

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
BERRENDA MESA WATER DISTRICT
November 4, 2021**

A regular meeting of the Board of Directors of Berrenda Mesa Water District was held on November 4, 2021, at 9:30 a.m. in-person at the Berrenda Mesa Water District Administrative Office, and by video conference 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 and Alan Scroggs.

The following Directors attended by video conference and/or teleconference: Mike Nordstrom and Robert E. Baker.

The following Director was not present: Leon Elwell.

Also present were: Les Diffenbaugh; Morgan Mitchell; Jamie Marquez; Kim Constant, Assistant Secretary; Gnell Sparks, Assistant Treasurer; Oscar Mello; Steve Bottoms; and Mark Gilkey, Manager.

Also attending by video conference and/or teleconference were: Alan Becker; Matthew Roden; Justin Rowe; Patrick Paggi; Jeff Eklund; Leta Spencer; Brian Hauss; Tami Pensinger; Andrew Mason; and Joe Hughes, Legal Counsel.

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 teleconferencing determinations under Assembly Bill 361, on the following roll call vote:

AYES: Rob Goff
 Alan Scroggs
 Mike Nordstrom
 Rob Baker

NOES: None

ABSENT: Leon Elwell

APPROVAL OF AGENDA

The Manger requested that the Board approve reporting 2020 Audit Activities first under Financial Reports.

Following discussion, on motion of Alan Scroggs, seconded by Rob Baker, and unanimously carried, the Board approved the agenda, including Staff's recommendations, on the following roll call vote:

AYES: Rob Goff
Alan Scroggs
Mike Nordstrom
Rob Baker

NOES: None

ABSENT: Leon Elwell

FINANCIAL REPORTS

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

2020 Audit Activities: Mr. Patrick Paggi from Daniel's Phillip Vaughn & Bock, presented a draft audit of the District's Financials for the year ending December 31, 2020 (2020 Audit). The Board will review the draft audit. No actions taken.

Patrick Paggi left at this point in the meeting.

Approval of Treasurer's Report: October 2021

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

AYES: Rob Goff

Alan Scroggs
Mike Nordstrom
Rob Baker

NOES: None

ABSENT: Leon Elwell

Current and Prior Year Credits and Adjustments: Gnell Sparks presented a spreadsheet representing staff's calculation of the credits and charges to landowners based on 2021 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. Following discussion, on motion of Alan Scroggs, seconded by Robert E. Baker, if no comments are received from Water Users, Staff will release said warrants on November 18, 2021 on the following roll call vote:

AYES: Rob Goff
Alan Scroggs
Mike Nordstrom
Rob Baker

NOES: None

ABSENT: Leon Elwell

Approval of Warrants: Gnell Sparks presented the electronic payments and register of warrants attached as **Exhibit "B"** for ratification and the electronic payment and register of warrants for approval in the form attached as **Exhibit "C"** to be 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 Rob Baker, seconded by Alan Scroggs, and unanimously carried, the warrants, were ratified and approved for payment, with warrants related to current and prior year's credits from the Agency, were approved for payment on November 18, 2021, if no comments to Staff's calculations are received prior thereto, on the following roll call vote:

AYES: Rob Goff
Alan Scroggs
Mike Nordstrom

Rob Baker

NOES: None

ABSENT: Leon Elwell

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 Alan Scroggs, seconded by Mike Nordstrom, and unanimously carried, the fund transfers were ratified on the following roll call vote:

AYES: Rob Goff
Alan Scroggs
Mike Nordstrom
Rob Baker

NOES: None

ABSENT: Leon Elwell

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

2020 Audit Activities: This item was discussed earlier in the meeting.

Agreement with Daniells, Phillips, Vaughn & Bock to Provide Audit Services: Gnell Sparks reported that the District retained Daniells, Phillips, Vaughn & Bock to provide audit services for 2020. Due to the addition of WWA and DRWD, staff recommended extending the agreement with Daniells, Phillips, Vaughn & Bock to provide audits services for 2021. The Board requested more information on cost for the agreement with Daniells, Phillips, Vaughn & Bock to provide audit services for 2020. No actions taken.

