

CAWELO WATER DISTRICT

BOARD MEETING

Conference Room at District Office

Thursday, August 09, 2018 - 9:00 a.m.

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, Megan Chicoine, Mark Payette, Scott Hamilton, Tim Gobler, Brandon Spain, Terry Nugent

A. CALL TO ORDER

The meeting was called to order by President Watkins at 9:14 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 July 12, 2018 and June 21, 2018 were presented for approval. After review, *it was motioned by Director Blackwell, seconded by Director Gaugel and unanimously carried that the minutes for July 12, 2018 and June 21, 2018 be approved.*

C. TREASURER'S REPORT

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

General Funds	2,107,849.88
Construction Funds	11,088,956.66
Reserved Funds	<u>11,245,982.89</u>
TOTAL FUNDS	24,442,789.43
Receipts for July 2018	264,568.46
Manual Cash Disbursements	1,354,768.84
Net Revenue through December	3,765,712.70
Total Expenses through December	<u>372,213.91</u>
NET REVENUE / <LOSS>	4,636,955.80

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

D. ACCOUNTS PAYABLE

The Accounts Payable report for the month of July 2018 was presented by District Controller, Ms. Giles. The report covered checks 31099 – 31153 issued August 08, 2018 and totaled \$711,154.25. After review and discussion, *it was motioned by Director Blackwell, seconded by Director Smith and unanimously carried that checks for the Accounts Payable for the month of July 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 General Manager have spoken and would like to schedule a committee meeting in the near future in an attempt to resolve any remaining issues. Mr. Ansolabehere recommends that the board assign a committee to meet with a committee of North Kern's Board. Directors Blackwell and Watkins will participate as an ad hoc committee on behalf of Cawelo.
- b. Famoso to Friant Pipeline Project** – Mr. Ansolabehere reported that staff is still awaiting the last appraisal that is needed for the project and is working with landowner representatives regarding pipeline easements.
- c. Well #14 & #15 Pipeline Project** – Mr. Ansolabehere reported that construction continues and that the pipeline portion is complete and construction of the booster station has started. Mr. Ansolabehere reported that there was a minor change with Well #15 and the pipeline. Staff has made the decision to isolate Well #15 and have a pipeline directly to the booster station, rather than have it tied into Well #14 pipeline.
- d. Landowner Recharge** – Mr. Hampton reported that legal counsel has provided comments and staff will meet next week to discuss comments and questions.

2) ILRP

Coalition Update – In addition to providing a written report, Mr. Hampton reported that changes to the Eastern San Joaquin River Watershed General Order (ESJ) reduced individual grower anonymity and is increasing the requirement for individual reporting.

Environmental Justice (EJ) representatives requested a metric to quantify groundwater quality conditions. The State Board directed EJ representatives and agriculture to develop a solution that would satisfy both parties. As a result, the concept of Groundwater Protection Targets (GPT) was developed. The GPT formulas are to determine assimilative capacity that will provide an amount of “degradation” that can occur and will also support the CV Salts process. The GPT’s are proposed to be developed based on a township level that will be incorporated as part of any Groundwater Quality Management Plan, and will focus on nitrates. Currently, the GPT’s are in the early development stages and are focusing on identifying formulas for the GPT’s.

Mr. Hampton also reported that on June 29, 2018 CWDC received a conditional approval of the Groundwater Quality Monitoring Plan (GQMP) from the Regional Board. An incomplete well update was submitted, along with an extension request. Staff provided information on and proposed to use 15 monitoring wells, rather than the 19 wells that were originally proposed.

Furthermore, Mr. Hampton reported that the 2018 budget was set at \$118,522 and 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, an estimated \$76k for 2018 revenues is expected to be collected. To date, \$63,718 has been received, which is approximately 84% of the 2018 revenues to be collected.

Lastly, Mr. Hampton reported that CWDC is required to annually submit member information regarding compliance of Farm Evaluations and Nitrogen Management Plan Summary Reports to the Regional Board for both CWDC and the Supplemental Coverage areas by July 31, 2018. In total, 87 members and 34,453.80 irrigated acres were reported with 100% compliance for both items.

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** – A report was presented on the boardroom monitor by District Consultant, Mr. Scott Hamilton, who provided a report on the future of projected water supplies, certain best and worst case scenarios, possible future projects, and estimates of funding requirements.

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

H. ENGINEER’S REPORT – Mr. Schafer reported that he submitted a letter on June 26th to the Division of Water Rights, addressing their comments and concerns regarding the Poso Creek Diversion Petitions.

Mr. Schafer also reported that he has been in contact with Fish and Wildlife to resolve any concerns, comments and contract length, 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 and provided a report reflecting delivery and water cost history.

I. MANAGER’S REPORT

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

	<u>Ac-Ft Delivered</u>	<u>YTD</u>
Supplies Received	11,062	41,694
Landowner Deliveries	11,095	40,043
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	685
Percolation losses Creek Channel	0	1,916
Poso Creek Water Passed Trenton Weir	0	2,816

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

Chevron	35.3 cfs per day (2,103 ac-ft.)
CRC/Bell Aire	6.8 cfs per day (406 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 Solar Project – Mr. Ansolabehere reported that two companies are currently negotiating for the PWRPA Solar Project that will provide different rate options. The proposed rate options are at a lower cost than what was previously presented and offer similar ancillary service packages. Staff will work with PWRPA representatives to determine the best level of energy contracts to enter, which will ultimately be decided by a final vote of PWPRPA membership.

ADJOURNED TO CLOSED SESSION – The meeting adjourned at approximately 10:26 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 11:31 a.m. The next regularly scheduled Board meeting is set for September 13, 2018 at 9:00 a.m. in the Cawelo Water District Conference Room.

Brian Blackwell, Board Secretary