

CAWELO WATER DISTRICT

BOARD MEETING

Conference Room at District Office

Thursday, June 14, 2018 - 9:00 AM

MINUTES

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

A. CALL TO ORDER

The meeting was called to order by President Watkins at 9:07 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 May 10, 2018 was presented for approval. After review, *it was motioned by Director Blackwell, seconded by Director Smith and unanimously carried that the minutes for May 10, 2018 be approved.*

C. TREASURER'S REPORT

The Treasurer's Report for the month of May was presented by District Controller, Ms. Giles.

Balances for May were as follows:

General Funds	5,011,089.09
Construction Funds	11,057,831.60
Reserved Funds	<u>10,942,981.34</u>
TOTAL FUNDS	27,011,902.03
Receipts for May 2018	1,953,082.76
Manual Cash Disbursements	204,460.40
Net Revenue through December	2,306,839.69
Total Expenses through December	<u>401,143.98</u>
NET REVENUE / <LOSS>	4,361,124.45

After review and discussion, *it was motioned by Director Blackwell, seconded by Director Gaugel and unanimously carried that the Treasurer's Report for May be accepted as presented.*

D. ACCOUNTS PAYABLE

The Accounts Payable report for the month of May 2018 was presented by District Controller, Ms. Giles. The report covered checks 30958 – 31023 issued June 13, 2018 and totaled \$3,185,081.21. After review and discussion, *it was motioned by Director Smith, seconded by Director Miller and unanimously carried that checks for the Accounts Payable for the month of May 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 staff has met with North Kern representatives in an attempt to resolve any remaining issues with the intent that they will present the matter to their board and execute the agreement.
- b. Building Remodel – Status of Project** – Mr. Hampton reported that the issue with the window replacement has been completed and the two issues that remain are the payment for the concrete floor finish and the credit payment for the carpet roll. Staff, Klassen, and Simile are still working together in an effort to close the project and distribute the final retention funds being held. It was noted that Simile has bonded around the only Stop Payment Notice.
- c. Famoso to Friant Pipeline Project** – Mr. Ansolabehere reported that staff is working on appraisals for the project and that GEI and staff are working on the 299 permit from the Bureau of Reclamation.
- d. Well #14 & #15 Pipeline Project** – Mr. Ansolabehere reported that construction has started and construction of the pipeline is expected to be partially completed in June with the goal of being able to convey some amount of water as soon as possible, and the remainder of the project is expected to be completed in the months to follow.
- e. Landowner Recharge** – Mr. Hampton reported that staff has met with landowners to discuss and get input on the draft general concepts for potential landowner recharge program. Staff has revised the draft principles, considering landowner input and along with legal counsel are currently reviewing the draft.

2) ILRP

Coalition Update – In addition to providing a written report, Mr. Hampton reported that the State Water Resources Control Board adopted an order to revise the Eastern San Joaquin River Watershed (ESJ) General Order. Subsequently, three petitions were filed, challenging the revised order addressing several issues, including claims that there is insufficient information made available to the public, it is not consistent with the Anti-Degradation Policy and it doesn't meet water quality objectives. Coalitions, other than the Eastern San Joaquin Water Quality Control Coalition, are considering participating in the process and filing as an intervenor. Petitions filed are in direct response to the adopted revised ESJ order but the outcome will have an impact on other orders in the valley. Participating as an intervenor will provide opportunity to defend or attempt to minimize any adverse outcome.

The Cawelo Water District Coalition (CWDC) has participated with the Kern River Watershed Coalition Authority (KRWCA) under a special activity agreement (SAA) addressing legal matters concerning previous petitions challenging the ESJ order. Mr. Hampton and staff is recommending that if KRWCA chooses to file as an intervenor, then CWDC will request to participate under a modified SAA or a new SAA and pay the proportionate per acreage share, while not be directly named as an intervenor.