2022 Budget: Gnell Sparks reported that Staff met with the Budget ad-hoc Committee comprised of Directors Alan Scroggs and Robert E. Baker reviewed the 2022 Draft Budget. Comments and suggestions received from the ad hoc Committee at that meeting were incorporated into the 2022 Draft Budget. The Manager reported that the penstock on the main pumping station needs to be replaced. Staff has five years to complete the repairs and is currently getting bids. This cost will be included in a future budget. Following discussion, on motion of Alan Scroggs, seconded by Robert E. Baker, the Board unanimously approved the 2022 Budget on the following roll call vote:

AYES: Rob Goff
Alan Scroggs
Mike Nordstrom
Rob Baker

NOES: None

ABSENT: Leon Elwell

WATER SUPPLY, OPERATIONS, AND MAINTENANCE REPORTS

The Manager updated the Board on the following topics: (See Exhibit “E”).

Estimated 2021 Water Supply:

The total estimated 2021 water supply from the following sources is as follows:

| SUPPLY | BMWD | LHWD | BWSD | TOTAL |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| ➤ Contract Water (5%) | 4,630 AF | 5,956 AF | 6,075 AF | 16,661 AF |
| ➤ 2020 Carryover (est) | 21,573 AF | 28,189 AF | 29,076 AF | 78,838 AF |
| ➤ DYTP (est) | 524 AF | 673 AF | 687 AF | 1,884 AF |
| ➤ Yuba (est) | 1,425 AF | 1,833 AF | 1,869 AF | 5,127 AF |
| ➤ Pioneer/BMSG Rec Req | 29,154 AF | 17,970 AF | 18,182 AF | 65,306 AF |
| ➤ KWB Recovery Requests | 40,000 AF | 36,000 AF | 36,000 AF | 112,000 AF |
| ➤ Landowner Transfers | 7,893 AF | 8,375 AF | 8,175 AF | 24,443 AF |
| ➤ Westside 5 | 8,201 AF | 11,749 AF | 8,864 AF | 28,814 AF |
| ➤ Total | 113,400 AF | 110,745 AF | 108,928 AF | 333,073 AF |

2021 Water Supplies: The 2021 SWP allocation remains at 5 percent.

Delta inflows increased significantly from the recent precipitation event and SWP exports increased last week. Upstream storage at Oroville increased a couple hundred acre-feet with lesser increases at Folsom. Even with the increased storage at Oroville, it is still more than a half-million acre-feet below this time last year.

State Water Project Reservoir levels and exports are as follows:

| | |
|-------------------------------------|------------|
| ➤ Oroville Storage | 982,263 AF |
| ➤ San Luis Reservoir State Storage | 257,785 AF |
| ➤ San Luis Reservoir Bureau Storage | 44,457 AF |
| ➤ Banks Pumping Plant DWR | 13,709 AF |
| ➤ Tracy Pumping Plant USBR | 7,633 AF |

In July 2021 the CVP portion of San Luis Reservoir was at zero and actually went negative. The Bureau asked to borrow what is needed for the CVP through low point from DWR. DWR loaned 50,000 acre-feet in San Luis Reservoir to the Bureau on July 15, 2021. It was reported at the last SWC Water Operations call that DWR loaned another 25,000 acre-feet per day for two days toward the end of August 2021. DWR is allowing incremental borrowing to ensure payback of the water by year end. Payback will likely be repaid sooner than expected due to recent storm events.

DWR is continuing to operate in drought conditions and even with recent storm activity, drought actions are planned for early spring. DWR's planned emergency actions include a Temporary Urgency Change Petition (TUCP) in December 2021 to take effect by February 2022. The TUCP includes a delay of drought salinity barrier removal and Feather River watershed forecast improvements.

2021 Supplemental Water: District staff continues to participate in the Westside 5 group to secure supplemental water supplies for 2022. District staff is also continuing to work with the Kern County Water Agency to secure additional supplies, typically including Dry Year Transfer Program (DYTP) and Yuba water, among others.

