw from KGA; 2) KGA and KCWA discussions regarding coverage for the White Areas; 3) coordination efforts with oil and gas producers to include white area lands in the GSPs; 4) the GSP schedule: first draft chapter of GSPs are due March/April of 2019, comments are due from KGA in April/ May of 2019, administrative draft of umbrella GSP is due from GEI in June 2019, the Public draft will be available in August 2019, the final umbrella GSP will be reviewed in December 2019, and KGA GSP are due in January 2020; and 5) the Westside Chapter GSP budget: \$250,000 was approved in June 2018 to complete the draft chapter GSP for submittal, an additional \$250,000 is estimated to respond to comments, revise the draft chapter GSP, and provide SGMA support and coordination through submittal of KGA-GSP.

Committee for Delta Reliability: The Manager had no report. The next meeting will be held on January 14, 2019.

California Water Fix: The Manager reported the following activities pertaining to the California Water Fix: 1) Delta Stewardship Council Consistency Determination; 2) SWRCB change in point of diversion permit; 3) SWP contract amendments; 4) small group update; 5) opt out discussions; 6) pressure for participation decision in the first quarter of 2019; and 7) validation action.

Agency/Member Unit Policy Meetings: The Manager reported on matters discussed at the Agency Board meeting. Among those included, 1) California Water Fix Update; 2) adopted 2019-20 budget development schedule; 3) review of SWP operations and deliveries; 4) reported routine water transfers and exchanges approved; 5) approved transfer from WRMWSO to BWSD; 6) approved transfer of CVP supplies; and 6) authorized amendment extending JOC operations agreement for two years.

Pioneer/Rosedale Joint Operations Committee: Greg Hammett reported on the following matters pertaining to the JOC: 1) 2018, one claim for pump modification was approved for an estimated cost of \$1,989, 2) the Technical Committee is working with modelers to calibrate the models using 2018 data with 2019 projections, 3) consider claims for impacts prior to 2017, and 4) Greg Hammett appointed new KCWA Pioneer Project representative.

The next regularly scheduled JOC meeting is January 10, 2019.

NEW BUSINESS)
_____)

Deferral of January 1, 2019 Agency Charge: The Manager reported that the Agency allows Member Units the opportunity to defer a portion of the first-installment of their annual obligation of SWP charges. Following discussion on motion of Bernard Pug t, seconded by Monte Mitchell, and unanimously carried, the Board ratified the authorization of staff to extend Water Users the option of deferring a portion of their 2019 Agency charge.

2019 Meeting Schedule: The Manager presented a draft 2019 meeting schedule for informational purposes only.

Provide Banking and Financial Services form Valley Republic Bank: The Manager reported that the District received a proposal from Valley Republic Bank to provide banking and financial services. Leon Elwell and William D. Phillimore reviewed the proposal from Valley Republic Bank and provided district staff with comments thereto. Valley Republic Bank has since responded to those comments to the satisfaction of Mr. Elwell and Mr. Phillimore and recommended that the Board approve Valley Republic Bank’s proposal. Following discussion, on motion of Doug Anderson, and seconded by Monte Mitchell, the Board approved the proposal for Valley Republic Bank to provide banking and financial services to the District.

District Employee Salary Adjustments: The President reported that this matter would be considered after Closed Session and that action was likely at that time.

PUBLIC COMMENT)
_____)

No public comment.

CLOSED SESSION)
_____)

The President directed that the Board move into closed session to 1) conference with legal counsel regarding *Department of Water Resources v. All Persons Interested in the Matter of the Authorization of California WaterFix Revenue Bonds, Etc.*, and two matters of anticipated litigation, and 2) evaluate the performance of District employees. Legal Counsel advised the Board that it has authority to hold a closed session under Government Code sections 54956.9 and 54957. All persons other than the Directors, the Manager, Greg Hammett and Legal Counsel thereupon retired from the meeting.

Following the closed session, the meeting was again opened to the public. The President announced that no action was taken during closed session.

2019 COMPENSATION)
ADJUSTMENT)
_____)

Following discussion, the President recommended that the salaries of District employees be increased by a range from one percent to ten percent. On motion of Bernard Pugét, seconded by Doug Anderson, and unanimously carried; the Board approved the revised salaries effective the first pay period in 2019.

ADJOURNMENT)
_____)

There being no further business to come before the meeting, it was, on motion of Monte Mitchell, seconded by Doug Anderson, and unanimously carried, said meeting was adjourned at 1:20 p.m.

Phillip D. Nixon, Secretary

Donald W. Elholm, President