

CAWELO WATER DISTRICT

BOARD MEETING

Conference Room at District Office

Thursday, July 12, 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, Jeremy Nugent, Brandon Spain, Mark Payette

A. CALL TO ORDER

The meeting was called to order by President Watkins at 9:05 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 June 14, 2018 was presented for approval. After review, *it was motioned by Director Blackwell, seconded by Director Gaugel and unanimously carried that the minutes for June 14, 2018 be approved.*

C. TREASURER'S REPORT

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

General Funds	3,114,488.01
Construction Funds	11,080,331.40
Reserved Funds	<u>10,981,414.43</u>
TOTAL FUNDS	25,176,233.84
Receipts for May 2018	1,474,516.76
Manual Cash Disbursements	5,926.56
Net Revenue through December	3,051,462.47
Total Expenses through December	<u>444,822.06</u>
NET REVENUE / <LOSS>	3,739,602.60

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.*

1. **2017 Audit Review and Discussion** – Certified Public Accountant, Jeffrey Goossen, presented an overview of the 2017 Annual Audit covering the financial statements, net position, balance sheet, revenue and expenses. Mr. Goossen stated the Audit was complete and that he had previously met with a District committee to fully discuss the audit. After review and discussion, *it was motioned by Director Miller and seconded by Director Smith and unanimously carried that the 2017 Audit be accepted as presented.*

D. ACCOUNTS PAYABLE

The Accounts Payable report for the month of June 2018 was presented by District Controller, Ms. Giles. The report covered checks 31028 – 31085 issued July 11, 2018 and totaled \$1,181,718.54. After review and discussion, *it was motioned by Director Blackwell, seconded by Director Miller and unanimously carried that checks for the Accounts Payable for the month of June 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 he and North Kern’s Manager are trying to schedule a meeting in the near future.
- b. **Building Remodel – Status of Project** – Mr. Hampton reported that Simile has submitted two payment requests for the final change orders totaling \$12,781 and the release of the final retention payment. There is an outstanding issue regarding a credit due for the carpet roll that was not received by the District. Mr. Hampton is requesting the board approve the release of the retention funds and approve the filing of the Notice of Completion subject to General Manager’s approval and satisfaction of the resolution of any remaining issues. After review and discussion, *it was motioned by Director Smith and seconded by Director Blackwell and unanimously carried that the Notice of Completion be filed and release of final payment be issued, subject to management discretion.*
- c. **Famoso to Friant Pipeline Project** – Mr. Ansolabehere reported that staff has received two of three appraisals that are needed and has received a license agreement from North Kern Water Storage District to bore underneath the Lerdo Canal. Mr Ansolabehere further reported that staff and GEI are working on the 299 permit with the Bureau of Reclamation and addressing any concerns they have.

- d. **Well #14 & #15 Pipeline Project** – Mr. Ansolabehere reported that construction continues and that the pipeline portion is complete and that pumping to reach 6 has started. Mr. Ansolabehere reported that there is an issue with pressure and natural gas with well #14 and that staff will address the issue with Dee Jaspar to resolve the issue.
- e. **Landowner Recharge** –Mr. Hampton reported that legal counsel has reviewed the draft principles and staff will meet to discuss comments and questions.
- d. **CVC Policy** – Legal Counsel, Mr. Hartsock reported that Rosedale-Rio Bravo Water Storage District and Kern Delta Water District (RRB&KD) have drafted a memorandum addressed to Cross Valley Canal Participants regarding the denial of access to CVC capacity and a proposed revised CVC Operations Policy. The purpose of this proposed revised policy is to ensure that the CVC agreement is followed and that CVC Participants are not denied access to their agreed capacity. RRB&KD are asking for support in this matter.

After review and discussion, *it was motioned by Director Gaugel and seconded by Director Blackwell and unanimously carried that Cawelo Water District Support the proposed policy and procedures, as presented by RRB & KD.*

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. CWDC will participate as an intervenor through a special activities agreement with the Kern River Watershed Coalition (KRWC) if they choose to file as an intervenor.

Mr. Hampton also reported that CWDC received a conditional approval of the Groundwater Quality Trend Monitoring Plan (GQTM) dated June 29, 2018. A final list of the wells, along with the required information, is due by July 31, 2018. Because of the timing of the implementation of the program, the Regional Board staff has required a meeting to discuss water sampling results that cannot be incorporated in to the subsequent annual monitoring report.. Staff will develop the required information and submit it by July 31st . .

Furthermore, Mr. Hampton reported that the 2018 budget is set at \$118,522. With the 2017 budget carryover, the membership fees were set at \$2.25 per irrigated acre in the CWDC

area and \$3.30 per irrigated acre in the Supplemental Coverage Area. In total, \$76k is expected to be collected in 2018 revenues. To date, \$18,092.87 has been received from 27 members.

Lastly, Mr. Hampton reported that the State Board will be hosting workshops to discuss other alternative methods to assessing the State Board fees. Fees are currently assessed on a per irrigated acre basis. The Sacramento Valley Water Quality Coalition does not agree with this current method and is proposing that fees be collected differently. Some of the proposed methods included using a tiered structure based on total acres, threat to water quality, by region or WDR, commodity, other funding sources, such as pesticide or fertilizer tax or from the general fund. Although CWDC is in favor of using the general fund, it is an unlikely option and using any variation of the proposed methods would make calculating fees more complex. Staff is in favor of remaining with the current calculation method but comments and feedback from the landowners and coalition members are welcome. The Board of Directors support continuing to with the current fee allocation method.

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. Ansolabehere reported that a landowner meeting was held on June 21, 2018 to discuss the California Water Fix (CWF), but that no definitive decision was made as to Cawelo's participation. The landowners did inquire about other potential supplies that might be available. The Board concurred with its prior decision to participate in the MWD program at this time, as was previously submitted to the Kern County Water Agency. It was also noted a financing JPA has been created.

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

H. ENGINEER'S REPORT – Mr. Schafer reported that he has been in communication with the Division of Water Rights regarding their concerns on the Poso Creek Diversion Petitions. Mr. Schafer also reported that he has been in contact with Fish and Wildlife to resolve any concerns and comments with respect to the draft Stream Alteration Agreement.

Lastly, Mr. Schafer noted that he is currently working with staff on an Operations report for the District, spanning from 1965 to 2017.

I. MANAGER'S REPORT

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

	<u>Ac-Ft Delivered</u>	<u>YTD</u>
Supplies Received	8,177	30,487
Landowner Deliveries	8,533	28,947
East Poso Basin Recharge	0	187
Famoso Basin Recharge	0	1,506
System Loss/Operational Recharge	339	1,384
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 June were as follows:

Chevron	32.0 cfs per day (1,904 ac-ft.)
Valley Water	5.7 cfs per day (342 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.

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 August 09, 2018 at 9:00 a.m. in Cawelo Water District Conference Room.

Brian Blackwell, Board Secretary