

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

Held September 21, 2022

A special meeting of the Board of Directors of Belridge Water Storage District (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 September 21, 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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Vice-President Rod Stiefvater called the meeting to order at 8:30 a.m. and presided thereat.

ROLL CALL)
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The following directors were present: Rod Stiefvater, Christin Faber, and Brett Hampf.

The following director attended by video conference and/or teleconference: Brad Kroeker.

The following director was not in attendance: Rob Yraceburu.

Also present were: Rob Goff, Alan Scroggs, Bernard Pugét, Jeremy Blackwell, Mike Nordstrom, Monte Mitchell, Kim Brown, Patrick O'Dowd, Eduardo Lucero, Mary King, Jaime Marquez, Steve Bottoms, 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: Rick Besecker, Dale Melville, Leon Elwell, Don Elholm, Sharon Roden, Travis Millwee, and Tami Pensinger.

ADOPTION OF ALTERNATIVE)
TELECONFERENCING REQUIREMENTS)
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Following discussion, on motion of Brett Hampf, seconded by Christin Faber, 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: Rod Stiefvater
Brett Hampf
Brad Kroeker
Christin Faber

NOES: None

ABSENT: Rob Yraceburu

APPROVAL OF AGENDA)
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There were no requests to revise the agenda.

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

AYES: Rod Stiefvater
Brett Hampf
Brad Kroeker
Christin Faber

NOES: None

ABSENT: Rob Yraceburu

EXECUTIVE (CLOSED) SESSION)
_____)

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, Rob Goff, Alan Scroggs, Bernard Pugét, Jeremy Blackwell, Mike Nordstrom, Monte Mitchell, Kim Brown, Patrick O'Dowd, Leon Elwell, Don Elholm, Mary King, Rick Besecker, and Dale Melville, 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.

DELTA CON VEYANCE PROJECT (DCP))
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Draft DCP Environmental Impact Report Update: Dale Melville presented a memorandum reviewing the Draft Environmental Impact Report (DEIR) for the Delta Conveyance Project. The memorandum included information on the following items:

- (1) General overview of the DEIR;
- 2) Water supply impacts per the DEIR;
- (3) Water supply impacts per 2020 Department of Water Resources (DWR) information;
- (4) Cost information; and
- (5) Other considerations related to the DEIR.

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

In addition to 5% 2022 State Water Project (SWP) Table A allocation, DWR is continuing 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 is allocating HH&S to the following three State Water Contractors (SWC): Santa Clara Valley Water District, County of Kings, and MWD.

Storage and Exports as of September 8, 2022, are as follows:

	September 8, 2022 Acre-Feet	24 Hour Change Acre-Feet
Oroville Storage	1,292,181	-4,990
San Luis Reservoir State Storage	363,686	-3.046
San Luis Reservoir Bureau Storage	191,135	-46
Banks Pumping Plant DWR	1,055	-278
Tracy Pumping Plant USBR	3,593	4

Delta outflow conditions remain “balanced.” Shasta and Oroville Reservoir storage amounts are still significantly below average levels for this time of year; however, they 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.

Sufficient downstream demand for the WWA Member Districts' exchange requirements continue. Staff will continue to coordinate with Kern County Water Agency (KCWA) and DWR to monitor conditions.

The 8-station index is attached.

Based on DWR's latest studies, 2023 starting conditions reflect:

End of 2022 Storage	Dry Fall	Average Fall
Oroville (TAF)	1179	1633
SWP San Luis (TAF)	320	580
Total San Luis (TAF)	555	999

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	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	2,244	10,518	-
Westside 5	4,906	9,263	6,246	1,550
Total	95,263	85,800	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 combined total AF for Berrenda Mesa Water District (BMWD), Lost Hills Water District (LHWD), Belridge 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

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.

2023 Statement of Charges

Overall, the 2023 Statement of Charges (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; and
- Reservoir Operations.

Key Elements for the 2023 SOC are:

- 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; and
- Resolution of several outstanding SWP Contractors' Audit Findings (Trans-Min and Cons-Min).

DRWD has received the 2023 SOC from DWR which reflects a reduction of 7% when compared to 2022. Recently, KCWA reviewed DWR's 2023 SOC with Member Units. KCWA provided the preliminary estimate of 2023 SWP Costs which is attached.

DWR Human Health and Safety Guidelines

DWR is continuing to allocate water to meet HH&S needs as defined in NTC 21-07, issued on December 1, 2021. DWR is allocating HH&S to the following three SWC: Santa Clara Valley Water District, County of Kings, and MWD. The most recent draft of the Guidelines for SWP Allocation for Human Health and Safety Needs Pursuant to Article 18a of Water Supply Contracts is applicable to CY2022 and includes a 1:1 payback of HH&S deliveries within 5 years.

