

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
BERRENDA MESA WATER DISTRICT

Held May 11, 2022

A special meeting of the Board of Directors of Berrenda Mesa Water District was held on May 11, 2022, as a joint meeting with Westside Water Authority, Belridge Water Storage District, Lost Hills Water District, and Dudley Ridge Water District at 9:00 a.m. in-person at Belridge Water Storage District's Administrative and Operation Building, and by video and teleconference.

CALL TO ORDER)
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President Rob Goff called the meeting to order at 9:00 a.m. and presided thereat.

ROLL CALL)
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The following directors were present: Rob Goff, Mike Nordstrom, Leon Elwell, and Alan Scroggs.

The following directors attended by video conference or teleconference: Robert E. Baker.

Also present were: Sharon Roden; John Russell; Rob Yraceburu; Rod Stiefvater; Bernard Pugét; Don Elholm; Monte Mitchell; Mary King; Steve Bottoms; Jaime Marquez; Justin Rowe; Gnell Sparks, Assistant Treasurer; Kim Constant, Assistant Secretary; Mark Gilkey, General Manger; and Joe Hughes, Legal Counsel.

Also attending by video conference and/or teleconference were: Andrew Edstrom, Andrew Mason, Audrey Arnao, Cody Tolbert, Dale Melville, Doug Jackson, Fred Janssen, Jeff Eklund, Joe Butkiewicz, Rick Besecker, Leta Spencer, Brad Kroeker, Christin Faber, Doug Anderson, Patrick O'Dowd.

ADOPTION OF ALTERNATIVE)
TELECONFERENCING REQUIREMENTS)
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Following discussion, on motion of Rod Stiefvater, seconded by Alan Scroggs, 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
Leon Elwell

Alan Scroggs
Mike Nordstrom
Rob Baker

NOES: None

ABSENT: None

Kenneth Peters, Andrew Edstrom, Christin Faber, and Dale Melville arrived at this point in the meeting.

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

MINUTES)
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Approval of Minutes of November 4, 2021, November 22, 2021, December 2, 2021, December 16, 2022, January 6, 2022, January 13, 2021, February 3, 2022, March 3, 2022, April 7, 2022, April 13, 2022, and May 5, 2022: On motion of Alan Scroggs, seconded by Mike Nordstrom, and unanimously carried, the minutes of the meeting of November 4, 2021, November 22, 2021, December 2, 2021, December 16, 2022, January 6, 2022, January 13, 2021, February 3, 2022, March 3, 2022, April 7, 2022, April 13, 2022, and May 5, 2022 with miscellaneous corrections were approved on the following roll call vote:

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

NOES: None

ABSENT: None

GENERAL MANAGER'S REPORT)
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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.

Based on January through March conditions, DWR and Bureau were setting up for a summer Temporary Urgency Change Petition (TUCP). Precipitation in April created a better position compared to previous months. DWR and the Bureau continue coordination and work efforts to determine if a summer TUCP is needed.

DWR's latest 2022 Allocation Analysis based on the April 1 forecast reflects the following:
75% Exceedence, Moderate OMR Table A .302 MAF 7%
90% Exceedence, Moderate OMR Table A .268 MAF 6%

Staff is waiting for the results of the May 1 forecast.

The State Share of San Luis Reservoir is about 589 taf and the Bureau's share is approximately 356 taf. Export pumping from the Delta for the SWP was about 800 af on 5/10/2022. CVP and SWP exports remain similar to last week. Oroville storage is at 1.940 maf.

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)	15,543	24,789	22,470	1,937
Pioneer/BMSG Recovery Requests	14,134	9,030	14,285	-
KWB Recovery Requests	35,000	30,000	28,000	10,679
WHWD 5%	70	90	91	-
Landowner Transfers	1,304	1,000	4,000	-
Westside 5	180	203	205	143
Total	84,631	73,521	75,626	14,827

District 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 mas \$/AF represents costs for 2032.

Contract Extension Amendment

Department of Water Resources (DWR) approved the Environmental Impact Report and filed a Notice of Determination for the Contract Extension amendment 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 (KCWA). 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 5-7th, and SWC and PWA counsel actively participated. The court issued a tentative statement of decision on February 10, 2022 and found in favor of DWR as to all the issues raised. On March 10, 2022, the court issued a final statement of decision. The decision will likely be appealed.

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

- Successful completion of the trial court decision (s/b completed by summer 2022), and
- Approval from the Attorney General and Treasury Department.

The billing transition date is scheduled for 2024.

Voluntary Agreements

With respect to the Voluntary Agreements (VA), on February 4, 2020, Resources Agency and California Environmental Protection Agency released a draft framework for the VA for Phase 2 (Sacramento River). On March 31, 2020, Department of Fish and Wildlife (DFW) issued a new Incidental Take Permit (ITP) for California Environmental Species Act compliance for the State Water Project (SWP). The VA framework and the ITP do not align well. On March 29, 2022, several parties, including the KCWA and the SWC, executed a Memorandum of Understanding (MOU) for VAs 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 VAs as outlined in a draft term sheet.