Estimated water supplies from DYTP and Yuba are listed above. CYTP and Yuba water can be carried over into 2022, subject to SLR storage capacity.

District Water Deliveries: A summary of the District's deliveries through October 31, 2021 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 October 2021.

Multi Year Transfer and Draft Agreements with Participating Landowners: Legal Counsel reported that a draft multi-year agreement has been prepared. Staff will distribute the multi-year agreement to participants in the multi-year programs. Staff will request comments regarding the multi-year agreement. Legal Counsel will use those comments to finalize a template multi-year transfer agreement to be approved by the individual District's Boards.

Aqueduct Pump-Back Project: The Manager and Jeff Eklund presented the following information regarding the Aqueduct Pump-back Project (Project): 1) key factors if bid is delayed; 2) the Project will start at the intersection of the CVC and CA Aqueduct; 3) check structure locations for the Project facilities; 4) the CA Aqueduct Project design; 5) cost split recommendations; 6) Project timeline; 7) Project implementation risks: water-flow, Project operations, and other water related issues; and 8) DWR reported that the project may not be needed and recommended Staff delay the bid.

The Manager reported that the WWA Board recommended that Staff present the billing allocation and landowner agreement information to the individual District Boards for approval and to delay bid decision until November 26, 2021. Following discussion, the Board directed Staff to delay the bid decision until the next Board meeting.

Distribution and Billing Process: Following discussion, on motion of Alan Scroggs, seconded Mike Nordstrom, and unanimously carried, the Board approved the distribution and billing process as presented on the following roll call vote:

AYES: Rob Goff
Alan Scroggs
Mike Nordstrom
Rob Baker

NOES: None

ABSENT: Leon Elwell

Landowner Participation Agreement: Legal Counsel reported that a draft landowner participation agreement has been prepared. Staff will distribute the landowner participation to participants in the Aqueduct Pump-back Project. Staff will request comments regarding the landowner participation agreement. Legal Counsel will use those comments to finalize a template landowner participation agreement to be approved by the individual District's Boards. Following discussion, on motion of Alan

Scroggs, seconded by Mike Nordstrom, and unanimously carried, the Board authorized Legal Counsel and Staff to move forward with the landowner participation agreement on the following roll call vote:

AYES: Rob Goff
Alan Scroggs
Mike Nordstrom
Rob Baker

NOES: None

ABSENT: Leon Elwell

Project Timeline and Implementation: This item was tabled until more information is available.

Kern County Water Agency Agreement: This item was tabled until more information is available.

OTHER DISTRICT ISSUES

District Solar Project: Morgan Mitchell reported on the following items regarding the District Solar Project: 1) a \$200,000 increase to electrical materials due to the slow easement process which caused a delay in the project; 2) Tesla committed to reimbursing the District \$55,000.00 to help with securing of easements at the close of the project; 3) current PPA rate is \$0.07/kwh; and 4) the negotiated Tesla rate was increased to \$0.0705/kwh to cover the increase: the increase is about a 1.3% reduction in savings over the next 20 years.

Revised Tesla PPA (approve): Following discussion, on motion of Alan Scroggs, seconded by Robert E. Baker, and unanimously carried, the Board ratified the revised Tesla PPA.

KCERA Update: No report.

Berrenda Mesa Dam: No report.

2022 Draft Meeting Schedule: The Manager presented a draft 2022 meeting schedule for informational purposes only.

Ad Hoc Committee for Employee Salary Adjustments: The President reported that it would be appropriate to appoint an ad-hoc committee to consider employee salary adjustments for 2022. After discussion, the President appointed Mike Nordstrom and Rob Baker to the committee.

REPORT OF COUNCEL

No report.

PUBLIC PARTICIPATION – NON AGENDIZED ITEMS

No public comments

EXECUTIVE (CLOSED) SESSION

No executive (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 11:08 a.m.



Mark Gilkey, Secretary

ATTEST:



Rob Goff, President