

MINUTES OF AN ADJOURNED MEETING
OF THE BOARD OF DIRECTORS OF
LOST HILLS WATER DISTRICT

Held: January 14, 2021

An adjourned meeting of the Board of Directors of Lost Hills Water District was held via video and phone conference at 12:00 p.m. on January 14, 2021 by video and phone conference.

CALL TO ORDER:)
_____)

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

ROLL CALL:)
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The following Directors were present: Don Elholm, Doug Anderson, Bernard Pugét, Mike Nordstrom, and Monte Mitchell.

Also present were: Morgan Mitchell; Kris Lawrence; Kim Constant; Mary King; Steve Bottoms; Gnell Sparks, Controller; Mark Gilkey, Manager; and Joe Hughes, Legal Counsel.

APPROVAL OF MINUTES MEETINGS)
OCTOBER 8, 2020, NOVEMBER 4, 2020)
NOVEMBER 5, 2020, DECEMBER 3, 2020)
DECEMBER 9, 2020, AND JANUARY 7, 2021)
_____)

On motion of Doug Anderson, seconded by Don Elholm, and unanimously carried, the minutes from the meetings of October 8, 2020, November 4, 2020, November 5, 2020, December 3, 2020, December 9, 2020, and January 7, 2021, were approved subject to correction on the following roll call vote:

AYES: Bernard Pugét
 Don Elholm
 Doug Anderson
 Monte Mitchell
 Mike Nordstrom

NOES: None

ABSENT: None

FINANCIAL REPORTS)
_____)

Approval of Treasurer’s Report: Gnell Sparks presented the Treasurer’s Report for September 2020, in the form attached as **Exhibit “A”**. Following discussion, on motion of Mike Nordstrom, seconded by Monte Mitchell and unanimously carried, the reports were approved on the following roll call vote:

AYES: Bernard Pugét
Don Elholm
Doug Anderson
Monte Mitchell
Mike Nordstrom

NOES: None

ABSENT: None

Approval of Warrants: Gnell Sparks presented the register of warrants for ratification and approval in the form attached as **Exhibit “B” and “C”** paid by Westside Water Authority on behalf of the District. Following discussion, on motion of Doug Anderson, seconded by Don Elholm, and unanimously carried, payment of warrants attached as **Exhibit “B” and “C”** were ratified and approved on the following roll call vote:

AYES: Bernard Pugét
Don Elholm
Doug Anderson
Monte Mitchell
Mike Nordstrom

NOES: None

ABSENT: None

Approval of Fund Transfers: Gnell Sparks presented the fund transfers from the District to Westside Water Authority to cover the warrants presented in Exhibit B and Exhibit C. Upon motion of Monte Mitchell, seconded by Doug Anderson, and unanimously carried, the funds transfer was approved by the following roll call vote:

AYES: Bernard Pugét
Don Elholm
Doug Anderson
Monte Mitchell

Mike Nordstrom

NOES: None

ABSENT: None

Prior and Current Year State Water Project and Energy Adjustments: Gnell Sparks presented a spreadsheet representing staff's calculation of the credits and charges to landowners based on 2020 and prior year State Water Project and energy adjustments. Staff has prepared warrants for Board approval payable to those Water Users entitled to a credit and invoices for charges due. Staff recommended that the warrants be held for two weeks to allow landowners to review the calculations and the information contained therein and further to hold all warrants payable to landowners with open invoices. If there are no question regarding the controller's calculations, District staff will release said warrants to landowners on January 28, 2021.

MANAGER'S REPORT:)
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The Manager updated the Board on the following topics.

2021 Water Supply:

The 2021 SWP allocation is 10 percent.

The State share of San Luis Reservoir (SLR) was about .604 MAF and Oroville storage was about 1.23 MAF as of January 10, 2021.

2021 Supplemental Water:

District staff continues to work with other members of the Westside 5 group and Agency staff to secure supplemental supplies, the total of which is shown under the estimated 2021 water supply.

Staff is continuing to work with the Agency to secure additional supplies typically including Dry Year Transfer Program (DYTP) and Yuba water, among other sources. Staff is working with the Agency and communicating the Districts potential demand for DYTP water.

Estimated 2021 Water Supply: The District's 2021 water supply is currently estimated to be approximately 42,299 AF including the following sources:

- Contract Water (10%) 11,911 AF
- 2020 Carryover (est) 26,868 AF

- Recovery Requests 3,520 AF
- **Total 42,299 AF**

District Water Deliveries:

A summary of the District’s deliveries through December 31, 2020 was provided for review. 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 had no report.

