

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

Held August 3, 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 August 3, 2022, at 12:00 p.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 12:00 p.m. and presided thereat.

ROLL CALL)
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The following directors were present: Rob Yraceburu, Brad Kroeker, and Brett Hampf.

The following director attended by video conference and/or teleconference: Christin Faber.

The following director was not in attendance: Rod Stiefvater.

Also present were Eric Averett, Rob Goff, Leon Elwell, Alan Scroggs, Mike Nordstrom, Don Elholm, Monte Mitchell, Kim Brown, Patrick O'Dowd, Jaime Marquez, Justin Rowe, Gnell Sparks, Assistant Treasurer, Kim Constant, Assistant Secretary, Mark Gilkey, General Manger, and Joseph D. Hughes, Legal Counsel.

Also attending by video conference and/or teleconference were Rob Baker, Jeff Eklund, Andrew Mason, Peter Nelson, Kellie Welch, Dale Melville, Travis Millwee, Rick Besecker, Tami Pensinger, and Mary King.

ADOPTION OF ALTERNATIVE)
TELECONFERENCING REQUIREMENTS)
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Following discussion, on motion of Brett Hampf, seconded by Brad Kroeker, 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
 Brett Hampf
 Brad Kroeker

Christin Faber

NOES: None

ABSENT: Rod Stiefvater

APPROVAL OF AGENDA)
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The President requested that public comment be moved ahead of consent agenda.

The Board approved this revision to the agenda.

PUBLIC COMMENT)
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Eric Averett addressed the Board stating Homer, LLC's interest in negotiating a long-term deal with the Authority and its member districts.

CONSENT AGENDA)
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The President asked if there were any questions concerning the Consent Agenda, which items were detailed with staff reports in the Board Packet. The following is the list of Consent Agenda Items:

On motion of Brett Hampf, seconded by Christin Faber, and unanimously carried, the Board approved each item listed on the Consent Agenda on the following roll call vote:

AYES: Rob Yraceburu
Brett Hampf
Brad Kroeker
Christin Faber

NOES: None

ABSENT: Rod Stiefvater

GENERAL MANAGER’S REPORT)
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State Water Project (SWP) Supply

The Department of Water Resources (DWR) 2022 State Water Project (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. DWR has allocated HH&S to the following three State Water Contractors (SWC) including: Santa Clara Valley Water District, County of Kings, and MWD.

Storage and Exports as of July 31, 2022 are as follows:

Storage and Exports	July 31, 2022 Acre-Feet	24 Hour Change Acre-Feet
Oroville Storage	1,453,733	-5,832
San Luis Reservoir State Storage	472, 086	-2,223
San Luis Reservoir Bureau Storage	174,370	-361
Banks Pumping Plant DWR	1,092	-28
Tracy Pumping Plant USBR	5,373	-6

Cumulative precipitation for the Northern and Southern Sierras remains below average for this time of year. Actual runoff is lower than the historical average rates, close to conditions experienced in 2020.

Delta outflow conditions remain in “balanced” conditions. Central Valley Project (CVP) and SWP exports are similar to last week’s exports. Shasta and Oroville Reservoir storage amounts are still significantly below average levels for this time of year but are higher than dry conditions experienced in 1977.

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

Based on the last meeting with DWR management on 6/22/2022, there will be sufficient downstream demand for the Authority and its member districts: exchange requirements. Staff will continue to coordinate with Kern County Water Agency and DWR to monitor conditions.

Rod Stiefvater arrived at this point in the meeting.

The Executive Director presented the 8 station index.

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	8,678	2,945	10,518	-
Westside 5	4,906	9,263	6,246	1,550
Total	95,263	86,501	92,927	16,234

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 the combined total acre-feet for Berrenda Mesa Water District (BMWD), Lost Hills Water District (LHWD), Beldridge Water Storage District (BWSD) and Dudley Ridge Water District (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.

Statement of Charges

DRWD has received its July 1, 2022 Statement of Charges (SOC) from DWR for 2023 SWP water. The charges are based on DRWD Table A of 41,350 acre-feet. A comparison of 2023 and current year 2022 SWP Charges is attached. The summary reflects a reduction in 2023 SWP charges of 7% when compared to this year (2022).

Overall, the 2023 SOC increased by \$146 million for all SWC. Some of the primary drivers for the increased charges are:

- Significant projected power market increases
- Audit Finding Ture-ups
- Reservoir Operations

Key Elements for the 2023 SOC:

- Projected Capital and Operating Costs are flat for CY2022 and CY2023
- Billing Transition Date of 2024
- Project Interest Rate decreased from 4.610% to 4.580%
- Inclusion of additional debt service (On-aqueduct Power) to WSRB Surcharge
- Resolution of several outstanding SWC's Audit Findings (Trans-Min and Cons-Min)

Contract Extension (CE) Amendment

There is nothing new to report from our last Board Meeting. The billing transition date is scheduled for 2024. DWR and SWC are working together with the goal of timely issuance of long-term bonds

Letter from Doug Anderson – Resigning from LHWD Board

Staff received a letter from Doug Anderson regarding his resignation from the LHWD Board. We have posted the notice of vacancy. The letter from Doug is attached.

