

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
BERRENDA MESA WATER DISTRICT
March 3, 2022**

A regular meeting of the Board of Directors of Berrenda Mesa Water District was held on March 3, 2022, at 9:30 a.m. at the Berrenda Mesa Water District Administration and Operations Building and by video and teleconference.

CALL TO ORDER

President Goff called the meeting to order at 9:30 a.m. and presided thereat.

ROLL CALL

The following Directors were present: Rob Goff; Rob Baker; and Alan Scroggs.

The following Directors attended by video conference and/or teleconference: Leon Elwell.

The following Director was not present: Mike Nordstrom.

Also present were: Tom McCarthy; Jamie Marquez; Kim Constant, Assistant Secretary; Gnell Sparks, Assistant Treasurer; Steve Bottoms; and Mark Gilkey, Manager.

Also attending by video conference and/or teleconference were: Craig Wallace; Audrey Arnao; Andrew Mason; Homayoon Majd; Leta Spencer; Brian Hauss; Tami Pensinger; and Mary King.

ADOPTION OF ALTERNATIVE TELECONFERENCING REQUIREMENTS

Following discussion, on motion of Alan Scroggs, seconded by Rob Baker, 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 determinations under Assembly Bill 361, on the following roll call vote:

AYES: Rob Goff
 Leon Elwell
 Alan Scroggs
 Rob Baker

NOES: None

ABSENT: Mike Nordstrom

Mike Nordstrom arrived at this point in the meeting.

APPROVAL OF AGENDA

The Manager recommended the Board approve reporting on agenda item 6e, Delta Conveyance Project, prior to the financial reports.

Following discussion, on motion of Leon Elwell, seconded by Mike Nordstrom, and unanimously carried, the Board approved the agenda, including Staff's recommendations, on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker
Mike Nordstrom

NOES: None

ABSENT: None

MINUTES

On motion of Rob Baker, seconded by Alan Scroggs, and unanimously carried, the minutes of the regular meeting October 7, 2021, special meeting of October 28, 2021, and joint special meetings of October 18, 2021, October 25, 2021, and October 28, 2021, were approved on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker
Mike Nordstrom

NOES: None

ABSENT: None

Delta Conveyance Project: The Manager and Craig Wallace presented the following update regarding the Delta Conveyance Project (DCP): 1) the DCP, a single tunnel projected to provide up to 6,000 cfs, is in a four year planning and design project that is on schedule and on budget after completing the second year; 2) the District's planning cost schedule; 3) previous Board action: agreement in Principle for SWP contract amendment, funding agreement for the first two years of planning and design, and design and construction authority governance structure to reflect updated participation; 4) 2022 proposed Board action: approve amendment no.1 to the contract between Kern County Water Agency and its Member Units for preliminary planning and design costs for 2023 and 2024 related to a potential DCP and determining the action is exempt from CEQA; 5) alternatives: the final choice of potentially feasible alternative for the Draft EIR is in process; 6) new facilities include intakes, a tunnel, a pumping plant, and other conveyance and ancillary facilities; 7) schedule and status; and 8) preliminary benefits.

Following discussion, the Board recommended Staff hold a meeting with Belridge Water Storage District, Lost Hills Water District, and Dudley Ridge Water District to discuss the DCP in more detail prior to the April 2022 Kern County Water Agency meeting.

FINANCIAL REPORTS

Gnell Sparks presented the following BMWD financial reports for Board approval:

Approval of Treasurer's Report:

Gnell Sparks presented the Treasurer's Report in the form attached as **Exhibit "A."** Following discussion, on motion of Rob Baker, seconded by Alan Scroggs, and unanimously carried, the report was approved and ordered filed on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker
Mike Nordstrom

NOES: None

ABSENT: None

Approval of Warrants: Gnell Sparks presented the electronic payments and register of warrants for ratification attached as **Exhibit “B”** and the electronic payment and register of warrants for approval in the form attached as **Exhibit “C”** paid by the Westside Water Authority on behalf of the District, stating that there were in the described funds sufficient unencumbered monies to pay such warrants. Following discussion, on motion of Leon Elwell, seconded by Alan Scroggs, and unanimously carried, the warrants, were ratified and approved for payment on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker
Mike Nordstrom

NOES: None

ABSENT: None

Approval of Funds Transfer: 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 Rob Baker, seconded by Alan Scroggs, and unanimously carried, the fund transfers were ratified on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker
Mike Nordstrom

NOES: None

ABSENT: None

Review of Quarterly Investment Report: Gnell Sparks presented the fourth quarter 2021 Investment Report for informational purposes only. No actions taken.

