

MINUTES of the Regular Meeting of the Board of Directors of Dudley Ridge Water District held on February 12, 2020 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
Bernard Puget

DIRECTORS ABSENT: Larry Ritchie, Vice President
John Vidovich

OTHERS PRESENT: Dale Melville, Manager-Engineer
Rick Besecker, Assessor-Collector-Treasurer
Joseph Hughes, Legal Counsel (telephone)

President Brown called the Board meeting to order at 1:00 p.m.

MINUTES

Director Jackson made a motion to approve the minutes of the December 11, 2019 Regular Board Meeting. 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 as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Absent	Aye

FINANCIAL REPORTS AND ACTIONS

Mr. Besecker presented to the Board financial reports prepared for the current period ending February 12, 2020. The reports showed the following cash balances in each of the respective accounts after bills proposed for payment on February 12, 2020.

BANK ACCOUNTS	
General (Checking) Fund (Bank of America)	\$ 4,975.30
Operating (Checking) Fund (Bank of America)	134,796.32
Investment Fund (LAIF Account)	11,949.25
Investment Fund (CalTrust Short Term Account)	300,958.59
Investment Fund (CalTrust Medium Term Account)	<u>9,242.20</u>
TOTAL BANK ACCOUNTS	\$ 461,921.66

The reports also included the cash receipts journal, the aged receivables report, the 2019 budget comparison report for the period from December 12, 2019 to February 12, 2020, and the quarterly investment report. Director Puget made a motion to accept the Treasurer’s Report. 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	Absent	Aye

Next, the Manager reported that he had received a request from the California Farm Water Coalition to increase the District’s participation level from \$500 to the full rate of \$2,550, noting that the District’s landowners were funding this group through multiple agencies and some landowners are direct members. After a short discussion it was decided that the District’s \$500 participation level was adequate, and no action was taken; the Manager noted he would get back to the Coalition..

Next, Mr. Besecker reviewed with the Board the schedule of warrants to be ratified as paid by the District for the period from December 12, 2019 to February 12, 2020 as shown below.

Payee	Amount
Butte County Treasurer	\$ 176,346.03
Department of Water Resources	1,286,926.00
Ernst & Young US LLP	4,302.00
Klein Denatale Goldner LLP	3,392.00
Pacific Gas & Electric	142.29
Provost & Pritchard Consulting Group	26,111.17
Valley Ag Water Coalition	600.00
Kern Water Bank Authority	152,196.54
Wonderful Orchards	7,000.00
Total	<u>\$ 1,657,016.03</u>

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

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Absent	Aye

Next, Mr. Besecker reviewed with the Board the schedule of warrants to be approved for payment by the District for the period from October 19, 2019 to December 11, 2019 as shown below.

Payee	Amount
Ag Energy Consumers Assoc	\$ 500.00
A+ Quality Concrete Construction Inc	31,976.22
Corcoran Publishing Co Inc	144.00
Department of Water Resources	274,208.00
Farm Pump and Irrigation Co Inc	392.27
International Water Screens	21,432.12
Klein Denatale Goldner LLP	64.00
Pacific Gas & Electric	205.29
San Joaquin Valley Ag Water Committee	200.00
Water Education Foundation	750.00
Provost & Pritchard Consulting Group	33,594.23
Total	<u>\$ 363,466.13</u>

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

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Absent	Aye

Next, the Manager reported that Cuttone & Mastro CPAs had quoted a maximum of \$7,595 to perform the 2019 audit and State Controller's Report filing, noting that this was a 3.7% increase over 2018. He then reported that he and President Brown had signed the engagement letter and asked the Board to ratify that action. Director Jackson made a motion to ratify the engagement of Mr. Cuttone for the 2019 audit. 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 as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Absent	Aye

Next, Mr. Besecker reviewed the Recommended Adjustments to the 2019 Charges, a summary of which is attached to and made a part of these minutes, noting that the Treasurer would be invoicing two water users for an additional \$89,246.29 for the under-billed 2019 charges and issuing credits of \$543,416.75 for overpaid charges. Director Puget made a motion to approve the Recommended Adjustments to the 2019 Charges. 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	Absent	Aye

2020 BENEFIT ASSESSMENT

At 1:15 p.m. President Brown reconvened the Board as the Board of Equalization and opened the hearing to hear any objections to the valuations for the 2020 benefit assessments. The Treasurer reported that the hearing had been properly noticed and that the District had received no written or oral objections. The Treasurer reviewed the 2020 assessment fund budget with the Board, a copy of which is attached to and made a part of these minutes. Hearing no objections from the public or the Directors on the proposed valuation of District lands, at 1:18 p.m. President Brown closed the hearing.

