REGULAR BOARD OF DIRECTORS MEETING

501 Taft Highway
Bakersfield, California

TUESDAY, May 7, 2024

AGENDA

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM **12:00PM**

CLOSED SESSION:

A. Conference with Legal Counsel – Existing Litigation – Closed Session Pursuant to Gov. Code § 54956.9(d)(1):
   1. Bring Back the Kern, et al. v. City of Bakersfield, et al.

B. Conference with Legal Counsel – Potential Litigation – Closed Session Pursuant to Gov. Code § 54956.9(d)(2),(e)(1):
   1. One Matter.

REGULAR SESSION:

INTRODUCTION OF GUESTS AND PUBLIC

I. **PUBLIC COMMENT** (Members of the public may address the Board of Directors on any matter not on the agenda, but absent extraordinary circumstances, the Board may not act on such matters. Members of the public may address items of interest that are listed on the agenda prior to the Board's decision on such items.)

II. **MANAGER'S REPORT** (The General Manager will discuss, and the Board will consider various items and issues relating to the ongoing and future operations of the District which are of interest to the Board)

A. Approve Minutes of the Special Board Meeting of April 17, 2024.
B. 2024 Water Management Update.
C. Discussion Regarding California Communities for Affordable Water Coalition.

III. **BOARD MEMBER COMMENTS** (This item provides Board Members with an opportunity to make announcements or provide general comments.)

IV. **ADJOURN**

Requests for disability related modifications or accommodations, including auxiliary aids or services may be made by telephoning or contacting Madelyne Rodriguez at the District Office (661-834-4656). Please attempt to make such requests known at least 24 hours before the scheduled meeting. Pursuant to Government Code section 54957.5, any materials relating to an open session item on this agenda, distributed to the Board of Directors after the distribution of the agenda packet, will be made available for public inspection at the time of distribution at the District, 501 Taft Highway, Bakersfield, CA.

Tab II

KERN DELTA
WATER DISTRICT

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS

April 17, 2024

<u>WEDNESDAY, April 17, 2024, 11:35AM– 2:03PM</u>

DIRECTORS PRESENT: Palla, Mendonca, Antongiovanni, Garone, Fanucchi, Borba, and Kaiser.

DIRECTORS ABSENT: Tillema, and Spitzer.

STAFF PRESENT: General Manager Teglia, Assistant General Manager Bellue, General Counsel Iger, and Controller Duncan.

OTHERS PRESENT: None.

<u>CLOSED SESSION DECLARED AT 11:35AM</u>

President Palla called to order the Closed Session of the Kern Delta Board of Directors at 11:35AM regarding the following agenda items:

A. Conference with Legal Counsel – Existing Litigation – Closed Session Pursuant to Gov. Code § 54956.9(d)(1):

1. Bring Back the Kern, et al. v. City of Bakersfield, et al.

B. Public Employee Performance Evaluation – Closed Session Pursuant to Gov. Code § 54957(b)(1)/54957.6:

1. General Manager.
2. General Counsel.

Closed Session concluded at 12:27PM.

<u>REGULAR SESSION DECLARED AT 12:28PM</u>

President Palla called to order the Regular Session of the Kern Delta Board of Directors at 12:28PM.

Closed Session Report: District General Counsel Iger reported the following:

Item A: No reportable action.
Item B: Staff was given direction.

<u>INTRODUCTION OF GUESTS AND PUBLIC</u>

None.

I. PUBLIC COMMENT

None.

II. CONSENT CALENDAR

M/S/C (Borba/Mendonca) (yes-7, no-0): By unanimous vote, with Directors Tillema and Spitzer absent, the Board approved and authorized items II A through II C of the Consent Calendar.

A. Approval of Minutes from the Regular Board Meeting of April 2, 2024.
B. Approval of the March/April District Construction and Water Banking Project(s) Disbursements.
C. Approval of the March/April District Disbursements.