Contract Extension (CE) Amendment

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

Background: DWR approved the EIR for the Contract Extension amendments and filed a NOD on December 11, 2018. To date, 25 SWC have approved the Contract Extension amendments. 24 of those SWC have executed the amendment and returned it to DWR, with one more in the process. The total amount of Table A of all these SWC exceeds 3,950,000 AF.

A trial was held from January 5 through January 7, 2022, and SWC and PWA counsel actively participated. On March 10, 2022, the Court issued a final judgment and statement of decision, finding for DWR on all issues. The judgment was finalized. Petitioners then filed timely appeals in both the validation and CEQA/Public trust cases. Both cases have started the appeal process.

Sisk Dam (San Luis Reservoir) Seismic Retrofit

B.F. Sisk Dam impounds water at the shared State and Federal facility – San Luis Reservoir – with a storage capacity of more than 2 million AF. Reservoir space within San Luis Reservoir is allotted 55% State and 45% Federal. Cost share for ongoing operational and maintenance is also shared 55% State and 45% Federal.

The U.S. Bureau of Reclamation (BOR) owns San Luis Reservoir, and DWR operates and maintains it. Sisk Dam was constructed in the mid-1960s and is a central feature of both the SWP and the Central Valley Project, providing critical storage for both projects for deliveries to the Bay Area, San Joaquin Valley and throughout Southern California.

In 2006, the BOR completed a risk analysis of Sisk Dam that evaluated dam stability in the event of seismic activity and concluded that significant to high seismic activity could result in dam failure. This analysis also determined that Sisk Dam does not meet BOR safety standards. Multiple potential structural modifications and operational changes are necessary to ensure operation of Sisk dam in a safe manner.

The Federal Safety of Dams Act allows for 85% of the cost of dam safety projects to be paid by the federal government and 15% to be paid by the project beneficiaries. In December 2019, the BOR and DWR announced a partnership to move forward on a \$1.1 billion seismic upgrade of Sisk Dam, with the signing of a Record of Decision and Notice of Determination.

- \$500 million was made available to the Federal Safety of Dams Act fund in 2021 through the Infrastructure Bill.
- Federal funding is a necessary component for upgrading the Sisk Dam infrastructure and ensure the continued delivery of clean, reliable, and affordable water to millions of Californians who rely on it every day.
- In March 2022, the Department of Interior announced project-specific federal funding of \$100 million for the Sisk Dam modifications project, as part of the Infrastructure Bill.
- In a letter from Ernest Conant with the BOR, dated May 27, 2022, the BOR concludes that the costs of the Modification Project are subject to the joint Federal and State cost-shares set forth in the San Luis Act. The BOR believes the State should pay the State's

share of the Modification Project costs whether or not we execute a new cost-share agreement specific to the Modification Project.

- In a letter to BOR Commissioner Touton, dated August 30, 2022, SWC expressed concerns that the seismic retrofit is well beyond normal operations and maintenance and because this modification is to preserve the structural safety of a BOR dam, the Safety of Dams Act of 1978 is the applicable law pertaining to cost share with the Federal Government.
- In a letter to BOR Commissioner Touton, dated August 30, 2022, MWD expressed similar concerns.

REPORT OF COUNSEL)
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Biennial Review Conflict of Interest (COI) Code

WWA, BWSD, BMWWD, LHWD, and DRWD Review: No Changes Necessary: Legal Counsel stated WWA, and WWA Members are required to conduct a Biennial Review of their respective Conflict of Interest Codes. State Law requires that the Conflict of Interest Codes be reviewed and then reported to the County if changes are necessary. No changes were deemed necessary at this time, and therefore, no actions were taken.

Standard Provision Update: Legal Counsel reported that drafts of the updated standard provisions will be presented at the next Board meeting.

PUBLIC PARTICPATION)
NON AGENDIZED ITEMS)
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No public comment.

EXECUTIVE (CLOSED) SESSION)
_____)

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King, Rick Besecker, and Dale Melville, Jaime Marquez, Gnell Sparks, Steve Bottoms, Justin Rowe, and Kim Constant, thereupon retired from the meeting.

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ADJOURNMENT)
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There being no further business to come before the meeting, it was, on motion of Brad Kroeker, seconded by Brett Hampf, and unanimously carried, said meeting was adjourned at 12:03 p.m.



Brett Hampf
Secretary of the Board of Directors

APPROVED:



Rob Yraceburu
President of the Board of Directors