Director Jackson made a motion to adopt Resolution No. 2020-01, attached to and made a part of these minutes, setting the assessment rate for 2020 at \$2.13172/\$100 valuation. 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 as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Absent	Aye

WATER SUPPLY REPORTS

The Manager reviewed the current water report with the Board, noting the following:

- The final phase of the Mojave Water Agency Table A transfer was complete, and that the District’s Table A allocation has now been reduced by 4,000 AF to 41,350 AF; and
- DWR announced the formation of the 2020 Turnback Pool program.

Regarding routine transfer/exchange programs, the Manager reported that the SWC would be administering the Dry Year Transfer Program and that negotiations with the sellers would begin shortly.

Regarding the District approved banking and exchange programs, the Manager reported:

- The District received recovery requests for 3,250 AF from the Kern Water Bank;
- The Irvine Ranch WD 1:1 exchange program had been approved by all agencies and was being circulated for signatures at MWDSC and DWR;
- The San Gabriel Valley MWD requested that we recover some water in 2020, noting that they have 4,320 AF available at the current 15% SWP allocation; and
- SGVMWD is also interested in using the KWB to park water when the East Branch of the California Aqueduct has capacity restrictions.

Regarding water supply programs in collaboration with the Westside Districts, the Manager reported that all five of the Westside Districts had executed:

- A 4:1 exchange agreement with Santa Clara Valley WD for water when the allocation is 40% or greater;
- A 4:1 exchange agreement with Mojave WA for water when the allocation is 15% or greater;
- An agreement with San Luis WD for water in San Luis Reservoir; and
- An agreement with Merced ID in 2019 for water this year in the San Joaquin River.

Director Jackson made a motion to ratify the Manager’s execution of all four agreements. 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 as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Absent	Aye

Regarding water supply programs in collaboration with the South Valley Water Resources Authority, the Manager reported that there is 5-10 TAF available from Patterson ID in

2020 if NEPA review and Warren Act contract execution happen early enough; he also reviewed the range of costs with the Board. Director Puget made a motion to authorize the Manager to execute such agreements necessary to participate in this supply either for 2020 (if it can be implemented) or 2021. 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	Absent	Aye

STATE WATER PROJECT ISSUES

The Manager provided updates on the following current SWP issues.

- Regarding the on-going Delta Conveyance Facility (“DCF”) public negotiations, neither the participants or non-participants liked the 6th DWR offer; accordingly, the SWP contractors have been caucusing to present their own offer to DWR. The contractors offer is similar to the 2018 offers made during the California WaterFix amendment negotiations. On behalf of the District, Dan Flory is meeting with the SWP caucus today to review the status of MWDSC-KCWA discussions, updates to the DCF modeling, and related negotiations. As the DCF is in need of \$350M in funding commitments by July 2020, time is of the essence in completing the DCF amendment negotiations.
- The current status of the Voluntary Agreement requires \$5B over 15 years (14% federal, 42% State, and 44% water user share). Since the baseline is D1641, there should be minimal change to the SWP water supply compared to where the SWP has been under the BiOps. However, the SWP water users would be subject to an additional \$10/AF on water deliveries to fund science, habitat, and water purchases for environmental needs.
- It estimated that the contract extension amendment could take two more years in trial court before DWR is willing to implement the amendment. As cost compression will ramp up in 2023, DWR and the SWP contractors are working on options to reduce the impact of cost compression. Delaying capital projects, renegotiating existing bond payments, and providing for interest-only payments on new bonds are options being explored.
- Progress on the Water Management Amendment has been slow. DWR is projecting a February 28 release of the CEQA document; the Manager expressed his concerns that DWR is bending over to the Delta Stewardship Council related to the Council’s needing to approve any multi-year transfers and any transfers across the Delta.
- DWR is addressing subsidence in the Aqueduct, a \$2B issue. The major choke points are 20% capacity reduction in Pool 20 (Westlands) and 15% in Pool 25 (Belridge) which can impact July-August deliveries when the allocation is greater than 85%.