Jennifer Pierre, General Manager for the State Water Contractors, is scheduled to present information regarding the Voluntary Agreements during the June 2022 Joint Board Meeting.

The KCWA is scheduled to take action on Thursday, May 12, 2022, endorsing the MOU, including the term sheet, at their next Board meeting. The SWC Board is also scheduled to take action endorsing the MOU in May 2022.

Nate Roberts and Juan Barraza arrived at this point in the meeting.

Kim Brown and Alex Ramirez arrived at this point in the meeting.

MULTI-YEAR WATER PURCHASES)
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Landowner Multi-Year Agreement: Butte and Palmdale: Legal Counsel presented the final draft Landowner multi-year agreement to be used for those participating in the Butte, Palmdale, and Mojave multi-year water purchase agreements. Following discussion, on motion of Mike Nordstrom, seconded by Alan Scroggs, and unanimously carried, the Board approved the Landowner Multi-year Agreement once in a form acceptable to Legal Counsel on the following roll call vote:

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

NOES: None

ABSENT: None

Homer Multi-Year Agreement: Jaime Marquez presented the following information regarding the Homer Multi-Year Agreement: 1) Surface Water Supplies: a) point of delivery is California Aqueduct Turnout and losses borne by Seller, b) Water Quality is the California Aqueduct standard, and c) source of water is to be determined by seller; 2) Groundwater Supplies: a) point of delivery is in-ground transfer through Pioneer or Berrenda Mesa spreading grounds and b) source of water is to be determined by seller; 3) unit price; 4) annual escalator; 5) reservation fee; 6) delivery schedule; 6) supply volume for surface water and groundwater, and 7) staff stated that Homer has complied with California Environmental Quality Act and National Environmental

Policy Act. Following discussion, the Board requested Legal Counsel review the agreement, staff distribute the terms of the agreement to landowners, and present the final draft to the Board at the next Board meeting.

Audrey Arnao left at this point in the meeting.

OTHER DISTRICT ITEMS)
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Aqueduct Pump-back Project: Jeff Eklund reported that on April 19, 2022, WWA staff met with DWR's management to discuss the following information regarding the aqueduct pump-back project and SWP operation: 1) DWR and KCWA's routing analysis shows that the pump-back project is not needed for 2022; 2) health & safety (H&S) and critical commercial and industrial (CCI) water deliveries to Southern California meet the needs for WWA Kern Fan exchanges; 3) DWR continues to discuss the option for a permanent pump-back solution; 4) Staff recommended delaying the re-bid of the pump-back project until further notice; and 5) Staff is looking into an emergency drought-funding for the pump-back project, developing a long-term solution, and 6) KCWA's efforts to request DWR commit to a higher allocation by the end of May.

Jeff Eklund left at this point in the meeting.

Strategic Planning Session Update: Justin Rowe reported that Dale Melville led a strategic planning session (session) for the Westside Water Authority on February 21, 2022 and provided a summary of the following items discussed in the session: 1) staffing; 2) increasing influence with KCWA, DWR, and SWC; 3) developing a 20-year sustainable water plan: a) consider an Aqueduct pump-back system, b) on-farm and district water conservation programs, c) SGMA mitigation, d) fish friendly diversion, e) reclaiming poor quality water, rain harvesting, etc.; 4) Westside 5 transition plan; 5) resolve existing GSP issues with DWR; and 6) administrative adjustments: a) budget and billing changes and b) Board meeting schedule changes.

Cody Tolbert and Andrew Mason left at this point in the meeting.

Patrick O'Dowd left at this point in the meeting.

Ad Hoc Committee to Review and Make Recommendations Regarding Accounting for WWA and Member District Assets, and Payment of SWP Charges Update: Justin Rowe reported that the ad hoc committee to review and make recommendations regarding accounting for WWA and member district assets, and payment of SWP charges update, consisting of Rob Yraceburu and Mike Nordstrom, plan to meet on May 11, 2022.

Kern Fan Losses Update: The Manager reported Rick Iger and Jeff Eklund have been working on the Kern Fan Losses and staff has met multiple times with KCWA management. Staff continues to work on this issue.

PUBLIC COMMENT)
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No public comment.

Rob Baker left at this point in 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 Executive Director, Legal Counsel, Morgan Mitchell, Justin Rowe, Rob Yraceburu, Rod Stiefvater, Brett Hampf, Bernard Pugét, Don Elholm, Doug Anderson, Monte Mitchell, Kim Brown, 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.

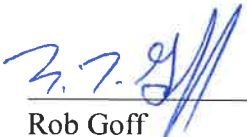
ADJOURNMENT)
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There being no further business to come before the meeting, it was, on motion of Mike Nordstrom, seconded by Alan Scroggs, and unanimously carried, said meeting was adjourned at 2:38 p.m.



Mark Gilkey
Secretary of the Board of Directors

APPROVED:



Rob Goff
President of the Board of Directors