

MINUTES of the Regular Meeting of the Board of Directors of Dudley Ridge Water District held on April 8, 2020 at 1:00 p.m. at the office of the District, 286 W. Cromwell Ave., Fresno, California.

DIRECTORS PRESENT: Kimberly Brown, President (via teleconference)
 Larry Ritchie, Vice President (via teleconference)
 Steve Jackson, Secretary (via teleconference)
 Bernard Puget (via teleconference)

DIRECTORS ABSENT: John Vidovich

OTHERS PRESENT: Dale Melville, Manager-Engineer
 Rick Besecker, Assessor-Collector-Treasurer (via teleconference)
 Joseph Hughes, Legal Counsel (via teleconference)
 Paul Weghorst, Irvine Ranch WD (via teleconference)
 Fiona Sanchez, Irvine Ranch WD (via teleconference)

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

MINUTES

Director Puget made a motion to approve the minutes of the February 12, 2020 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	Aye	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)	\$	684.44
Operating (Checking) Fund (Bank of America)		62,796.32
Investment Fund (LAIF Account)		161,715.64
Investment Fund (CalTrust Short Term Account)		152,983.48
Investment Fund (CalTrust Medium Term Account)		9,242.20
TOTAL BANK ACCOUNTS		\$ 387,422.08

The reports also included the cash receipts journal, the aged receivables report, the 2020 budget comparison report for the period from February 13, 2020 to April 8, 2020, and the quarterly investment report. 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 as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Aye	Aye	Absent	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 13, 2020 to April 8, 2020 as shown below.

Payee	Amount
State Water Contractors	\$ 35,000.00
Berrenda Mesa WD	1,797.05
Browns Valley ID	5,000.00
Department of Water Resources	245,068.00
Klein Denatale Goldner LLP	640.00
Lost Hills WD	1,168.50
Pacific Gas & Electric	167.53
Provost & Pritchard Consulting Group	29,384.36
Total	<u>\$ 318,225.44</u>

Director Puget made a motion to ratify the schedule of warrants as paid. 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	Aye	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 February 13, 2020 to April 8, 2020 as shown below.

Payee	Amount
Wonderful Orchards	\$ 83,596.12
Department of Water Resources	251,407.00
Kern Water Bank Authority	507,775.00
Klein Denatale Goldner LLP	96.00
Lost Hills WD	996.55
Pacific Gas & Electric	324.94
Water Blueprint for the SJV	7,500.00
Wonderful Orchards	7,000.00
Provost & Pritchard Consulting Group	37,179.11
Merced Irrigation District	150,000.00
Total	<u>\$ 1,045,874.72</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	Aye	Aye	Absent	Aye

WATER SUPPLY REPORTS

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

- The allocation remained at 15%, and that the allocation studies were converging at 15%; and
- DWR announced that there were no sellers to 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 8,450 AF from the Kern Water Bank;
- The District received recovery requests for 2,000 AF from the San Gabriel Valley MWD; and
- The District received recovery requests for 2,000 AF from the Cawelo WD.

Regarding water supply programs in collaboration with the Westside Districts, the Manager reported:

- Browns Valley ID will make 3,100 AF available at \$350/AF. Santa Clara Valley WD indicated that they would not be requesting their half of the BVID supply;

- Solano County WA will make up to 6,000 AF available at \$250/AF under a 4:1 exchange agreement; and
- Buena Vista WD has made 25,000 AF available at \$600/AF to the WS3 (Belridge WSD, Berrenda Mesa WD and Lost Hills WD).

Regarding the Dry Year Transfer Program, the Manager reported:

- The buyers group offered to purchase all of the water at \$350/AF (net \$538/AF at 35% carriage loss) regardless of water type; and
- The following subset of the sellers rejected the \$350/AF offer; and
- The remaining sellers offered over 76,000 AF for sale, with 48,000 AF coming from groundwater substitution and 28,000 AF coming from reservoir reoperation; and
- The District's portion of this water would be at least 2,650 AF north of the Delta.

Regarding the Yuba Accord, the Manager reported:

- The District's portion of the C1, C2, and C3 water is estimated to be 270 to 500 AF at \$289/AF north of the Delta; and
- The District's portion of the C4 water is estimated to be 1,500 AF at \$350/AF north of the Delta.

STATE WATER PROJECT ISSUES

The Manager provided updates on the following current SWP issues.

- Regarding the on-going Delta Conveyance Facility ("DCF") public negotiations, SWP contractors and DWR are continuing to negotiate an Agreement in Principle ("AIP") for the DCF.
 - DWR submitted their offer #6 in late December 2019;
 - SWP contractors submitted their offer #7 in March 2020;
 - Dilemma exists in finding a balance in the AIP that either (1) provides participants enough detail, but does not require all contractors to sign an amendment, or (2) provides complete details, but requires all contractors to sign an amendment;
 - DWR has released a Notice of Preparation for the EIR; the EIR process is expected to be completed in 2022;
 - DWR needs \$350M for planning and environmental costs over the next 3 years; the funding commitment is needed from participants by early summer 2020, thus the driver to complete an acceptable AIP this spring; and
 - DCF estimated project costs to be updated in late April.
- The Voluntary Agreement is up in the air due to the State's litigation on the new BiOPs.
- Regarding the SWP Contract Extension amendment, it could take two more years in trial court to get a lower court decision on DWR's validation effort. DWR holding on getting a strong decision before implementing the amendment. As cost compression will ramp up significantly in 2023, DWR and the SWP contractors are working on options to reduce the impact of cost compression.
- Regarding the Water Management Amendment, the Manager reviewed his draft comment letter to DWR's Draft EIR; the Board supported sending the comments to DWR, as drafted.

OTHER DISTRICT ISSUES

The Manager reported that he had received a Notice of Preparation for the Kern Fan Groundwater Storage Program Environmental Impact Report, noting that the District was a Responsible Agency. He then introduced Mr. Paul Weghorst and Ms. Fiona Sanchez from Irvine Ranch WD to the Board, who then gave a short presentation on the Kern Fan Groundwater Storage Program. The Manager then noted that he and Mr. Weghorst would be meeting to discuss how the program could specifically benefit the District.

Next, the Manager reported that a candidate for Executive Director of the Westside Water Authority ("WWA") has been selected, negotiations are being finalized, and that the employment contract was being prepared. He then reported that WWA proposes in 2020, the District to cover ten percent of the Executive Director's compensation, WWA start-up costs, and potentially compensation for a deputy/assistant to the Executive Director; The District will continue current management and operations through 2020, with the goal fully transitioning into the WWA and contributing ten percent of all WWA costs in 2021.

The Manager reported that the Board needed to re-appoint a District representative for alternate director to the Kern Water Bank Authority. Director Ritchie made a motion to appoint President Brown as the alternate director. 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	Aye	Aye	Absent	Aye

EXECUTIVE (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)) and anticipated litigation (Govt. Code, § 54956.9(d)(4)).

RETURN TO OPEN SESSION

At 2:35 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 2:36 p.m. President Brown adjourned the meeting.



Steven D. Jackson, Secretary

APPROVED:



Kimberly M. Brown, President