OTHER DISTRICT ISSUES

The Manager reported that the Board needs to appoint District representative for director and alternate director for the Kern Water Bank Authority. Director Puget made a motion to appoint Director Jackson as the director and Mr. Melville as the alternate director. 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	Absent	Aye

Next, the Manager reported that the Board needs to appoint District representative for director and alternate director for the Westside Water Authority. Director Puget made a motion to appoint Director Jackson as the director and Director Vidovich as the alternate director. 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	Absent	Aye

EXECTUVE (CLOSED) SESSION

At 2:16 p.m. President Brown announced that the Board would convene in the scheduled closed session to confer with its Counsel regarding real property negotiations (Govt. Code, § 54956.8(a)(1)).

RETURN TO OPEN SESSION

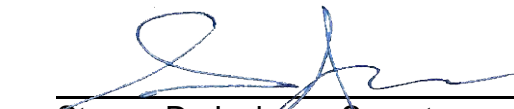
At 2:25 p.m., President Brown closed the Executive Session. Upon returning to the open session, President Brown reported that there were no reportable actions from the closed session.

DATE, TIME, AND LOCATION OF NEXT BOARD MEETING

The Manager noted that the next Board meeting would likely be in May, pending the need to meet on DCF negotiations or other critical issues.

ADJOURNMENT

There being no further business to come before the Board, at 2:26 p.m. President Brown adjourned the meeting.



Steven D. Jackson, Secretary

APPROVED:



Kimberly M. Brown, President

**Dudley Ridge Water District
Recommended Adjustments to 2019 Charges**

Landowner/User	Standby (Charges)/ Credits	Water Toll (Charges)/ Credits	Water Purchase (Charges)/ Credits	Total (Charges)/ Credits
<i>Recommended Credits/(Charges)</i>				
Wonderful Orchards	\$ 92.54	\$ 466,019.20	\$ 74,043.87	\$ 540,155.61
Sandridge Partners	4,128.96	(118,226.98)	11,002.63	(103,095.39)
Utica Farms	1,945.42	30,250.54	(46,334.22)	(14,138.26)
Tejon Ranch Impound	1,765.50	-	-	1,765.50
Kings County Associates	2,245.29	4,080.76	19,476.59	25,802.64
Irvine Ranch Water District	(1.88)	(1,839.32)	-	(1,841.20)
Don Jackson	694.75	(706.22)	1,507.11	1,495.64
The Sibley Orchard	193.33	1,034.50	2,798.09	4,025.92
<i>Total Credits/(Charges)</i>	\$ 11,063.90	\$ 380,612.48	\$ 62,494.07	\$ 454,170.46

Initial water toll rate set at \$28.00 per acre-foot.

Second water toll rate set at \$26.40 per acre-foot.

Final water toll rate set at \$20.46 per acre-foot.

Dudley Ridge Water District Calculation of 2019 Standby Charges

Standby Charge-Total Expenses

Insurance	\$	2,824	
Membership Dues & Fees		97,205	
Annual Audit		3,325	
Manager-Engineer		209,721	
Office Supplies & Secretarial		6,137	
Legal		23,265	
Assessor-Collector-Treasurer		29,641	
State Water Contractors & Audit Committee		11,433	
State Water Contractors Delta Issues		54,011	
Distribution System Maintenance (Note 1)		98,105	(a)
Special Studies		-	
Manager-SWP Litigation		-	
Legal-SWP Litigation		-	
Contingencies (portion from Note 1)		1,962	
Total Standby Charge Expenses	\$	537,630	

Standby Charge-Base Charges

Total Standby Charge Expenses	\$	537,630	
Less Allocated Portion from Note 1		(79,865)	(a)
Base Budget for Service Areas	\$	457,764	

Total Standby Charge Area 23,118.60 Acres

Base Standby Charge \$ 19.80 per Acre

(a) Refer to pages 4 and 5 for note 1 information.

