

MINUTES of the Special Meeting of the Board of Directors of Dudley Ridge Water District held on October 18, 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
Bernard Puget

DIRECTORS ABSENT: Larry Ritchie, Vice President
John Vidovich

OTHERS PRESENT: Dale Melville, Manager-Engineer
Rick Besecker, Assessor-Collector-Treasurer
Paul Weghorst, Irvine Ranch Water District
Dan Flory, Provost & Pritchard Consulting Group
Michael Cuttone, Cutttone & Mastro CPAs

President Brown called the Board meeting to order at 1:05 p.m.

PUBLIC PARTICIPATION

No members of the public wished to address the Board. The Manager requested that Agenda Item 5b be added to consider appointment of a District representative to the Southwest Kings GSA. Director Jackson made a motion to add the agenda item. 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

MINUTES

Director Jackson made a motion to approve the minutes of the May 8, 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. Cuttone reviewed with the Board the District’s Financial Statements and Independent Auditor’s Report for the Year Ended December 31, 2018; copies of the report were distributed to the Directors for review. He noted that the audit resulted in a clean opinion, that the District was conforming with generally accepted accounting principles, and that sufficient controls were in place. Director Jackson made a motion to accept the annual audit and to direct the Manager to file the audit as required by various public agencies. The motion was seconded by Director Puget and after discussion the Board voted to adopt the motion. Following the vote, President Brown announced that the Directors voted unanimously as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Absent	Aye

At this time Mr. Cuttone excused himself from the remainder of the meeting.

Next, the Manager reported that he had executed the Ernst & Young audit contract for the SWP for \$15,711 (a 6% increase over last year). Director Puget made a motion to ratify the execution of the contract. 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

Brown	Ritchie	Jackson	Vidovich	Puget
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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 unanimously to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Payee	Amount
Corcoran Publishing Co Inc	234.00
Department of Water Resources	213,387.86
Kern Water Bank Authority	160,244.30
Klein Denatale Goldner LLP	1,758.00
Pacific Gas & Electric	638.41
Provost & Pritchard Consulting Group	23,796.53
Wheeler Ridge-Maricopa WSD	104,858.14
Butte County Treasurer	167,398.92
Department of Water Resources	1,129,330.00
Klein Denatale Goldner LLP	480.00
Lost Hills WD	355,000.00
Pacific Gas & Electric	700.88
Provost & Pritchard Consulting Group	18,222.70
State Water Contractors	85,544.00
Wheeler Ridge-Maricopa WSD	37,555.40
Department of Water Resources	216,554.00
Klein Denatale Goldner LLP	512.00
Pacific Gas & Electric	600.94
Underground Service Alert	201.04
Wonderful Orchards	7,000.00
Provost & Pritchard Consulting Group	22,922.42
Cuttone & Mastro CPAs	7,325.00
Department of Water Resources	226,611.00
Kern Water Bank Authority	11,034.00
Klein Denatale Goldner LLP	2,048.00
Pacific Gas & Electric	565.53
Provost & Pritchard Consulting Group	28,976.26
Total	\$ 2,823,499.33

Next, Mr. Besecker reviewed with the Board the schedule of warrants to be ratified as paid by the District for the period from May 9, 2019 to October 18, 2019 as shown below.

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Absent	Aye

The reports also included the cash receipts journal, the aged receivables report, the 2019 budget comparison report for the period from May 9, 2019 to October 18, 2019, and the quarterly investment report for the quarter ending September 2019. 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 unanimously as follows:

BANK ACCOUNTS		
General (Checking) Fund (Bank of America)	\$	919.13
Operating (Checking) Fund (Bank of America)		9,242.20
Investment Fund (LAI Fund Account)		392,519.43
Investment Fund (CalTrust Short Term Account)		649,521.60
Investment Fund (CalTrust Medium Term Account)		313,587.72
TOTAL BANK ACCOUNTS	\$	1,365,790.08

Mr. Besecker then presented to the Board financial reports prepared for the current period ending October 18, 2019. The reports showed the following cash balances in each of the respective accounts after bills proposed for payment on October 18, 2019.

Aye	Absent	Aye	Absent	Aye
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Next, Mr. Besecker reviewed with the Board the schedule of warrants to be approved for payment by the District for the period from May 9, 2019 to October 18, 2019 as shown below.

Payee	Amount
ACWA	\$ 5,060.00
ACWA/JPIA	3,347.00
Department of Water Resources	597,898.00
Ernst & Young US LLP	7,172.00
Kern Fan Monitoring Committee	2,100.00
Klein Denatale Goldner LLP	3,456.00
Pacific Gas & Electric	605.70
Provost & Pritchard Consulting Group	33,053.20
Western Hills WD	1,434.00
Wheeler Ridge-Maricopa WSD	7,000.00
Wonderful Orchards	30,325.08
Total	\$ 691,450.98

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 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	Absent	Aye

Next, the Manager reported on following updates to the 2020 SWP charges:

- \$200k increase for Yolo Bypass Fish Migration Program and Oroville spillway.
- \$500k increase for dam safety and Aqueduct subsidence.
- \$200k decrease for Water System Revenue Bond Surcharge reconciliation.

Next, the Manager reported on the \$16,600 net increase on the 2020 SWC dues for FY 2019-20.