III. BUSINESS AND FINANCE

A. Business & Finance Committee Report – April 11, 2024: District Controller Duncan provided a report from the April Business & Finance Committee Meeting.

A(i). Approval of March 2024 Financial Reports: Mr. Duncan presented the March 2024 District and Water Banking Project(s) Financial Statements, Treasurer's Reports, and District Delinquency Report.

M/S/C (Antongiovanni/Kaiser) (yes-7, no-0): By unanimous vote, with Directors Tillema and Spitzer absent, the Board approved the March 2024 District and Water Banking Project(s) Financial Statements, Treasurer's Reports, and Delinquency Report as presented.

A(ii). Quarterly Investment Review: Mr. Duncan provided a brief overview of the quarterly investment review report, which was included in the Board agenda package. This item was informational, and no action was recommended or taken.

B. Review and Approval of 2024 COLA Recommendation (Recommended by the Business and Finance Committee): Staff provided an overview of a memorandum included in the Board packet which provided information regarding the recent trend associated with CPI growth over the last year as of February 2024. After review of the relevant information, the Business and Finance Committee recommended the Board approve a 2.5% COLA to the District Salary Schedule effective May 1, 2024. Both the existing and revised Salary Schedules were included as attachments to the memorandum.

M/S/C (Antongiovanni/Fanucchi) (yes-7, no-0): By unanimous vote, with Directors Tillema and Spitzer absent, the Board approved a 2.5% COLA to the District Salary Schedule effective May 1, 2024 as reflected in the revised salary schedule.

IV. OPERATIONS AND PROJECTS

Note: Director Borba left the meeting at 1:30PM. However, he was able to participate in the discussions associated with Agenda Item VI, which were advanced to accommodate his participation.

A. - A(i-iv). Operations and Projects Committee – April 2, 2024: Assistant General Manager Bellue reported on several items, including District maintenance activities, recent encroachment permit requests, pending development projects impacting District facilities, and a status update related to the Sunset Groundwater Banking project.

B. Approval of Plans and Common Use Agreement with Panama-Buena Vista Union School District for the Pipelining of a Portion of the Randall Canal Just South of Taft Highway: Staff provided an overview of the final plans and Common Use Agreement developed for the above referenced project. It was noted that District staff, as well as the District's outside engineering consultant, have reviewed the plans and agreement and recommend approval of both.

M/S/C (Mendonca/Fanucchi) (yes-6, no-0): By unanimous vote, with Directors Tillema, Spitzer, and Borba absent, the Board approved the Plans and Common Use Agreement with Panama-Buena Vista Union School District for the pipelining of a portion of the Randall Canal just south of Taft Highway, as presented and delegating authority to the General Manager and General Counsel to make any minor non-substantive adjustments as necessary.

C. Approval of Plans and Canal Relocation Agreement with Deertrail Development LLC. for the Relocation of a Portion of the Stine Canal and Extension of the 31 Ditch Just North of McCutchen Road. Staff provided an overview of the final plans and Common Use Agreement developed for the above referenced project. It was noted that District staff, as well as the District's outside engineering consultant, have reviewed the plans and agreement and recommend approval of both.

M/S/C (Kaiser/Mendonca) (yes-6, no-0): By unanimous vote, with Directors Tillema, Spitzer, and Borba absent, the Board approved the Plans and Canal Relocation Agreement with Deertrail Development LLC. for the relocation of a portion of the Stine Canal and extension of the 31 Ditch just north of McCutchen Road, as presented and delegating authority to the General Manager and General Counsel to make any minor non-substantive adjustments as necessary.

V. WATER RESOURCES REPORT

A. - A(i-ii). District Watermaster Report: Staff reviewed and discussed the water supplies of the District for the month of March and early April. Approximately 7,641 acre-feet of water was diverted in District during March. Staff also provided information related to current precipitation totals and future forecasts. It was noted that the State Water Project allocation for 2024 sits at 30% and the current Kern River April – July runoff forecast is 103% of average.

