

MINUTES OF THE ANNUAL MEETING OF
THE BOARD OF DIRECTORS OF
PLEASANT VALLEY WATER DISTRICT

October 20, 2015

The Board of Directors of the Pleasant Valley Water District held their annual board meeting on Tuesday, October 20, 2015 at 20959 West Dorris Avenue, Huron, California. A quorum was established and the meeting was called to order by President Rod Stiefvater at approximately 10:00 a.m. Directors attending the meeting were Ross Allen, Donald Devine, Brad Gleason, Ken Kreyenhagen, Tom Lovelace, and Rod Stiefvater. Others also in attendance were Melanie Aldridge, PVWD Attorney, Craig Finster, Joshua Nugent, Steven Vierhus, Dora Rosas, Brian Elhers, Rex Buchanan, Janie Moehnke, Tim Worth, James Nichols, Michelle Errecart and Donna Wilt, bookkeeper.

APPROVAL OF MINUTES. The minutes of the Special Board Meeting on January 30, 2015 were addressed. Director Kreyenhagen moved to have the minutes approved which was seconded by Director Devine. The minutes were approved by unanimous vote by the attending Directors.

ADOPTION OF AMENDED BYLAWS. The Board reviewed the amended bylaws. Director Kreyenhagen moved to have the amended bylaws adopted which was seconded by Director Devine. The bylaws were approved by a unanimous vote by the attending Directors.

TREASURER'S REPORT. The Treasurer's Report was reported by Donna Wilt. As of September 30, 2015 the Citibank General Account Bank Statement balance was \$106,531.24 and the General Ledger balance was \$158,094.74. As of October 20, 2015 General Ledger balance was \$147,689.14. The Board reviewed the annual audit by M. Green & Company. They noted that the voluntary donations have been recorded as Unearned Revenue on the Balance Sheet. Director Kreyenhagen motioned for the approval of paid invoices and audit which was seconded by Director Lovelace. It was unanimously approved by the attending Directors.

GENERAL DISTRICT ELECTION. General Counsel Aldridge reported that since the number of candidates was not more than the number of open positions, the candidates would be appointed as directors. Two candidates were incumbents (Director Gleason and Director Kreyenhagen) and would be re-confirmed to their existing director positions. The third candidate (Craig Finster) will be filling the position of Director Mouren. The directors will assume their new positions on December 4, 2015 and will need to sign an Oath of Office that will need to be returned to the Board of Supervisors County Office.

LAFCO. General Counsel Aldridge reported to the Board that LAFCO reviews public agencies every five years. The reviews are called municipal service reviews (MSRs). Among the suggestions in previous MSRs, LAFCO would like the Pleasant Valley Water District to merge with Westlands Water District. After discussion regarding the lack of benefit to District

landowners (other than increased assessments), the Board strongly disagreed with the benefit of any such merger.

ASSESSMENTS AND PROP. 218 ELECTION. Brian Elhers from Provost and Pritchard Engineering Group, Inc. presented its recent engineering study to the Board and attending landowners. The Board discussed the cost of any current or future studies and the assessments needed to fund these studies. It was determined that the assessment for the initial year would be \$10.00 per acre and additional years at \$ 5.00 per acre plus a 3 percent annual inflation. Director Gleason motioned to have Provost & Pritchard revise their Proposition 218 engineering study to reflect these fees and to schedule the Prop. 218 election for December 15, 2015 which was seconded by Director Allen. It was unanimously approved by the attending Directors.

GROUNDWATER SUSTAINABILITY AGENCY. Donald Devine reported to the Board that Gary Sawyers suggested a meeting between representatives of PVWD and the Environmental Defense Fund (EDF) might be beneficial to the District. It was reported that EDF wished to become involved in California water issues and might be willing to support the District's groundwater replenishment goals in connection with the District's groundwater management activities under its AB3030 plan and/or as a GSA. The potential benefit to the District from EDF is EDF's support for any future District applications for State grant funds. The Board instructed General Counsel Aldridge to arrange a Special Board Meeting with Gary Sawyers and EDF representatives.

GROUNDWATER BASIN BOUNDARIES. Brian Elhers presented a current map of the Pleasant Valley Water District's water basin and boundaries to the board. There was a discussion regarding WWD's request to adjust its basin boundaries and the potential impact on District landowners. There was also a discussion about the District's anticipated request to change the boundaries of the PV basin to reflect current hydrology. The Board discussed forming a committee to determine the most beneficial and accurate basin boundaries. Director Allen motioned to have a Basin Boundary Ad Hoc Committee which was seconded by Director Lovelace. It was unanimously approved by the attending Directors. The new committee members are Director Kreyenhagen, Director Devine and Director Gleason.

ELECTION OF OFFICERS. The Board discussed the election of new officers. President Stiefvater offered to resign to allow another director to serve as District President. Director Gleason expressed interest in the position. Director Kreyenhagen motioned to elect Director Gleason as President and Director Devine as Vice President, which was seconded by Director Lovelace. It was unanimously approved by the attending Directors. Director Kreyenhagen acknowledged the many years of service by President Stiefvater and all of his hard work and dedication over the last 15 years serving as District President. Mr. Gleason and Mr. Devine assumed their respective offices effective immediately.

PLEASANT VALLEY PIPELINE. Director Stiefvater updated the Board on the status of the Water Conveyance Group's pipeline project. Janie Moehnke from Chevron reported to the Board that a Biological Study needed to be done in the spring and the fall regarding the blunt nose lizard. She suggested that the Board use McCormick to conduct the study. Director Stiefvater would like James Anderson to report back to the Board on the study.

ADJOURNMENT. Director Kreyenhagen moved to have the meeting adjourned which was seconded by Director Stiefvater. It was unanimously approved by the attending Directors. The meeting was adjourned at approximately 12:15 pm with the next meeting scheduled for December 15, 2015.

Respectfully submitted,

James S. Anderson, Secretary