North West Kern Resource Conservation District (RCD) – Mobile Lab

RCD is again seeking our financial support to maintain the Mobile Lab for landowners in the District. RCD sent a \$5,000 contribution request to each of the following Districts: BWSO, BMWD and LHWD. The Mobile Lab examines normal distribution of water in irrigation systems.

Each District budgeted \$5,000 in 2022. We are planning to process the payment to RCD this month.

The General Manager reported the following information regarding the Pioneer Replacement Wells: 1) the Board gave direction to Staff in September 2021 to pursue an agreement to pay for the replacement of two wells in the Pioneer Banking Project estimated to cost between \$400,000.00 to \$900,000.00 per District depending on participation; 2) Staff received and signed the Agreements for participation in December 2021; 3) Staff received the invoices for the first half of the replacement costs for Lost Hills Water District, Belridge Water Storage District and Berrenda Mesa Water District in amount of \$619,000.00, \$702,000.00, and \$702,000.00, respectively; 4) The increase in cost is due to Wheeler Ridge Maricopa Water Storage District choosing not to participate; 5) cost for the replacement wells were not included in the 2022 Budget, but there is sufficient cash flow in each District to cover the invoices.

Staff recommended that the Board ratify the agreement for reimbursement of construction, operation, maintenance, and repair costs for the Pioneer Well R01 and R04 replacement project and add the expense to the 2023 Budget to repay the funds spent. Following discussion, on motion of Rod Stiefvater, seconded by Christin Faber, and unanimously carried, the Board ratified the agreement for reimbursement of construction, operation, maintenance, and repair costs for the Pioneer Well R01 and R04 replacement project on the following roll call vote:

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

NOES: None

ABSENT: None

The General Manager presented a letter from Sharon Roden, a landowner in BMWD, regarding the adjusted timelines for budgeting and billing.

REPORT OF COUNSEL)
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Conflict of Interest Code: Legal Counsel stated the District is required to conduct a Biennial Review of the Conflict of Interest Code. Legal Counsel is currently reviewing the District’s Conflict of Interest Code. No action was taken.

Ethics Training: Legal Counsel reported that the Board and certain Staff must take ethics training, every two years, pursuant to AB 1234. This training will be scheduled before the end of the year.

WESTSIDE WATER AUTHORITY)
AND AUTHORITY MEMBER 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 (accounting ad hoc committee): Justin Rowe reported that during the June 2022 Board meeting Staff discussed delegating the ability to WWA to collect a management fee, 60 percent in December and 40 percent in June, based on Table A for the purpose of retaining sole ownership and administration of common expense items. Staff recommended converting member district shared assets to WWA by collecting a one-time capital fee, based on Table A, for an amount that covers the fair market value of the assets, then purchase those assets

using cash from each member district: assets include vehicles, O&M office equipment, personal property, etc. Staff plans to implement the described changes on January 1, 2023: the first collection of 60 percent would be due December 2022.

Mr. Rowe presented spreadsheets detailing the one-time capital fee that would be paid to WWA and the member districts' detailed assets lists. Following discussion, on motion of Brett Hampf, seconded by Rod Stiefvater, and unanimously carried, the Board authorized the sale of District's assets to WWA and authorized the President to execute the agreement once in its final form on the following roll call vote:

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

NOES: None

ABSENT: None

Pump-back Long-term Solutions: Mr. Rowe reported that Staff is working with Jeff Eklund of Provost & Prichard on options for a long-term pump-back project.

Appointment of District Representative for each Authority Member on South Valley Water Resources Authority (SVWRA) Board of Directors: Justin Rowe reported that currently Mark Gilkey is the District's representative for SVWRA. Staff recommended appointing Mr. Rowe to be the District's alternate representative for SVWRA. The consensus of the Board was that Mr. Rowe be appointed the alternate representative for SVWRA.

Appointment of 2023 ad hoc District Budget Committee: The General Manager recommended the President appoint an ad hoc committee to review the draft 2023 budget. Following discussion, the President appointed Brad Kroeker and Brett Hampf to an ad hoc committee to review the draft 2023 budget with staff.

INDEPENDENT AUDIT)
ASSOCIATION PROGRAM)
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The Independent Audit Association (IAA) is a group of SWC, excluding MWD, which retained Ernst & Young to audit certain financial transactions and processes of the SWP. Due to the success of the past audits, the SWC Member Units have been asked to fund the IAA process for 2022-2023

through 2026-2027. Following discussion, on motion of Brad Kroeker, seconded by Christin Faber, and unanimously carried, the Board authorized participation in the 2022-2023 through 2026-2027 Independent Audit Association Program on the following roll call vote:

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

NOES: None

ABSENT: None

PUBLIC COMMENT)
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Public comment was moved to the beginning of the meeting.

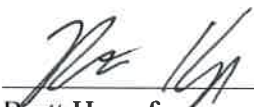
CLOSED SESSION)
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The President directed that the Board move into closed session to discuss anticipated litigation. Legal Counsel advised the Board that it has authority to hold a closed session under Government Code sections 54956.8, 54956.9(d)(2), and 54956.9(d)(4). All persons other than the Directors, the General 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.



Brett Hampf
Secretary of the Board of Directors

APPROVED:



Rob Yraceburn
President of the Board of Directors