Dudley Ridge Water District Calculation of 2019 Water Toll Charges

Water Delivered

Table A	15,999	AF
Article 56	4,904	AF
Article 21	1,711	AF
2018 Additional KWB Recovery	8	AF
WS5 Supply	5,650	AF
MWDSC	440	AF
Transfer to KCWA	7,500	AF

Full Water Toll Water Delivered	36,212	AF
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Table A to MWDSC (RRBWSD)	1,311	AF
Article 56 to SGVMWD	1,572	AF
Article 21 to SGVMWD	1,773	AF
Transfer from KCWA	2,000	AF

Total Water Delivered	42,868	AF
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Water Toll Charge-District Costs

Ditchtender Services	\$ 28,000	
Water Orders and Scheduling	15,025	

Total District Water Toll Costs	\$ 43,025	
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District Costs per Acre-Foot		\$ 1.00
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Water Toll Charge-State Charges

Table "A", Turnback and Article 21 Water (Variable and Off-Aqueduct Charges)	\$ 704,594	
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State Costs per Acre-Foot		\$ 19.46
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Total-Final Water Toll Charge per Acre-Foot		\$ 20.46
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Calculation of 2019 Water Toll Unit Charges

Westside 5 Water

Purchase charge	\$ 232.08	per AF
Water toll charge	20.46	per AF

Total Westside 5 Water Rate	\$ 252.54	per AF
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Dudley Ridge Water District
Calculation of 2019 Service Area/Landowner Adjustments

Allocation of Costs	Service Areas						
	1	1-A	1-B	2-E	2-S	3	4
Original Standby Charge	\$ 21.73	\$ 22.66	\$ 25.69	\$ 22.70	\$ 28.75	\$ 23.40	\$ 19.41
Base Standby Charge	19.80	19.80	19.80	19.80	19.80	19.80	19.80
Note 1 Unit Charge	-	0.47	0.62	2.90	8.95	3.59	-
Final Standby Charge	\$ 19.80	\$ 20.27	\$ 20.42	\$ 22.70	\$ 28.75	\$ 23.39	\$ 19.80

Note 1-The noted items are allocated to the Service Areas (a) as follows:

Line Item	Service Areas							Totals
	1	1-A	1-B	2-E	2-S	3 (b)		
Acres	2,282.18	1,887.74	522.05	2,337.44	3,852.63	10,421.63	21,303.67	
Distribution System Maintenance Costs	\$ -	\$ 893	\$ 323	\$ 6,780	\$ 34,494	\$ 37,376	\$ 79,865	
Unit Charge per Acre	\$ -	\$ 0.47	\$ 0.62	\$ 2.90	\$ 8.95	\$ 3.59		

(a) Service Area 4 (1,759.12 acres) has no cost allocated for distribution facilities.

(b) Includes 9,957.36 acres in Service Area 3 plus 356.89 acres allocated from Service Area 1-B (3A) and 107.38 acres allocated from Service Area 4K (3A).

Dudley Ridge Water District	
2020 Budget	
Description	2020 Budget
<i>Benefit Assessments</i>	
SWP Fixed Costs	
Entitlement Water (Table A)	
Capital	\$ 1,440,168
Minimum OMP&R	2,858,985
Revenue Bond	528,665
Ag Trust Fund (Fixed Portion)	-
Total SWP Fixed Costs	\$ 4,827,818
Minimum District Administration	
Manager	\$ 16,500
Legal	5,000
Assessor	6,500
Office Supplies/Secretarial	4,500
Audit	4,000
Total Minimum District Administration	\$ 36,500
Total Benefit Assessments	
\$ 4,864,318	
<i>Standby Charges</i>	
District Administration	
Insurance	\$ 4,000
Membership Dues & Fees	104,507
Annual Audit	3,325
Manager-Engineer	190,000
Office Supplies & Secretarial	8,000
Legal-General	20,000
Assessor-Collector-Treasurer	35,000
SWC & Audit Committee	17,000
SWC Delta Issues	49,000
Special Studies	20,000
Manager-SWP Litigation	2,000
Legal-SWP Litigation	10,000
Contingencies	40,000
Total District Administration	\$ 502,832
Distribution System Maintenance	
Distribution System Maintenance	\$ 60,000
Total Distribution System Maintenance	\$ 60,000
Total Standby Charges	
\$ 562,832	

