

# **CAWELO WATER DISTRICT**

## **BOARD MEETING**

**Conference Room at District Office**

**Thursday, March 08, 2018 - 9:00 AM**

## **MINUTES**

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**DIRECTORS PRESENT:** Keith Watkins, Mark Smith, Eric Miller, Brian Blackwell, John Gaugel  
**STAFF PRESENT:** David Ansolabehere, Dave Hampton, LeeAnn Giles, Emilie Ortiz, Candice Valdez  
**LEGAL COUNSEL:** Robert Hartsock  
**COUNSULTING ENGINEER:** R.L. Schafer  
**OTHER ATTENDEES:** Scott Hamilton, Tim Gobler, Andy Schweikart, Ed Kuykendall, Terry Nugent

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### **A. CALL TO ORDER**

Meeting was called to order by President Watkins at 9:00 a.m. in the Conference Room of the District office located at 17207 Industrial Farm Road, Bakersfield, CA.

### **B. APPROVAL OF BOARD MINUTES**

Minutes of the Board meeting for February 15, 2018 were presented for approval. After review, *it was motioned by Director Miller, seconded by Director Blackwell and unanimously carried that the minutes for February 15, 2018 be approved.*

### **C. TREASURER'S REPORT**

Treasurer's Report for the month of February was presented by District Controller, Ms. Giles. Balances for February were as follows:

General Funds	5,032,945.12
Construction Funds	11,337,786.00
Reserved Funds	<u>10,917,007.64</u>
<b>TOTAL FUNDS</b>	<b>27,287,738.76</b>

Receipts for January 2018	
Manual Cash Disbursements	50,544.77

Net Revenue through December	
Total Expenses through December	<u>7,408,153.77</u>

<b>NET REVENUE / &lt;LOSS&gt;</b>	<b>4,811,660.09</b>
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After review and discussion, *it was motioned by Director Smith, seconded by Director Gaugel and unanimously carried that the Treasurer's Report for February be accepted as presented.*

1) Resolution 671, Declaring Necessity for Levying 2018 Special Assessments

***A RESOLUTION OF THE BOARD OF DIRECTORS OF CAWELO WATER DISTRICT DECLARING NECESSITY FOR LEVYING SPECIAL ASSESSMENTS AND CALLING AND NOTICING A PUBLIC HEARING THEREON.***

*Upon a motion by Director Blackwell, and a second by Director Smith, Resolution 671, declaring the necessity to levy 2018 Special Assessments and to notice a public hearing, was carried by the following roll call vote:*

<b>AYES:</b>	<b>5</b>	<b>Watkins, Smith, Blackwell, Miller, Gaugel</b>
<b>NOES:</b>	<b>0</b>	
<b>ABSTAIN:</b>	<b>0</b>	
<b>ABSENT</b>	<b>0</b>	

**D. ACCOUNTS PAYABLE**

Accounts Payable report for the month of February 2018 was presented by District Controller, Ms. Giles. The report covered checks 30747 – 30788 issued March 07, 2018 and totaled \$1,341,654.58.

After review and discussion, *it was motioned by Director Blackwell, seconded by Director Miller and unanimously carried that checks for Accounts Payable for the month of February be accepted as presented and all invoices paid accordingly.*

**E. PUBLIC COMMENTS** – The floor was open for any public comments, at which time there were none.

**F. COMMITTEE REPORTS**

1) **Projects**

- a. North Kern Transportation Agreement** – Mr. Ansolabehere reported that there has been no change on this, but that staff will continue to pursue finalization of the agreement.
- b. Building Remodel – Status of Project** – As well as providing a written report, Mr. Hampton reported that Simile submitted their ninth progress payment, totaling \$1,468,987. All construction and inspections have been completed with the exception of minor cosmetic issues that are still being worked through. Staff has started the move-in process and the network systems are expected to be transferred in the next couple of days. Mr. Hampton further reported that Staff, Klassen, and Simile are working together to close the project and work through the final retention funds being held.

- c. **Famoso to Friant Pipeline Project** – Mr. Ansolabehere reported that the USBR has published Cawelo’s Environmental Assessment Report for public review. Cawelo has also filed a Notice of Determination documents and is expecting the project to go out to bid in the near future.  
Mr. Ansolabehere reported that he had no update in respects to the Famoso to Friant Pipeline easements.
- d. **Well #14 & #15 Pipeline Project** – Mr. Ansolabehere reported that Dee Jaspar has provided staff with landowner information for proposed pipeline placement and is preparing project plans for the project to go out to bid.
- e. **EX-1 Lateral Replacement Project** – Mr. Ansolabehere reported that W.M. Lyles (Lyles) had completed the project March 2, 2018 and staff will be expecting the final invoices in the upcoming weeks.
- f. **Landowner Recharge** –Mr. Ansolabehere reported that a draft general concept, for potential landowner recharge program, was distributed to board members, staff and attending public for review and comments. Staff will begin further development and details of a proposed program for future consideration.
- g. **Zone 7** - Mr. Hartsock reported that Zone 7 requested refinancing Cawelo’s 2006 Certificates of Participation (COP’s) as a part of capital improvement bond issue. Based upon emails and conversations with the District’s bond counsel, Mr. Hartsock recommends the Board adopt Resolution 672 in order to move forward with Zone’s 7’s refinancing of COP’s.

