

MINUTES of the Regular Meeting of the Board of Directors of Dudley Ridge Water District held on December 11, 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
 Dan Flory, Provost & Pritchard Consulting Group (telephone)

President Brown called the Board meeting to order at 1:02 p.m.

MINUTES

Director Jackson made a motion to approve the minutes of the October 18, 2019 Special 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 December 11, 2019. The reports showed the following cash balances in each of the respective accounts after bills proposed for payment on December 11, 2019.

BANK ACCOUNTS	
General (Checking) Fund (Bank of America)	\$ 1,116.35
Operating (Checking) Fund (Bank of America)	7,285.92
Investment Fund (LAIF Account)	1,830,477.93
Investment Fund (CalTrust Short Term Account)	314,660.01
Investment Fund (CalTrust Medium Term Account)	9,242.20
TOTAL BANK ACCOUNTS	\$ 2,162,782.41

The reports also included the cash receipts journal, the aged receivables report, and the 2019 budget comparison report for the period from October 19, 2019 to December 11, 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	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 October 19, 2019 to December 11, 2019 as shown below.

Payee	Amount
Department of Water Resources	\$ 223,288.00
Kern Water Bank Authority	318,906.00
Klein Denatale Goldner LLP	516.92
Pacific Gas & Electric	37,001.00
Provost & Pritchard Consulting Group	2,868.00
Ernst & Young US LLP	5,280.00
Total	\$ 587,859.92

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, 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
CA Farm Water Coalition	\$ 500.00
Committee for Delt Reliability	45,350.00
Department of Water Resources	215,674.00
Klein Denatale Goldner LLP	2,464.00
Lost Hills WD	422.61
Pacific Gas & Electric	454.34
Wheeler Ridge-Maricopa WSD	310,102.50
Provost & Pritchard Consulting Group	36,128.94
Total	\$ 611,096.39

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:

- Total revised fixed charges are 8.2% lower than initial estimate, 0.7% higher than initial charge, and 13.1% higher than 2019 actual;
- Total revised variable charges are 8.6% lower than initial estimate, 0.5% higher than initial charge, and 11.4% higher than 2019 actual; and
- Grand total revised charges are 8.4% lower than initial estimate, 0.6% higher than initial charge, and 12.1% higher than 2019 actual.

Next, the Manager reported on the proposed budget for 2020, noting that:

- SWP fixed costs are \$558k higher than the 2019 budget;
- Standby charges are \$14k higher than the 2019 budget;
- Water toll charges are \$32k higher than the 2019 budget; and
- Total charges are \$604k higher than the 2019 budget.

Next, Mr. Melville summarized the 2020 Charges memo (attached to and made part of these minutes). After a short discussion, Director Jackson made a motion to adopt the 2020 budget (attached to and made part of these minutes) and the recommended charges. The motion was seconded by Director Puget; 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:

- The operations studies forecasted a 10% allocation at the 90% exceedance level, 30-48% allocation at 50% exceedance, and 44% at 25% exceedance;
- The estimated the Fall X2 cost to the SWP is 800 TAF for 2019; and
- Snowpack was at normal for the north State and 116% Statewide.

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

- The Kern Water Bank point of delivery agreement will need to be extended as it expires at the end of 2020;

- The common landowner transfer and exchange point of delivery agreements will also need to be extended; and
- The Irvine Ranch WD 1:1 exchange program had been approved by all agencies and was being circulated for signatures at DWR.

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

- There is 1,132 AF of Butte water that needs to be delivered in 2019. A request to SWR to carryover or bank the water was denied, so the Manager made an exigent request to Director Nemeth for relief; since the letter, Mr. Besecker was able to reschedule prior deliveries to reduce the undelivered Butte amount to 346 AF;
- The WS-5 purchased 10 TAF from San Luis WD in 2019 and are negotiating a 3-year agreement for 2020-2022; and
- Merced ID potentially has up to 30 TAF available for purchase in 2020 via their existing contract with the Westside Districts.

Regarding water supply programs in collaboration with the South Valley Water Resources Authority, the Manager reported that there could be 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. 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

Finally, the Manager reported that the State Water Contractors had approved the initiation and administration of the Dry Year Transfer Program for 2020, subject to sufficient contractor participation.

STATE WATER PROJECT ISSUES

Mr. Flory reported on the following items:

- DWR and the Public Water Agencies (“PWAs”) have been negotiating the terms of an Agreement in Principle to allocate the costs and benefits of the proposed Delta Conveyance Facility. The latest public negotiation session was held on November 15 in Sacramento. The purpose of the AIP is to inform the Notice of Preparation for the proposed EIR. At this point, DWR has expressed that there is not enough support among PWAs and is therefore drafting another offer. The new offer is expected soon; the release of the NOP for the AIP is delayed as a result.
- The current ESA and CSEA permits for SWP operations have been extended to the end of March 2020. Applications have been submitted for both State and Federal permits and received political opposition. DWR is still anticipating permit approval by April 1, 2020.
- Progress on the Water Management Amendment has been very slow. DWR has not released the required CEQA document pending further discussions with the Delta Stewardship Council, a possible Delta Plan consistency determination by DWR, and an agreement with the PWAs on the Delta Conveyance Facility.

OTHER DISTRICT ISSUES

The Manager reported that the Board need to set a hearing date to meet as the Board of Equalization to set the benefit assessment rate. Director Jackson made a motion to set the hearing date for February 12, 2020 at 1:15 p.m., and to direct staff to make the required noticing. 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	Absent	Aye

Next, the Manager reviewed with the Board the Westside Water Authority Joint Powers Agreement, noting that there had been slight changes to the version that went out in the Board packet. Director Puget made a motion to authorize the Manager to execute such

agreement and the President to appoint a representative and alternate to represent the District in 2020. 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

DATE, TIME, AND LOCATION OF NEXT BOARD MEETING

The Manager noted that the next Special Board meeting would likely be on January 17, 2020 at 10:30 a.m.

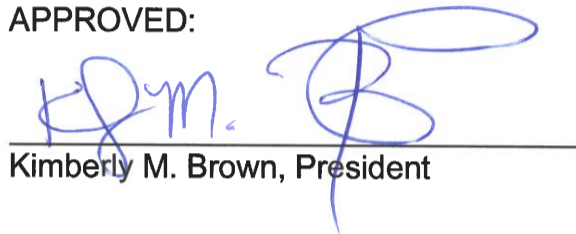
ADJOURNMENT

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