Dudley Ridge Water District	
2020 Budget	
Description	2020 Budget
<i>Water Toll Charges</i>	
SWP Variable Costs	
Entitlement Water (Table A)	
Off-Aqueduct	\$ 22,640
Ag Trust Fund (Variable Portion)	-
Variable	697,712
Total SWP Variable Costs	\$ 720,352
District Water Operations	
Ditchtender Services	\$ 28,000
Water Scheduling/Ordering	14,000
Total District Water Operations	\$ 42,000
<i>Total Water Toll Charges</i>	\$ 762,352
<i>Grand Total Charges</i>	\$ 6,189,502

**RESOLUTION NO. 2020-01
DUDLEY RIDGE WATER DISTRICT
EQUALIZATION HEARING ON DUDLEY RIDGE WATER DISTRICT
2020 ASSESSMENTS**

WHEREAS, this Board of Directors, pursuant to Water Code Sections 36559, 36570, 36577 and 36578, has adopted a Schedule of Benefit Assessment Per Acre Valuation; and

WHEREAS, the Assessor of said District, pursuant to Water Code Sections 36570, 36572, 36573 and 36578, has adopted values for all lands in the District as shown in the 2020 Assessment Book of the District; and

WHEREAS, the Assessor has filed with the Secretary of the District the 2020 Assessment Book of the District with the appropriate headings in which is listed all lands and each separate parcel thereof within the District, the name of head holder of title to each separate parcel of land within the District, and if unknown, that fact is stated, a description of each separate parcel of land within the District sufficient to identify it, the value of each separate parcel determined pursuant to said Schedule of Benefit Assessment, and the combined gross valuation of all lands within the District; and

WHEREAS, on December 11, 2019, this Board, fixed February 12, 2020, at the hour of 2:00 P.M., at the District Office, 286 West Cromwell Avenue, Fresno, California, as the time and place where this Board sitting as a Board of Equalization should meet and bear any and all objections to the assessment of said District as assessed and set forth in said 2020 Assessment Book; and

WHEREAS, the Secretary of this Board caused publication of notice of the time and place of said hearing before and by this Board sitting as a Board of Equalization to hear and determine any and all objections to the 2020 assessments of said District in the Corcoran Journal, a newspaper of general circulation published in the County of Kings, State of California, and posted such notice in the District Office, which sets forth among other matters the time and place where the 2020 Assessment Book of the District could be inspected by the public and at the time and place of said hearing; and

WHEREAS, this Board met as a Board of Equalization on February 12, 2020, at 2:00 P.M. to hear and determine any and all objections to the assessment of said District as set forth in the 2020 Assessment Book of the District on file with this Board; and

WHEREAS, it appears to this Board from an examination of the 2020 Assessment Book and the valuations therein made that all said valuations are equal, fair and just and represent the benefit assessment values of the lands assessed; and

WHEREAS, the Assessor of the District prior to the closing of the hearing has added the total valuation of the lands of said District as determined by this Board and has determined the gross assessed valuation of all lands with said District to be \$228,187,658.34.

NOW, THEREFORE, BE IT, AND IT IS HEREBY, RESOLVED, as follows:

1. The benefit assessment values set forth in the Dudley Ridge Water District 2020 Assessment Book are equal, fair and just and represent the benefit assessment values in accordance with the District's 2020 Schedule of Benefit Assessment per Acre Valuations.

2. The ad valorem rate of assessment of \$2.13172 upon each One Hundred Dollars (\$100.00) in value of the land within Dudley Ridge Water District, which rate is sufficient to raise the sum specified in the annual estimate filed herein by said District, be, and the same is hereby, fixed, ordered, and levied; and

3. The minimum assessment shall be rounded up to \$3.00 if the actual calculations is greater than \$1.50 and rounded to \$0.00 if the actual calculation is less than \$1.50; and

4. This Board hereby assesses the lands within Dudley Ridge Water District which have escaped assessment in prior years in the amounts set forth in the Assessment Book; and

5. This Board now stands adjourned as a Board of Equalization and this hearing is completed.

CERTIFICATE OF SECRETARY

I hereby certify that I am the Assistant Secretary of Dudley Ridge Water District and that the foregoing Resolution was duly adopted by the Board of Directors of said District at the Regular Meeting duly held in Fresno, California on Wednesday, February 12, 2020, at which meeting a quorum of said Board of Directors was at all times present and acting.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said District this 12th day of February 2020.

Steven D. Jackson, Secretary
Dudley Ridge Water District

(DISTRICT
SEAL)