LEGAL COUNSEL)
_____)

Form 700 Filing: Legal Counsel reported Form 700’s will be ready to review in February 2021. Legal Counsel reminded the Board that the Form 700’s are due April 1, 2021.

OLD BUSINESS)
_____)

Westside Water Authority: The following items were discussed during the Westside Water Authority meeting held on January 13, 2021:

Water Management Tool Contract Amendment (Contract Amendment): 1) Kern County Water Agency will consider taking action on the contract amendment on January 28, 2021; 2) DWR plans to implement the Contract Amendment late February or early March 2021; and 3) multiple lawsuits have been filed challenging CEQA, as well as, consistency issues related to the Delta Plan.

Contract Extension: 1) DWR will not sell bonds past 2035, until the Contract Extension is implemented, which is creating cost compression issues; and 2) DWR filed a validation action in 2018 on the contract extension and indicated they will not move forward until the validation is resolved.

Butte County lawsuit filed against DWR regarding the Oroville spillway incident:

On December 18, 2020, the court granted DWR's motion for summary judgement denying Butte County DA's requested relief and essentially ending the case. The DA has 60 days to appeal.

Delta Conveyance Facility: 1) Dudley Ridge Water District will fill an alternate director's seat and Santa Clarita Valley Water Agency will fill a director's seat on the DCF Design Construction Authority; and 2) the Agreement in Principle is pending and is premised on participation adding to 100%. Discussions are continuing.

Westside Water Quality Coalition: 1) a WWQC Board meeting was held January 6, 2021; 2) the Board approved retaining Geosyntec Consultants for 2021 Irrigated Lands Regulatory Program support; 3) an annual Grower's Outreach Education meeting was held January 12, 2021; and 4) Staff continues to move forward on the Basin Plan Amendment.

Westside District Water Authority: 1) GSA managers and Management Area Managers are in discussions regarding a consultant to build a Data Management System. Two companies being considered: GEI and Provost & Prichard. GEI is currently the programmers for DWR's SGMA system; 2) Staff is currently waiting data from the InSAR study; 3) Staff will sample SGMA wells in early spring; and 4) Staff will reach out to landowners for 2020 pumped quantities: a requirement for the SGMA Annual Report.

South Valley Water Resources Authority Long-Term Transfer with Patterson Irrigation District and Exchange: Kris Lawrence reported on the following information regarding the South Valley Water Resources Authority Long-Term Transfer (SVWRA) with Patterson Irrigation District (PID): 1) a block of water was made available through SVWRA and WWA's share is approximately 2,000 AFY over the next five years and renewed annually; 2) participation was approved during the summer of 2020; 3) RTS Agribusiness, LLC (RTS) has proposed an exchange whereby RTS would take delivery of the Westside District's share of the water in Pleasant Valley Water District and the Westside Districts would receive in exchange an equal amount of other water from RTS plus 10 percent at the original point of diversion for each district; and 4) Staff is recommending each board approve signing the exchange agreement and an agreement whereby RTS indemnifies the Westside Districts.

Following discussion, on motion of Mike Nordstrom, seconded by Doug Anderson, and unanimously carried, the Board approved the exchange and indemnification agreements with RTS, with the addition of requiring the exchanged water be new water to the District, on the following roll call vote:

AYES: Bernard Pugét
Don Elholm
Doug Anderson
Monte Mitchell
Mike Nordstrom

NOES: None

ABSENT: None

Agreement between South Valley Water Resources Authority and Certain of its Participating Project Members and Common Landowner for a Multi-year Exchange of Patterson Irrigation District Transfer Water: Following discussion, on motion of Mike Nordstrom, seconded by Doug Anderson, and unanimously carried, the Board approved the agreement between South Valley Water Resources Authority and certain of its participating project members and common landowner for a Multi-year Exchange of Patterson Irrigation District Transfer Water on the following roll call vote:

AYES: Bernard Pugét
Don Elholm
Doug Anderson
Monte Mitchell
Mike Nordstrom

NOES: None

ABSENT: None

NEW BUSINESS)
_____)

Deferral of January 1, 2021 Agency Charge: Mary King 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 Don Elholm, seconded by Monte Mitchell, and unanimously carried on the following roll call vote:

AYES: Bernard Pugét
Don Elholm
Doug Anderson
Monte Mitchell
Mike Nordstrom

NOES: None

ABSENT: None

PUBLIC COMMENT)
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No public comment.

CLOSED SESSION)
_____)

No closed session.

ADJOURNMENT)
_____)

There being no further business to come before the meeting, it was, on motion of Doug Anderson, seconded by Monte Mitchell, and unanimously carried, said meeting was adjourned at 12:33 p.m.



Mark Gilkey, Secretary



Bernard Pugét, President