- General Fund decrease: ~\$9,400
- Energy Fund decrease: ~\$100
- Bay-Delta Fund increase: ~\$26,100
- Delta Conveyance Facility Fund: \$0 for DRWD.

Next, the Manager reported on the Eighth Amendment to Tolling and Waiver Agreement, noting that the agreement would allow for the cooperative dispute resolution process to continue. The eighth amendment would extend the tolling agreement an additional two years beyond December 31, 2019, eliminated items resolved in the previous two years, and added other items. Director Jackson made a motion to authorize the Manager to execute the amendment. The motion was seconded by Director Puget and after discussion the Board voted to adopt the motion. Following the vote, President Brown announced that the Directors voted unanimously as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Absent	Aye	Absent	Aye

DISTRICT ELECTION

The Manager reported that Directors Brown, Ritchie, and Vidovich had been re-installed though 2023, and that the Kings County Board of Supervisors approved their appointment on August 13, 2019. Director Jackson made a motion to re-appoint Director Puget to a four-year term on the Southwest Kings GSA board. The motion was seconded by Director Puget and after discussion the Board voted to adopt the motion. Following the vote, President Brown announced that the Directors voted unanimously 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:

- There is 1,275 AF of Butte water that needs to be delivered in 2019.
- Lost Hills WD is holding ~3,500 AF of District water in LHWD
- The IRWD 1:1 exchange agreement with DWR is waiting for input from KCWA
- Staff is preparing a rebuttal letter to DWR to educate and lay a foundation to allow Browns Valley ID exchanges through Solano CWA in future years
- The Westside Districts has purchased 10,000 AF from San Luis WD.

Finally, the Manager reported that Merced ID offered up to 30,000 AF for purchase in future years; the agreement includes a \$100,000 deposit. Director Puget made a motion pay the District's portion of the deposit (\$14,340). The motion was seconded by Director Jackson; after discussion the Board voted unanimously to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Aye	Ritchie	Absent	Jackson	Aye	Vidovich	Absent	Puget	Aye
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STATE WATER PROJECT ISSUES

Mr. Flory reported on the following items:

- DWR and the Public Water Agencies are continuing to negotiate the terms of an Agreement in Principle to allocate costs and benefits of the proposed Delta Conveyance Facility. The latest public negotiation was held on October 16th in Sacramento where DWR presented their Offer #4. The PWA's are holding caucus meetings on a weekly basis in addition to conference calls and workgroup meetings.
- The current CSEA permit expires on December 31 and the State does not appear to be on schedule to replace it before the present permit expires.
- The SWP Contract Extension Amendment has been signed by enough contractors to make it effective, but DWR will not implement the amendment until the validation action has made it through the trail court. It is likely that the continued delay will negatively impact the State's ability to sell SWP bonds in the interim at reasonable rates.
- Mr. Flory also reported that the Water Management Amendment has been delayed again. DWR has not released the required CEQA document pending discussions with the Delta Stewardship Council and a possible consistency determination by DWR.

DISTRICT POLICY AND OTHER ISSUES

Regarding the District's document retention policy, the Manager reported that Mr. Hughes had updated the policy, and the Manager recommended that the Board approve the update. Director Jackson motioned to adopt the policy. 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	Aye	Ritchie	Absent	Jackson	Aye	Vidovich	Absent	Puget	Aye
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Regarding participation in the Water Blueprint for the San Joaquin Valley, the Manager explained the program and asked the Board if they wanted to participate, recommending a \$7,500 contribution to the Blueprint's Educational Fund. Director Puget made a motion to contribute \$7,500 towards the effort. The motion was seconded by Director Jackson; after discussion the Board voted unanimously to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Aye	Ritchie	Absent	Jackson	Aye	Vidovich	Absent	Puget	Aye
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Regarding the Jackson Ranch Development EIR, Director Jackson excused himself from the meeting, where after the Manager reported that a Notice of Preparation was circulated for the project, noting that no action was yet needed by the Board. At this time Mr. Jackson returned to the meeting.

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

Regarding the bi-annual review of District facilities, Mr. Besecker reported that he and Mr. Flory had met with the ad hoc committee (Directors Puget and Jackson) and discussed various maintenance items. He reviewed the Facilities Review memo with the Board, which is attached to and made part of these minutes.

Regarding the District priorities, the Manager reviewed the revised table with the Board, which is attached to and made part of these minutes.

OTHER BUSINESS AND CORRESPONDENCE

The Manager reported that he would like to continue to serve as Manager through early 2020, and that Mr. Flory was currently attending the Sacramento meetings in his stead.

EXECUTIVE (CLOSED) SESSION

At 2:30 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 2:40 p.m., President Brown closed the Executive Session. Upon returning to the open session, President Brown reported that the Board had voted to authorize the Manager to participate in South Valley Water Resources Authority water acquisition efforts and review/approve associated CEQA and other documentation and agreements on behalf of the District.

DATE, TIME, AND LOCATION OF NEXT BOARD MEETING

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

ADJOURNMENT

There being no further business to come before the Board, at 2:42 p.m. President Brown adjourned the meeting.


Steven D. Jackson, Secretary

APPROVED:


Kimberly M. Brown, President