B. Kern River Watermaster Report: The April Kern River Watermaster Report was included in the Board packet.

C. District Groundwater Manager Report: Groundwater Manager Marquez provided verbal comments supplementing graphical information regarding depth to groundwater at various monitoring locations throughout the District.

VI. MANAGER'S REPORT

A(i-iii). Verbal & SGMA Update: Mr. Teglia provided a verbal report regarding several items including an update on 2024 water management activities and the April District Proration Letter which is distributed to all District water users. It was suggested that the letter be included in the May District billing in addition to being disseminated via the District electronic newsletter and website.

Mr. Teglia also provided an update regarding current SGMA activities. This included a discussion regarding basin wide coordination efforts including a recent letter sent to the SWRCB members updating them on the status of the Kern Subbasin GSP revision efforts (included in the Board packet); a summary of the April 16, 2023 Tulare Lake Subbasin SWRCB Probationary Hearing; a discussion regarding the revised KGA JPA, and a discussion regarding the Kern Subbasin GSP schedule.

B. External Agency Report: Mr. Teglia provided verbal comments supplementing a memorandum included in the Board package which provided information on the meetings and activities of various external agencies.

These agencies include, but are not limited to, the Kern County Water Agency, Kern Fan Authority, Kern River Watershed Coalition Authority, Kern Groundwater Authority, Kern River Groundwater Sustainability Agency, the South Valley Water Resources Authority, the Water Association of Kern County, and the Integrated Regional Water Management Plan.

C. Water Banking Projects Report: Mr. Teglia provided verbal comments supplementing a memorandum included in the Board package which provided information on water banking project activity on the Kern Fan as well as District water banking project activities.

VII. ATTORNEY'S REPORT

A. Verbal: No comments.

A(i). Legislative Update: The most recent legislative update provided by the VAWC was provided.

VIII. BOARD MEMBER COMMENTS

IX. ADJOURNMENT

There being no further business, President Palla adjourned the meeting at approximately 2:03PM.

Respectfully Submitted,

Steven Teglia, General Manager

Approved by Board,

Richard Tillema, Board Secretary

KERN DELTA
WATER DISTRICT

501 TAFT HIGHWAY
BAKERSFIELD, CALIFORNIA 93307-6247
TELEPHONE (661) 834-4656
FAX (661) 836-1705

April 18, 2024

To All District Water Users:

Lake Isabella has received 7.73 inches of precipitation since October 1, 2023. The latest California Department of Water Resources (DWR) water supply forecast model predicts 440,000 acre-feet during the April through July runoff season, which is 97% of the long-term historical average for the Kern River. DWR's B-120 model (which uses data from 1999 through 2020) reflects a 103% of average April through July runoff forecast. The current DWR allocation of State Water Project water is 30%.

Utilizing this information, the District does not expect prorations for Utility ground this summer (June – August), though waiting lists may be necessary from time to time. State Water Project (SWP) water will be prorated for Eastside Utility, Buena Vista Utility, and State ground both east and west of the 99. It is anticipated that all District systems will be operating through the summer months and possibly into early September. Estimated amounts for SWP prorations in acre-feet per acre are as follows:

Service Area	State Proration
Eastside Utility	0.27 acre-feet / acre
Buena Vista Utility	0.08 acre-feet / acre
State West of 99	0.27 acre-feet / acre
State East of 99	1.48 acre-feet / acre

These quantities are estimates only and are subject to revision. As the season continues, adjustments will be made as needed due to changes in the estimated runoff.

District Staff will do our very best to keep you informed of any changes in water supplies. Growers are encouraged to sign up for our weekly newsletter for the latest information. Please visit www.kerndelta.org and follow the link at the bottom of the page to sign up for the newsletter. We ask for your continued cooperation and patience during this process. Any questions or concerns can be directed to the Operations Department at (661) 834-4653.

