

MINUTES of the Regular Meeting of the Board of Directors of Dudley Ridge Water District held on May 8, 2019 at 1:00 p.m. at the office of the District, 286 W. Cromwell Ave., Fresno, California.

DIRECTORS PRESENT: Kimberly Brown, President
 Steve Jackson, Secretary
 John Vidovich
 Bernard Puget

DIRECTORS ABSENT: Larry Ritchie, Vice President

OTHERS PRESENT: Dale Melville, Manager-Engineer
 Rick Besecker, Assessor-Collector-Treasurer
 Joseph Hughes, Legal Counsel (telephone)
 Mark Grewal, Angiola Water District
 Kellie Welch, Irvine Ranch Water District
 Dan Flory, Provost & Pritchard Consulting Group

President Brown called the Board meeting to order at 1:15 p.m.

PUBLIC PARTICIPATION

The Manager introduced Dan Flory to the Board as a potential successor to the Manager position later this year; the Manager reviewed Mr. Flory’s employment history and experience. After a short discussion, Director Vidovich made a motion to add an item to the closed session agenda to discuss the District Manager position as an item requiring immediate action that came to the attention of the District after the posting of the agenda. The motion was seconded by Director Jackson; after discussion the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Aye	Aye

MINUTES

The Manager reported that Director Ritchie had called to clarify that at the last Board meeting he had made the motion to appoint Kimberly Brown to the position of President of the Board of Directors. Director Puget made a motion to approve the minutes, with that correction, of the February 13, 2019 Regular Board Meeting. The motion was seconded by Director Jackson; after discussion the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Aye	Aye

FINANCIAL REPORTS AND ACTIONS

Mr. Besecker presented to the Board financial reports prepared for the current period ending May 8, 2019. The reports showed the following cash balances in each of the respective accounts after bills proposed for payment on May 8, 2019.

<u>BANK ACCOUNTS</u>	
General (Checking) Fund (Bank of America)	\$ 4,571.96
Operating (Checking) Fund (Bank of America)	10,182.20
Investment Fund (LAIF Account)	163,825.31
Investment Fund (CalTrust Short Term Account)	371,333.26
Investment Fund (CalTrust Medium Term Account)	307,914.49
TOTAL BANK ACCOUNTS	\$ 857,827.22

The reports also included the cash receipts journal, the aged receivables report, the 2019 budget comparison report for the period from February 14, 2019 to May 8, 2019, and the quarterly investment report for the quarter ending March 2019. Director Jackson made a motion to accept the Treasurer’s Report. The motion was seconded by Director Puget;

after discussion the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted unanimously as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Aye	Aye

Next, Mr. Besecker reviewed with the Board the schedule of warrants to be ratified as paid by the District for the period from February 14, 2019 to May 8, 2019 as shown below.

Payee	Amount
Brown's Valley ID	\$ 5,000.00
Corcoran Publishing Co Inc	126.00
Department of Water Resources	210,472.00
Farm Pump and Irrigation Co Inc	2,235.52
Kern Fan Monitoring Committee	714.00
Klein Denatale Goldner LLP	2,272.00
Pacific Gas & Electric	211.90
Provost & Pritchard Consulting Group	25,046.54
San Joaquin Valley Ag Water Committee	200.00
Underground Service Alert	145.94
Water Education Foundation	750.00
Department of Water Resources	344,926.00
Kern Water Bank Authority	17,078.50
Klein Denatale Goldner LLP	864.00
Pacific Gas & Electric	302.96
Provost & Pritchard Consulting Group	26,139.51
Wheeler Ridge-Maricopa WSD	1,267.23
Wonderful Orchards	7,000.00
SLDMWA	4,953.57
Total	\$ 649,705.67

Director Jackson made a motion to ratify the schedule of warrants as paid. The motion was seconded by Director Puget; after discussion the Board voted unanimously to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Aye	Aye

Next, Mr. Besecker reviewed with the Board the schedule of warrants to be approved for payment by the District for the period from February 14, 2019 to May 8, 2019 as shown below.

Payee	Amount
Department of Water Resources	\$ 289,525.00
Klein Denatale Goldner LLP	1,758.00
Pacific Gas & Electric	346.07
Provost & Pritchard Consulting Group	20,400.99
Western Hills WD	108,015.76
Wheeler Ridge-Maricopa WSD	5,747.47
Total	\$ 425,793.29

Director Jackson made a motion to approve the schedule of warrants for payment. The motion was seconded by Director Puget; after discussion the Board voted unanimously to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Aye	Aye

DISTRICT ELECTIONS

The Manager reported on the need for a District election for the positions held by Directors Brown, Ritchie and Vidovich whose terms expire later this year. He then asked the Board

to approve Resolution No. 2019-03, attached to and made part of these minutes, authorizing staff to conduct said election. Director Jackson then made a motion to adopt the resolution. The motion was seconded by Director Jackson; after discussion, the Board voted unanimously to approve the motion. Following the vote, President Brown publicly announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Aye	Aye

WATER SUPPLY REPORTS

The Manager reviewed the current water report with the Board, noting that the 2019 allocation of 70% did not allow adequate pumping capacity at Banks to move any transfer water from July through September.

