

MINUTES OF A SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF  
BELRIDGE WATER STORAGE DISTRICT

Held June 29, 2022

A special meeting of the Board of Directors of Belridge Water Storage District was held as a joint meeting with Westside Water Authority, Berrenda Mesa Water District, Lost Hills Water District and Dudley Ridge Water District on June 29, 2022, at 8:30 a.m. in-person at the District's Administrative and Operation Building, and by video and teleconference.

CALL TO ORDER )  
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President Rob Yraceburu called the meeting to order at 8:30 a.m. and presided thereat.

ROLL CALL )  
\_\_\_\_\_ )

The following directors were present: Rob Yraceburu, Rod Stiefvater, Rod Stiefvater, and Brett Hampf.

The following director was not in attendance: Christin Faber.

Also present were Alex Dominguez; Rob Goff; Mike Nordstrom; Bernard Pugét; Don Elholm; Doug Anderson; Monte Mitchell; Kim Brown; Steve Bottoms; Jaime Marquez; Justin Rowe; Gnell Sparks, Assistant Treasurer; Kim Constant, Assistant Secretary; and Mark Gilkey, General Manger.

Also attending by video conference and/or teleconference were Andrew Mason; Audrey Arnao; Cody Tolbert; Joe Butkiewicz; Kellie Welch; Rick Besecker; Leta Spencer; Leon Elwell; Patrick O'Dowd; Joseph D. Hughes, Legal Counsel.

ADOPTION OF ALTERNATIVE )  
TELECONFERENCING REQUIREMENTS )  
\_\_\_\_\_ )

Following discussion, on motion of Rod Stiefvater, seconded by Brett Hampf, and unanimously carried, the Board made the determination that, due to continuation of the Governor's Executive Order and imminent risk to health and safety, the Board will continue with the previous teleconferencing determinations under Assembly Bill 361, on the following roll call vote:

AYES: Rob Yraceburu  
Rod Stiefvater  
Brett Hampf

Brad Krocker

NOES: None

ABSENT: Christin Faber

APPROVAL OF AGENDA )  
\_\_\_\_\_ )

There were no requests to revise the agenda.

GENERAL MANAGER’S REPORT )  
\_\_\_\_\_ )

**State Water Project (SWP) Supply**

The Department of Water Resources (DWR) 2022 SWP Table A allocation remains at 5%. In addition, DWR will continue to allocate water to meet the human health and safety (HH&S) needs, as defined in NTC 21-07, issued on December 1, 2021.

Precipitation in April and above normal precipitation in June has put the District in a little better position compared to the previous months. Currently, Oroville is about 1.7 MAF, which is higher than projected. DWR and the Bureau of Reclamation (Bureau) continue coordination and work efforts to determine if a Temporary Urgency Change Petition (TUCP) is needed. At this time a summer/fall TUCP is not being pursued.

DWR’s latest 2022 Allocation Analysis based on the May WSI forecast reflects the following:  
75% Exceedance, Moderate OMR            Table A .225 MAF 5%  
90% Exceedance, Moderate OMR            Table A .187 MAF 4%

The State Share of San Luis Reservoir is about 543 TAF and the Bureau’s share is approximately 287 TAF. Export pumping from the Delta for the State Water Project (SWP) was about 450 AF on June 23, 2022. Central Valley Project and SWP exports remain similar to last week. Oroville storage is at 1.79 MAF. Reservoir storage and precipitation index is attached to the Managers Report.

Drought management continues to be at the forefront of discussions between DWR and the State Water Contractors, including tracking the TUCP for 2022, drought barrier, curtailment and planned 2022 operations.

Based on the last meeting with DWR management on June 22, 2022, there will be sufficient downstream demand for the Westside Water Authority’s Districts’ (Westside 5) exchange requirements. Staff will continue to coordinate with Kern County Water Agency and DWR to monitor conditions.

**Estimated 2022 Water Supply**

The total estimated 2022 supplies are shown below:

Estimated Supplies	BMWD	LHWD	BWSD	DRWD
Contract Table A 5%	4,630	5,956	6,074	2,068
Carryover (estimate)	16,093	24,789	22,470	1,937
Pioneer/BMSG Recovery Requests	24,241	11,343	17,385	-
KWB Recovery Requests	35,000	30,000	28,000	10,679
WHWD 5%	70	90	91	-
Landowner Transfers	7,227	2,945	10,518	-
Westside 5	4,442	7,708	5,717	1,550
<b>Total</b>	<b>93,348</b>	<b>84,946</b>	<b>92,398</b>	<b>16,234</b>

Staff continues to work with members of the Westside 5 group to identify and secure additional supplemental water supplies for 2022.