Sincerely,

Steven L. Teglia
General Manager
Kern Delta Water District

Safeguarding California's Future: Housing, Clean Energy, Affordable Water and Food Rely on Longstanding Water Rights Priority System

Whether it is a wet or dry year, California's longstanding, resilient water rights priority system provides stability to the state's water supply, and to the residents and businesses that count on reliable and affordable water. Water is the foundation of our state – vital to everything from the economy to public health to housing. Disrupting California's longstanding water rights priority system would create water insecurity, threatening our clean energy future, imperiling housing production, and driving up the cost of food and utility bills.

Californians from all walks of life – from businesses and farms to workers and their families – have invested billions of dollars in water infrastructure over generations based on this longstanding legal structure. Return on these investments from hardworking Californians created the fifth largest economy in the world – larger than in India, the United Kingdom, or France. Our water rights priority system is the people of California's system.

California's Economy is Driven by Our Longstanding Water Rights Priority System
The current water rights structure is the foundation for key parts of California's economy:

Agriculture – Over a third of the country's vegetables and nearly three-quarters of the country's fruits and nuts are grown in California, and a reliable water supply is essential to maintaining food production and reducing costs.[1] For example, water rights held by the Modesto and Turlock Irrigation Districts are vital to produce $4 billion in crops, livestock and their products annually in Merced and Stanislaus counties[2], providing jobs and stimulating the economy in the region.

Housing – All new housing development requires local water agencies to identify a reliable source of water to support future use. Changes in water supply would cause significant delays, additional cost, or even denials of new housing permits. An adverse impact on housing supply is the last thing California needs as it faces a historic housing crisis, where prices are at an all-time high and availability is at an all-time low.

[1] California Department of Food & Agriculture: California Agricultural Production Statistics
[2] Turlock and Modesto Irrigation Districts (TID/MID). 2014. Socioeconomics Study Report Don Pedro Project FERC NO. 2299. Prepared by Cardno ENTRIX.

A Bay Area Council analysis predicted that significant waterflow restrictions under the Bay Delta Plan would force Bay Area cities to issue housing moratoria on new housing construction and would drive up housing costs.[3]

Whether the source of the waterflow restriction is a state plan, new legislation, or something else, expect the result to be the same: less housing being built.

Clean Energy – Hydropower is a renewable energy source dependent on the stability of the current water rights system. For example, the Don Pedro Hydropower Project provides energy to homes, businesses and farms in Turlock and Modesto, while providing over 2 million acre-feet of water storage for irrigation[4].

The San Francisco Public Utilities Commission generates up to 385 megawatts of greenhouse-gas-free hydropower each year through its Hetch Hetchy Power System, enough to power the equivalent of 432,000 San Francisco homes.[5]

Destabilizing Water Rights System Will Cost Billions

In a study by UC Berkeley experts[6], they found that potential waterflow restrictions imposed on just one waterway (the Tuolumne River) would lead to:

- Increased costs of up to $1 billion annually
- Tens of billions in lost business sales

Squandering generations of investments in critical water infrastructure and disrupting the current water rights system would jeopardize California's housing, clean energy, and agricultural economy. **It isn't worth the risk.**

Destabilizing the Water Rights System Would Exacerbate Inequities for Historically Underserved Communities

Across the state, disadvantaged communities depend on the affordable, reliable water supplies provided by the current legal structure. Jeopardizing longstanding water rights will require development of expensive new water supplies and will impose costs on those who can least afford it. Californians need policies that reduce the cost of living, build affordable housing, protect our clean energy future, and keep the American dream available to all of our residents.

Protect the Stability of California's Water Supplies.
Join California Communities for Affordable Water.

---

[3] Bay Area Council: Analysis of the Draft Substitute Environmental Document of the Bay-Delta Water Quality Control Plan Update

[4] Turlock Irrigation District: Hydroelectric Facilities

[5] San Francisco Public Utilities Commission: Hetch Hetchy Power System

[6] David L. Sunding, Ph.D., "Socioeconomic Impacts of Water Shortages within the Hetch Hetchy Regional Water System Service Area".