Statement of Investment Policy: Staff reported that upon review, the District’s current Statement of Investment Policy is in compliance with State law and there are no recommended changes thereto. The Director’s concurred with staff’s recommendations.

Remove and Add Individuals Authorized to Sign Warrants and other Financial Transactions on behalf of the District: Following discussion, on motion of Alan Scroggs, seconded by Rob Baker, and unanimously carried, Justin Rowe was authorized to be added to and Mary King removed from the list of individuals authorized to sign warrants and other financial transactions on behalf of the District on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker
Mike Nordstrom

NOES: None

ABSENT: None

WATER SUPPLY, OPERATIONS, AND MAINTENANCE REPORTS

The Manager updated the Board on the following topics:

State Water Project Supply:

On January 20, 2022, DWR increased the 2022 SWP Table A allocation from 0 to 15 percent. DWR also indicated that Table A allocation will reduce, on a 1:1 basis, due to any unmet human health and safety need volumes that were previously identified in the SWP contractors submittals to DWR.

The SWC Water Operations Committee met on February 23, 2022. DWR's latest 2022 allocation analysis reflects the following:

- 75% Exceedance, Moderate OMR Table A .966 MAF 23% Allocation
- 90% Exceedance, Moderate OMR Table A .552 MAF 13% Allocation
- 99% Exceedance, Moderate OMR Table A .321 MAF 8% Allocation

A record wet December was followed by a record dry January and February 2022. This led to conditions being dryer than the last 99 percent exceedance study allocation analysis.

DWR’s 2022 Allocation Analysis includes updated storages but was based on the February 1, 2022, forecasts. DWR will make the next forecast based on the March 1, 2022 forecast and will evaluate allocations at that time.

Staff received a letter from Director Karla Nemeth dated March 2, 2022, which indicated that DWR is assessing current water supply conditions to determine whether to decrease the 15 percent SWP Table A allocation.

The State share of San Luis Reservoir (SLR) was about 586 TAF and Oroville storage was about 311 TAF. Export pumping from the Delta for the State has averaged about 450 AF per day and the Bureau has averaged about 1,730 AF per day for the last two weeks. Oroville storage is at 1.37 MAF.

Estimated 2022 Water Supply

The total estimated 2022 water supply from the following sources is as follows:

SUPPLY	BMWD	LHWD	BWSD
➤ Contract Water (15%)	13,890 AF	17,867 AF	18,226 AF
➤ 2021 Carryover (est)	15,543 AF	24,789 AF	22,470 AF
➤ Pioneer/BMSG Rec Req	14,134 AF	9,030 AF	14,285 AF
➤ KWB Recovery Requests	35,000 AF	30,000 AF	28,000 AF
➤ WHWD (15%)	209 AF	270 AF	275 AF
➤ Landowner Transfers	1,904 AF	0 AF	1,000 AF
➤ Westside 5	0 AF	0 AF	0 AF
➤ Total	80,680 AF	81,956 AF	84,256 AF

District staff will continue to work with members of the Westside 5 group to identify and secure additional supplemental water supplies for 2022.

Current Multi-Year Agreements

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

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 mas \$/AF represents costs for 2032.

GENERAL ITEMS

Strategic Planning Session

The Westside Water Authority Board recently held a Strategic Planning session. Once a draft Strategic Plan is developed, it will be presented for consideration at a future Board meeting.

Computer System and Phones

Currently, WWA relies on existing staff to manage computers and office phone systems. The WWA has received proposals for computer and phone services based on an assessment of current equipment and needs. The proposals include equipment and outsourcing all IT and phones system needs.

Staff will move-forward with Grapevine MSP in the coming weeks to manage our IT and phone system. The proposal is within our budget at WWA and District Budgets.

Field Equipment

The WWA has received quotes for purchase of a Hydro-Crane. This item has been included in the budget for several years. Once quotes are evaluated, we are planning to move forward with the purchase of a Hydro-Crane.

pH levels

WWA staff are investigating pH levels in Berrenda Mesa WD and other Westside Districts based on comments from Water Users. We are collecting data from DWR and will take samples from the delivery systems within districts to determine the root cause of any/all pH level issues. Once our investigation is complete, we will report results to the Board.

District Water Deliveries: A summary of the District’s deliveries through February 28, 2022, was provided for review. No actions taken.

Operations & Maintenance: Steve Bottoms, O&M Superintendent, provided a report on general maintenance and repairs made to District facilities through February 2022.

