MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
LOST HILLS WATER DISTRICT

Held: December 9, 2019

A special meeting of the Board of Directors of Lost Hills Water District was held at 2:00 p.m. on December 9, 2019 at the Belridge Water Storage District's Administration and Operations Building as a joint meeting with Belridge Water Storage District, Berrenda Mesa Water District, and Westside District Water Authority.

CALL TO ORDER:

President Bernard Pugét called the meeting to order at 2:00 p.m. and presided thereat.

ROLL CALL:

The following directors were present: Doug Anderson, Bernard Pugét, Mike Nordstrom, and Monte Mitchell.

Director Don Elholm was not in attendance.

Also present were: Rob Goff; Leon Elwell; Alan Scroggs; Steve Jackson; Robert E. Baker; Rob Yraceburu; Rod Stiefvater; William D. Phillimore; Danielle Duncun; Janie Moehnke; Andrew Edstrom; Dale Arthur; Les Diffenbaugh; Jeremy Seng; Steve Bottoms; Kris Lawrence; Mary King; Kim Constant, Assistant Secretary; Gnell Babb, Controller; Oscar Mello, O & M Superintendent; Phil Nixon, Manger; and Joe Hughes, Legal Counsel.

GENERAL MANAGER'S REPORT

2020 Water Supply: The 2019 SWP allocation remains at 75 percent. DWR's initial 2020 SWP allocation is 10 percent. DWR's 50 percent exceedance studies (assumes average precipitation and runoff form January 1st through the balance of the water year) show a potential allocation of 30 percent with the most restrictive actions, a 41 percent allocation with moderate restrictions, and a 48 percent allocation with the least restrictive actions. The SWP operations committee will meet December 20, 2019.

The State share of San Luis Reservoir (SLR) was about .693 MAF and Oroville storage was about 1.97 MAF as of December 8, 2019.

Sharon Roden arrived at this point in the meeting.

ITEMS OF COMMON)
INTEREST)
_____)

Westside District Water Authority: Legal Counsel presented a draft of the proposed Joint Powers Authority (JPA) agreement creating a new JPA focusing on the following details: 1) Westside District Water Authority (WDWA) composed of Belridge Water Storage District (BWSD), Berrenda Mesa Water District (BMWD), and Lost Hills Water District (LHWD), would remain the member of Kern Groundwater Authority on behalf of those three districts for SGMA purposes to avoid confusion with the new JPA since the New JPA will include Dudley Ridge Water District (DRWD). 2) Workforce: a) General Manager, Office Staff: administrator, controller, and administrative staff, and Field Operations Employees: requires sufficient staffing and the WWA Board may revise positions and job descriptions, b) all employees are WWA employees except BMWD employees will continue as BMWD employees, BMWD would be responsible for these employee costs, costs may be allocated to other Members when applicable, and separation affects allocation of these costs; 3) Services: a) the General Manager allocates, assigns, and directs the workforce, the WWA Board oversees allocation, and the WWA Board may direct the General Manager and b) WWA provides office equipment and WWA provides field equipment by ownership and agreement with member; 4) Financial: a) personnel costs: negotiated and set by WWA Board and members notified of changes within ten days, b) costs shared according to contribution amounts: BWSD 30%, BMWD 30%, LHWD 30%, and DRWD 10% and may be adjusted by WWA board for certain events or time periods, and c) quarterly contribution of estimated costs: field operations staff costs subject to reallocation; 5) Governance: a) seven member board of directors with two representatives from each of the following Districts: BWSD, BMWD, and LHWD and one representative from DRWD, b) Directors appointed by members, c) Officers serve two-year terms, d) board of Directors meetings held no less frequently than quarterly, e) quorum: the current JPA states at least one director from BWSD, BMWD, and LHWD must be present for a quorum. After further review, Legal Counsel suggested a quorum should consist of the majority of the Board with one director from at least three of the Members present, and d) voting: the majority of directors present and voting; and 6) Miscellaneous: a) associate members added by unanimous vote and would be a non-voting member and b) withdrawal from the JPA would require 120 days' notice or expulsion by unanimous vote of remainder of WWA Board.

Formation of a Joint Powers Authority to Manage and Operate Westside Districts and Dudley Ridge Water District and Replace Westside District Water Authority: Staff recommended approval of the Joint Powers Authority (JPA) with the suggested change to the quorum requirement. Following discussion, on motion of Mike Nordstrom, seconded by Monte

Mitchell, and unanimously carried, the Board approved the JPA to manage and operate the Westside Districts and DRWD with the suggested change to the quorum requirements.