1) Resolution 672, Approving an Escrow Agreement and Assignment Agreement

***A RESOLUTION OF THE CAWELO WATER DISTRICT APPROVING AN ESCROW AGREEMENT AND ASSIGNMENT AGREEMENT, MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH***

After review and discussion, *it was moved by Director Blackwell, seconded by Director Smith, and carried to adopt Resolution 672 Approving an Escrow Agreement and Assignment Agreement, by the following roll call vote:*

<b>AYES:</b>	<b>5</b>	<b>Watkins, Smith, Blackwell, Miller, Gaugel</b>
<b>NOES:</b>	<b>0</b>	
<b>ABSTAIN:</b>	<b>0</b>	
<b>ABSENT</b>	<b>0</b>	

**2) ILRP**

**Coalition Update** – As well as providing a written report, Mr. Hampton reported Cawelo Water District Coalition (CWDC) submitted a revised Comprehensive Groundwater Quality Management Plan (CGQMP) addressing the Regional Board’s comments. The Regional Board requested more information on oil field produced water being used as irrigation water and the allowed duration to implement the known protective practices for a coalition of CWDC’s size. The submitted plan provided general information regarding oilfield produced water, water chemistry information on the average irrigation water composition, and a schedule requiring corresponding members to implement the known protective practices. Half of the members are required to implement those practices within two years and the remaining members within three years.

Mr. Hampton also reported that a notice was sent out to remind members of their Farm Evaluation and Nitrogen Management Plans due March 1. All members were encouraged to complete their forms online but CWDC will still accept hard copies. There were minor issues with the start-up of the 2018 ILRP Farm system and many members had difficulty logging into their accounts.

Mr. Hampton further reported that the State Water Resources Board issued the final certified Order No. WQ 2018-0002 for the Eastern San Joaquin River Watershed General Order No. R5-2012-0116 on February 7, 2018. It is expected that revisions to our General Order will begin soon.

Lastly, Mr. Hampton reported that notice for the opportunity to comment on proposed amendments to the Water Quality Control Plans for the Sacramento, San Joaquin River and Tule Lake Basins to incorporate the Salt and Nitrate Control Program have been issued. Comments are due by May 4, 2018 and adoption will be considered at the following board meeting.

**3) Sustainable Groundwater Management Act**

- a) **Update** – Mr. Ansolabehere had no report, noting there was a Cawelo GSA meeting prior to this meeting.

**4) Financial and Personnel**

- a) **Employee Compensations** – Mr. Ansolabehere had no report at this time.

**5) SWP**

- a) **Cal Water Fix** – Mr. Ansolabehere reported that staff has submitted notice to the Kern County Water Agency, in respects to participating in the Cal Water Fix through the MWD

program, conditioned upon landowner approval and financing, and conditioned upon the ability to withdraw from the MWD Program at a later time.

Mr. Hamilton also provided a brief update on the Cal Water Fix and potential project by MWD.

**G. ATTORNEY’S REPORT** – Mr. Hartsock had no report for open session.

**H. ENGINEER’S REPORT**

- 1) **Poso Creek Diversion Petition** – Mr. Schafer reported that he and staff are completing petitions for time extensions and change, and will submit them in the near future.
- 2) **Stream Bed Alteration Agreement-** Mr. Schafer reported that he is currently waiting on a response from Fish and Wildlife in respects to the draft Streambed Alteration Agreement.

**I. MANAGER’S REPORT**

1) **Water Deliveries/Supplies** into the District for February 2018 were as follows:

	<u>Ac-Ft Delivered</u>	<u>YTD</u>
Supplies Received	1,684	1,684
Landowner Deliveries	1,339	1,339
East Poso Basin Recharge	0	0
Famoso Basin Recharge	256	256
System Loss/Operational Recharge	84	84
Diversion from Poso Creek		
To Famoso Basin Banking	0	0
Percolation losses Creek Channel	0	0
Poso Creek Water Passed Trenton Weir	0	0

**Produced Water Deliveries** for the month of February were as follows:

Chevron	18.9 cfs per day (1,125 ac-ft.)
Valley Water	4.7 cfs per day (281 ac-ft.)

2) **System Operations & Maintenance:**

- Copper sulfate applications continue to be applied in the distribution canal and reservoirs as needed.
- Meter repairs continue to be conducted throughout the District.

3) **Food Safety MOU Consultant** – Mr. Ansolabehere reported that staff has reviewed potential Consultants to provide services as defined in the scope of works within Task 1, 2, and 3 of the MOU with the Central Valley Regional Water Quality Control Board.

- 4) **Reservoir B Slope Repair** – Mr. Ansolabehere reported that staff has been working with a contractor to remediate slope erosion that has migrated into the reservoir and caused a two foot vertical cut adjacent to the roadway. The contractor is in the process of pulling the migrated soils from the reservoir and placing the material on the upper portion of the slope, and grading the slope to its original elevations. Upon completion, a geotextile fabric will be placed over the slope along with the placement of 8” to 12” rock on the fabric. This fabric will provide separation of the rock and soils to prevent the rock from working its way into the soil.

**ADJOURNED TO CLOSED SESSION** – The meeting adjourned at approximately 10:06 a.m. to Closed Session.

**J. Closed Session:**

- 1) **To confer with legal counsel regarding pending litigation under authority of Government Code Section 54956.9 (d)(2)(3) (one matter) (d)(4) (one matter).**
- 2) **Conference with real property negotiators and/or properties under authority of Government Code Section 54956.8**
  - a) **City Water Purchase**
  - b) **North Kern Canal Facility Use**
  - c) **Miscellaneous Water Supplies**
  - d) **Storage/Well Sites**
  - e) **Oil Field Waters**
- 3) **Wages/salary/other terms and conditions of employment under authority of Government Code Section 54957.6**

**K. RETURN TO OPEN SESSION** – The Board returned to Open Session. It was announced that no action was taken in Closed Session that required disclosure under the Brown Act at this time.

**L. ADJOURNMENT** – The Board meeting adjourned at 11:10 a.m. The next regularly scheduled Board meeting is set for April 12, 2018 at 9:00 a.m. in Cawelo Water District Conference Room.

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Brian Blackwell, Board Secretary