After review and discussion, ***it was motioned by Director Blackwell, seconded by Director Smith, and unanimously carried that the District would participate in a SAA with KRWCA if KRWCA elected to file as an intervenor.***

Mr. Hampton also reported that on May 16, 2018, the Central Valley Groundwater Monitoring Collaborative (CVGMC) submitted the Technical Workplan that included the coalition's individual Groundwater Quality Trend Monitoring Plans. CWDC's monitoring plan included 19 wells that were chosen to address a strategic approach to monitoring local groundwater and to leverage the historical groundwater quality information that Cawelo has been collecting for years. CWDC selected wells that has historical water quality information and provided a plan to acquire the necessary well information. Staff has been working with Regional Board staff to update the appropriate well information.

Lastly, Mr. Hampton presented the proposed 2018 Budget with a total of \$118,522 that includes a \$10,000 reserve. The proposed budget includes State Board Fees in the amount of \$29,522. Three sampling events have occurred this year, with an estimated two additional events to occur before the end of the year, totaling an estimated \$45,500. With the 2017 carryover, there is \$76,000 that needs to be funded, which would set the 2018

coalition fees at \$2.25 per irrigated acre and \$3.30 per irrigated acre for the supplemental coverage area (SCA). Mr. Hampton recommended the board approve the 2018 Budget for \$118,522 and to set the 2018 fees at \$2.25 per irrigated acre and \$3.30 per irrigated acre for the SCA area.

After review and discussion, *it was motioned by Director Miller and seconded by Director Gaugel and unanimously carried that the 2018 Cawelo Water District Coalition Budget be accepted and 2018 membership fees be set at \$2.25 per irrigated acre and \$3.30 per irrigated acre for the Supplemental Coverage Area.*

3) Sustainable Groundwater Management Act

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

4) Financial and Personnel

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

5) SWP

- a) **Cal Water Fix** – Mr. Hamilton provided a brief update on Cal Water Fix (CWF) funding and the construction and financing JPA.

Mr. Hartsock also noted that the Kern County Water Agency has modified its policy on transferability of California Water Fix Yield in Kern County and approved the Transfer of Article 21 Water within the member units.

It was also noted a landowner meeting is now scheduled to discuss CWF participation.

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

H. ENGINEER’S REPORT – Mr. Schafer reported that there has been no movement in the respects to the Poso Creek Diversion Petition.

Mr. Schafer also reported that he has received correspondence from Fish and Wildlife that the Draft Stream Alteration Agreement will be mailed out for review.

I. MANAGER’S REPORT

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

	<u>Ac-Ft Delivered</u>	<u>YTD</u>
Supplies Received	7,100	22,311
Landowner Deliveries	7,722	20,414
East Poso Basin Recharge	0	187
Famoso Basin Recharge	0	1,506
System Loss/Operational Recharge	299	1,046
Diversion from Poso Creek		

To Famoso Basin Banking	0	1,506
Percolation losses Creek Channel	0	1,916
Poso Creek Water Passed Trenton Weir	0	2,816

Produced Water Deliveries for the month of May were as follows:

Chevron	32.0 cfs per day (1,906 ac-ft.)
Valley Water	6.2 cfs per day (368 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) PWRPA Reconciliation 2017 – Mr. Ansolabehere reported that the 2017 PWRPA reconciliation has been complete and based on the reconciled numbers, Cawelo’s energy rates were as budgeted, with a \$50,709 over fund for pump stations and wells and \$5,000 under funded for Pump Station ‘C’. Total energy costs for pump stations and wells were \$2,043,719.16 and \$984,553.63 for Pump Station C.

4) PWRPA Aquamarine Solar Project – Mr. Ansolabehere reported that PWRPA Aquamarine Solar Project has offered two rate options. The first option is \$36.75/MWh flat for 20 years with standard language. No Most- Favored clause. The second option is \$38.95/MWh flat for 20 years with standard language and with MFN (matching lowest price of any other party in the project). The selection Cawelo chooses will be taken to the PWRPA participants involved in the project and be decided by the group.

The Board of directors and staff recommended option one (the lower rate option), and directed Mr. Ansolabehere to relay that decision to the PWRPA participants involved in this project.

ADJOURNED TO CLOSED SESSION – The meeting adjourned at approximately 9:56 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 10:52 a.m. The next regularly scheduled Board meeting is set for July 12, 2018 at 9:00 a.m. in Cawelo Water District Conference Room.

Brian Blackwell, Board Secretary