Engaging an Executive Search Firm to Assist in Selection of General Manager/Executive Director: The President reminded the Board that the ad-hoc General Manager Search committee (search committee) consists of Alan Scroggs, Mike Nordstrom, and Rob Yraceburu with assistance from Dale Melville. The search committee received proposals from multiple executive search firms. After researching each firm, the search committee has narrowed down the options to two candidates. Staff recommended the Board authorize funding for the search committee to retain an executive search firm to assist in selecting a new General Manager. Following discussion, on motion of Monte Mitchell, seconded by Mike Nordstrom, and unanimously carried, the Board authorized the search committee hire an executive search firm to assist in selecting a new General Manager.

Delta Conveyance Project Update: The General Manager updated the Board on the following activities pertaining to the Delta Conveyance Project Agreement in Principle (AIP) Status: 1) negotiations have concluded; 2) DWR has indicated concern regarding the number of state Water Contractors (SWC) that will not sign the AIP: a) twelve SWCs will not sign, b) DWR developing position paper to clarify next steps, and c) the schedule has been pushed back at least one month; 3) major discussion items included the following: article 21 allocation and San Luis storage carryover impacts; 4) Member Units developing comments for AIP and local administration; 5) Schedule: the tentative schedule included the following: the Agreement in Principle to Boards and begin drafting the contract amendment in January 2020 and join DCA and begin interim funding in March 2020; 6) framework: a) opt-in approach participation level at least SWC's Ag or M&I Table A amount (KCWA) and b) five North of Delta SWC's will not benefit, participate, or pay; 7) Delta Conveyance Facility (DCF) capacity is 6,000 CFS SWP; 8) beneficiary pays concept; 9) DCF capital and fixed OMP&R billed to participate based on contracted proportionate shares (CPS); 10) CPS table illustrates SWP Public Water Agencies (PWA) participation level: the draft table indicated eight SWC at zero); 11) DCF Variable OMP&R based on use; 12) integration into SWP: a) article 21 administration, b) San Luis Reservoir storage and spill process, and c) KCWA administration; 13) availability of DCF water: a) first PWA DCF participants, b) second unused capacity to DCF participant up to four time participation level at variable rate, c) third DCF participants beyond four times participation level variable plus minimum OMP&R, and d) fourth non DCF participants: water spilled from San Luis at variable rate and additional water at fair compensation (capital recovery, O&M, replacement, and variable cost); 14) environmental review process: a) AIP to be used during CEQA process and b) at the end of CEQA process DWR and each PWA will determine if the project moves forward; 15) DWR developing position paper to clarify next steps; 16) DWR initiate environmental review process; 17) KCWA Member Unit meeting December 19, 2019; 18) Member Units working together to provide comments and direction to KCWA; 19) supplemental funding estimate is $350 million over three years (need for funding will drive decision): a) assume SWC participation 3,208,163 AF cost is $109/AF of Table A, which

includes 18 SWCs and KCWA participation 327,000 AF based on earlier MU responses from Westside Districts, Semitropic Water Storage Districts, and Wheeler Ridge-Maricopa Water Storage District at 15 percent and b) estimated cost spread over total Table A of 15 percent participation is $16.36/AF.

Submittal of WDWA Chapter Groundwater Sustainability Plan: Kris Lawrence updated the Board on the following information regarding the submittal of the WDWA Chapter Groundwater Sustainability Plan: 1) plan area and basin setting; 2) sustainable management criteria; 3) WDWA monitoring network; 4) minimum thresholds and measurable objectives; 5) WDWA proposed MO and MT coordination zones; 6) projects and management actions; 7) GSP reporting; and 8) comment period closed on November 30, 2019 and all comments received were addressed in GSP chapter. Staff recommended the Board approve submittal of the WDWA Chapter Groundwater Sustainability plan. On motion of Monte Mitchell, seconded by Doug Anderson, and unanimously carried, the Board approved the submittal of the WDWA Chapter Groundwater Sustainability Plan.

Janie Moehnke left at this point in the meeting.

Aquilogic 2020 Budget for WDWA GSP and SGMA Activities: Kris Lawrence reviewed the Aquilogic 2020 budget for WDWA, GSP and SGMA activities to the Board.

NEW BUSINESS)
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No new business.

PUBLIC COMMENTS)
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No public comments.

CLOSED SESSION)
_____)

No closed session.

ADJOURNMENT)
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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 3:37 p.m.

Phillip D. Nixon, Secretary

Bernard Pugét, President