**Current Multi-Year Deals**

The table below reflects combined total AF for BMWD, LHWD, BWSD and DRWD:

Seller	Term Length	Allocation	Low Min AF	High Min AF	Landowners	Min \$/AF	Max \$/AF
Butte	2022-2031	0%-100%	72	11,368	Yes	\$ 212.00	\$ 45,800.00
WHWD	2021-2022	0%-100%	251	5,277	Yes	\$ 1,580.00	\$ 6,300.00
Palmdale	2022-2025	55%-100%	1,000	13,000	No	\$ 157.50	\$ 668.53
Mojave	2022-2025	35%-100%	15,000	25,000	No	\$ 157.50	\$ 668.53
Homer	2022-2032	0%-100%	1,000	9,100	No	\$750/\$850	\$1163/\$1319

Butte \$/AF are estimates based on dry and wet year allocations. WHWD min \$/AF is the average cost for 1,005 AF (2021 @ 5%+2022 @15%), max \$/AF reflects 2021 deliveries and no 2022 deliveries. Palmdale and Mojave min \$/AF represents the price if final SWP allocation is between 76%-100% and max \$/AF represents the price if final SWP allocation is between 31%-55%. Homer \$/AF shows two prices, the first is groundwater and the second is surface water. Min \$/AF represents costs for 2022 while max \$/AF represents costs for 2032.

**Contract Extension (CE) Amendment**

DWR approved Contract Extension amendments EIR and filed a NOD on December 11, 2018. To date, 24 SWC members have approved the Contract Extension amendments, including

Dudley Ridge Water District and Kern County Water Agency. DWR, through outside counsel, filed a validation action for Contract Extension on December 11, 2018 in Sacramento Superior Court. A three-day trial was held from January 5<sup>th</sup> - 7<sup>th</sup>, and SWC and PWA counsel actively participated. The court found in favor of DWR as to all the issues raised. On March 10, 2022, the court issued a final statement of decision. The judgment was finalized, and petitioners filed timely appeals in both the validation and CEQA/Public trust cases. Both cases will start the appeal process.

With respect to the compression issue, DWR is not issuing revenue bonds past 2035 until:

- Successful completion of the trial court decision,
- Approval from the Attorney General and Treasury Department, and
- Execution of all CE Amendments.

The billing transition date is scheduled for 2024. DWR and SWC are working together with the goal of timely issuance of long-term bonds

### **Voluntary Agreements**

With respect to the Voluntary Agreements, on February 4, 2020, Resources Agency and CalEPA released a draft framework for the Voluntary Agreement for Phase 2 (Sacramento River). On March 31, 2020, DFW issued a new ITP for CESA compliance for the SWP. The VA framework and the ITP do not align well. On March 29, 2022, several parties, including the Kern County Water Agency and the SWC, executed a Memorandum of Understanding for Voluntary Agreements to Update the Bay-Delta Water Quality Control Plan. This is a non-binding MOU in which the signatories agreed to continue to work on the development of Voluntary Agreements as outlined in a draft term sheet.

The Kern County Water Agency endorsed the Memorandum of Understanding including the term sheet. Staff will report on this item at a future meeting.

Christin Faber arrived at this point in the meeting.

### **Sisk Dam (San Luis Reservoir) Seismic Retrofit**

A letter from the Bureau, signed by Ernest Conant dated May 27, 2022, was sent to Karla Nemeth, Department of Water Resources providing notice of awarding a \$120 million construction contract for the 1<sup>st</sup> phase of Sisk Safety of Dams Modification Project. A copy of the Bureau's letter is attached to the Managers Report.

Of concern is the Bureau's conclusion that costs of the modification project is subject to the joint federal and state cost-shares set forth in the San Luis Act. The total estimated cost of the Dam Modification Project is about \$1.1 billion. DWR and SWC's position is that costs of the modification project should be subject to the Reclamation Safety of Dams Act of 1978 which would require local share of 15% of the costs (as opposed to 100% of costs).

Tami Pensinger arrived at this point in the meeting.