Budget Change Amendment for the Emergency Action Plan for Inundation Mapping: The Manager reported that Provost and Pritchard requested a budget change amendment for the Emergency Action Plan for Inundation Mapping for an additional \$5,054.00 due to unforeseen circumstances that required additional effort to complete the scope of work. Following discussion, on motion of Rob Baker, seconded by Alan Scroggs, and unanimously carried, the Board approved the requested increase of \$5,054.00 on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker
Mike Nordstrom

NOES: None

ABSENT: None

Aqueduct Pump-back Project: The Manager reported that Kern County Water Agency has indicated that the Aqueduct Pump-back Project will not be needed in 2022. Staff continues to work with Kern County Water Agency.

Mike Nordstrom left at this point in the meeting.

Multi-Year Agreements

Palmdale Multi-Year Agreement Amendment: Jaime Marquez reported that in 2021 the District entered into a multi-year agreement with Palmdale Water District to purchase surplus water in years with a SWP allocation of 55 percent or greater. DWR found a discrepancy regarding the point of deliver (POD) in the CEQA documents in comparison to the agreement. DWR is requesting an amendment to

the agreement changing the POD to Banks Pumping Plants. The variable Banks Pumping Plants charges are approximately \$25/AF. Staff recommended the Board authorize the Manager to execute the First Amendment to the Palmdale Multi-year Agreement to reflect the proper POD. Following discussion, on motion of Robert E. Baker, seconded by Alan Scroggs, and unanimously carried, the Board authorized the Manager to execute the First Amendment to the Palmdale Multi-year Agreement to reflect the proper POD on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker

NOES: None

ABSENT: Mike Nordstrom

Homer Multi-Year Agreement: Jaime Marquez reported that the Homer Multi-Year Agreement information is expected to be ready for distribution to Landowners in April 2022.

Template Landowner Multi-Year Agreement – Butte: Legal Counsel presented the draft supplemental water agreement between the District and Landowners participating in the supplemental water supply with the County of Butte. In January 2022 Staff circulated a draft supplemental water agreement to landowners that have participated in supplemental water purchases in the past and received comments and questions. The comments received were implemented into the draft supplemental water agreement and responses were given to questions received from Landowners. Following discussion, on motion of Alan Scroggs, seconded by Rob Baker, and unanimously carried the Board authorized the Manager to enter into the supplemental water agreement with participating Landowners and the supplemental water supply with the County of Butte on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker

NOES: None

ABSENT: Mike Nordstrom

Delta Conveyance Project: This item was discussed earlier in the meeting.

OTHER DISTRICT ISSUES

Solar Project: No report.

Appoint JPIA Director and Alternate Director: The Manger stated that it would be appropriate to appoint a JPIA Director and an Alternate Director. After discussion, on motion of Leon Elwell, and seconded by Rob Baker, the Board appointed President Goff to the position of JPIA Director and Gnell Sparks the Alternate Director on the following roll call vote:

AYES: Rob Goff
Leon Elwell
Alan Scroggs
Rob Baker

NOES: None

ABSENT: Mike Nordstrom

REPORT OF COUNCEL

Form 700 Fillings: Legal Counsel reported that the Form 700's are due April 1, 2022.

SWP Master Contract Extension: Legal Counsel reported on the following items regarding the State Water Project (SWP) Master Contract Extension: 1) the SWP Master Contract Extension is between Kern County Water Agency and Department of Water Resources (DWR) on behalf of the District; 2) DWR approved to extend the contracts 50 years following the expiration of the initial 75-year term; 3) the existing SWP Contracts expire in 2035 through 2042; 4) the historical advantages include DWR's revenue bonds being highly rated and a 30-year repayment period; 5) the revenue bond compression issue: currently no bonds available after 2035; 6) the SWP Contract Extension ruling timeline; 7) three lawsuits: DWR validation action and two writ petitions; 7) the ruling: no CEQA violations and no violation of the Delta Reform Act or Public Trust Doctrine; 8) the ruling will be Court's Statement of Decision, DWR directed to prepare proposed judgments in the three lawsuits, and will likely appeal; and 9) requested DWR implementation of Contract amendments that include a pay as you go billing system and issuance of Revenue Bonds past 2035.

PUBLIC PARTICIPATION – NON AGENDIZED ITEMS

Gnell Sparks stated that the new accounting software was expected to be implemented March 1, 2022, due to delays the implementation date is targeted for April 1, 2022.

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 Executive Director, Legal Counsel, 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

There being no further business to come before the Board, the President asked for a motion for adjournment. Upon motion of Alan Scroggs, by Rob Baker, and unanimously carried, said meeting was adjourned at 11:32 a.m.



Mark Gilkey, Secretary

ATTEST:



Rob Goff, President