Regarding the San Gabriel Valley Municipal Water District, the Manager reported that they were offering to purchase 5,000 AF of non-SWP water this year for \$400/AF to be stored in the KWB for delivery in years when the allocation was less than 60% (any year that they can convey the water through the East Branch Extension). Any landowners interested should contact the Manager.

Regarding the Irvine Ranch WD 1:1 exchange program, the Manager reported that DWR was processing the agreement; currently, DWR is only willing to approval a pilot program with a 5-year period for deliveries and all return water obligations being met in the tenth (final) year of the program. If annual check-ins concluded the program is successful (from DWR's administrative view), the program term could be extended. The Manager requested authorization to execute the final agreement when it is completed. Director Jackson then motioned to authorize the Manager to execute such agreement, subject to the President's and Legal Counsel review. The motion was seconded by Director Puget; after discussion the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted unanimously as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Aye	Aye

Ms. Welch provided a short update on the status of Irvine Ranch WD's joint project with Rosedale-Rio Bravo WSD for the \$171 million Kern Fan Groundwater Storage Project. The project has received conditional approval for a \$67 million Prop. 1 grant. The project is anticipating design to start this fall.

Regarding the Westside Districts, the Manager reported the following:

- Regarding Western Hills WD, the Manager reported that the agreement expires on 12/31/2019, and that he would be requesting an extension from DWR.
- Regarding water from Brown's Valley ID, the Manager reported that he was working on a unique, three-way exchange agreement between BVID, Solano County WA, and DRWD to circumvent the lack of Banks transfer capacity for non-Project water in this wet year. Director Puget then motioned to authorize the Manager to execute such agreement, subject to the President's and Legal Counsel review. The motion was seconded by Director Vidovich; after discussion the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted unanimously as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Aye	Aye

- The Manager reported that the four Kern districts had executed agreements to transfer up to 9,900 AF from Santa Clarita Valley WA in 2019.
- The Manager reported that Santa Clara Valley WD is pursuing approval from Reclamation for a transfer of up to 30,000 AF to the Westside districts in 2019.
- The Manager was waiting to hear back on a proposal for a multi-year transfer with Merced ID for up to 25,000 acre-feet.

Regarding the Yuba County WA water, the Manager reported that no water would be available for delivery due to the lack of transfer capacity for non-Project water this year. After a short discussion, President Brown directed the Manager to explore an opt-in

program with the State Water Contractors to purchase any Yuba that the CVP contractors don't want.

STATE WATER PROJECT ISSUES

The Manager reported on the status of several issues related to the SWP, including four items high on the DWR Director's priorities: (1) validation actions challenging the contract extension amendment, (2) execution of the contract extension amendment, (3) finalizing the water management amendment, and (4) negotiating a cost allocation amendment for the Delta Conveyance Project (a one-tunnel version of the California WaterFix).

Regarding the contract extension agreement, Legal Counsel has been working with DWR and others to obtain a suitable letter from DWR that clarifies that the amendment will not be used to charge the District for any costs attributable to any potential Delta tunnel project without a separate amendment that addresses specific cost allocation methods for a new Delta conveyance project. Director Jackson then motioned to authorize the President to execute the contract extension amendment, subject to the receipt of a letter from DWR acceptable to Legal Counsel. The motion was seconded by Director Puget; after discussion the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted unanimously as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Aye	Aye

Regarding the water management amendment, DWR has expressed their commitment to finalize the process asap, ideally by the end of this year.

Regarding the cost allocation amendment, public negotiations are anticipated to start in June and be completed by early August. Likely contractors will be provided the opportunity to opt-in to participate in the Delta Conveyance Project. Related, the San Geronio Pass WA continues to express its commitment to take whatever portion of the District's allocation of a Delta Conveyance Project the District does not want to subscribe.

DISTRICT POLICY AND OTHER ISSUES

Regarding the District's document retention policy, Mr. Hughes reported that he would have a draft ready for review by the Board at the next Board meeting.

Regarding the District's Bylaws, the Manager reported that the updated Bylaws were filed with the County and approved by the Board of Supervisors on April 9, 2019.

Regarding the District's website, the Manager reported that phase one (the publicly accessible portion) of www.dudleyridgewd.org was now online, although a few links and photos need to be finalized or updated. After some discussion, the Board agreed that this scaled-back version was adequate, and that the need for individual water user access to protected information was not necessary.

EXECUTIVE (CLOSED) SESSION

At 2:45 p.m. President Brown announced that the Board would convene in the scheduled closed session to confer with its Counsel regarding pending litigation (Govt. Code, § 54956.9(d)(1)), real property negotiations (Govt. Code, § 54956.8(a)(1)) and personnel issues (Govt. Code, § 54957).

RETURN TO OPEN SESSION

At 3:40 p.m., President Brown closed the Executive Session. Upon returning to the open session, President Brown reported that no reportable actions were taken during closed session.

DATE, TIME, AND LOCATION OF NEXT BOARD MEETING

The Manager noted that the next Board meeting would likely be in July.


ADJOURNMENT

There being no further business to come before the Board, at 3:41 p.m. President Brown adjourned the meeting.



Steven D. Jackson, Secretary

APPROVED:



Kimberly M. Brown, President