ABSENT: None

OTHER WESTSIDE WATER )  
AUTHORITY ITEMS )  
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**Accounting ad hoc Committee (Rob Yraceburu and Mike Nordstrom) to Report and Make Recommendations Regarding Accounting for WWA and Member District Assets, and Payment of SWP Charges:** Justin Rowe reported that one of the action items from the strategic plan was to address administrative inefficiencies. During the May 11, 2022 Board meeting, Staff discussed adjusting District budgets and billing cycles and updating the board meetings schedule to enable a more efficient process. Alex Dominguez reviewed the existing requirements and legal actions required to implement the changes to Belridge Water Storage District (BWSD), Berrenda Mesa Water District (BMWD), Lost Hills Water District (LHWD), and Dudley Ridge Water District (DRWD), and included an additional item for consideration: delegating authority to WWA.

To implement the change in budget and billing cycles, Legal Counsel recommended the following: for BWSD and LHWD, the Board should send estoppel letters to each landowner informing them of the proposed changes; for DRWD, the existing assessment structure could remain the same, but the times for billing should be changed to align with the districts; for BMWD, because the district does not have any existing legal requirements establishing its billing procedures, the district board may revise the procedures, as desired.

The Board recommended that Staff review this information during the individual district meetings.

Mr. Rowe presented a schedule of Board meetings during 2021 and a proposed schedule for future meetings.

Finally, Mr. Rowe presented the following information regarding each district’s delegating authority to WWA and implementing a management fee: 1) add common expenses to WWA’s management fee: vehicles, O&M personnel, office expenses, association fees, professional services, etc; 2) delegate to Staff the ability to determine when certain expenses should be billed to individual districts for district-specific work; and 3) collect a management fee based on Table A.

Steve Bottoms left at this point in the meeting.

**District Rules and Regulations Update:** Following discussion, on motion Christin Faber, seconded by Brad Kroeker, and unanimously carried, the Board approved the proposed schedule of holding a Joint Board meeting of Westside Water Authority, BWSD, BMWD, LHWD, and

DRWD once a month and individual Board meetings once a quarter, date and time to be determined by Staff, for the remainder of 2022 on the following roll call vote:

AYES: Rob Yraceburu  
Rod Stiefvater  
Brett Hampf  
Brad Kroeker  
Christin Faber

NOES: None

ABSENT: None

**Kern Fan Losses Update:** Justin Rowe reported that an excess of unexplainable losses of approximately 2-4% of gross CVC volume have been occurring since early 2021. Kern County Water Agency has been working with DWR since April 2021 to determine the cause of excess losses. There have been no definitive determinations made. The potential sources of losses are metering discrepancies, air entrainment, leakage from infrastructure, evaporation, etc. Kern County Water Agency staff are diligently working to eliminate or prove metering discrepancies as the primary cause of losses in the CVC. DWR is conducting independent, third-party testing of its meters in July 2022 and Kern County Water Agency will follow up with DWR to address excess losses following the results of the tests. Staff will analyze historical loss figures by pool and by month, develop an overview of capacity and relative participation, and continue to work with Kern County Water Agency on a resolution for 2021 and 2022 losses.

PUBLIC COMMENT )  
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Director Kroeker requested an agenda item discussing water acquisition.

The General Manager responded that Staff could discuss completed water acquisition during board meetings.

Director Stiefvater requested an update on Voluntary Agreement.

The Executive Director responded that Staff would work on scheduling a presentation to discuss the Voluntary Agreement once information is available to the public.


CLOSED SESSION )  
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The President directed that the Board move into closed session to discuss anticipated litigation. Legal Counsel advised the Board that it has authority to hold a closed session under Government Code sections 54956.8, 54956.9(d)(2), and 54956.9(d)(4). All persons other than the Directors, the Manager, Legal Counsel, Bernard Pugét, Rob Goff, Monte Mitchell, Leon Elwell, Don Elholm, Kim Brown, Mike Nordstrom, Doug Anderson, Patrick O'Dowd, Alex Dominguez, Steve Bottoms, Gnell Sparks, Jaime Marquez, Justin Rowe, and Kim Constant, thereupon retired from the meeting.


Following the closed session, the meeting was again open to the public. Legal Counsel advised that no reportable action was taken in the closed session.

ADJOURNMENT )  
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There being no further business to come before the meeting, it was, on motion of Rod Stiefvater, seconded by Christin Faber, and unanimously carried, said meeting was adjourned at 12:25 p.m.

  
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Brett Hampf  
Secretary of the Board of Directors

APPROVED:

  
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Rob Yracebnu  
President of the Board of Directors