

CAWELO WATER DISTRICT

BOARD MEETING

Conference Room at District Office

Thursday, February 14, 2019 - 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: Scott Hamilton, Andy Schweikart, Garrett Busch, Andy Sabzehroo

A. CALL TO ORDER

The meeting was called to order by President Watkins at 9:37 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 January 10, 2018 were presented for approval. After review, *it was motioned by Director Blackwell, seconded by Director Miller and unanimously carried that the minutes for January 10, 2018 be approved.*

C. TREASURER'S REPORT

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

General Funds	7,009,703.02
Construction Funds	9,639,312.67
Reserved Funds	<u>9,446,019.40</u>
TOTAL FUNDS	26,095,035.09
Receipts for January 2019	6,467,150.85
Manual Cash Disbursements	169,401.39
Net Revenue through January	6,867,510.13
Total Expenses through January	<u>495,911.35</u>
NET REVENUE / <LOSS>	6,289,730.46

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

D. ACCOUNTS PAYABLE

The Accounts Payable report for the month of January 2019 was presented by District Controller, Ms. Giles. The report covered checks 31393 – 31443 issued January 9, 2019 and totaled \$376,438.51.

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 January be accepted as presented and all invoices paid accordingly.*

District controller, Ms. Leeann Giles, announced the retirement of the district's current Auditor, Jeffrey Goossen, and reported that Cawelo has requested proposals from the following auditing service providers: Barbich Hooper King Hill Doffman and Brown Armstrong. Ms. Giles will distribute both proposals to the board for consideration at the next board meeting.

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 he had no update with respect to the North Kern Transportation Agreement, but did note that staff is in discussions with representatives from Kern Tulare Water District and will soon be speaking to representatives from City of Bakersfield.
- b. Famoso to Friant Pipeline Project** – Mr. Ansolabehere reported that staff continues to work with landowners to finalize the easements.
- c. PWRPA Solar PPA Agreement** – Mr. Ansolabehere presented the Board with a proposed Power Purchase Agreement. The proposed agreement provides for a lower cost and is for a 20 year term.

After review and discussion, *it was motioned by Director Gaugel, seconded by Director Blackwell and unanimously carried that the Power Purchase Agreement be approved and that the General Manager has authority as to the desired quantity (between 3.7 and 4.3 megawatts .)*

- d. Landowner Recharge** –Mr. Hampton reported that staff and legal counsel have updated the draft principles, that they are under internal review, and are anticipated to be distributed to the Board of Directors next month.

2) ILRP

Coalition Update – Mr. Hampton reported that the Kern River Watershed Coalition Authority (KRWCA) and the Kern coalitions hosted their final joint workshop to cover the Farm Evaluations and Nitrogen Management Plan training, on January 10, 2019. Members who have land in the High Vulnerability areas are required to submit their Farm Evaluations and Nitrogen Summary Reports on March 1, 2019. Reminder notices will be sent to landowners who have not submitted their reports.

Coalitions will begin incorporating the new requirements by the Regional Board that will include; new reporting requirements and modifying the ILRP Farm System to reflect the new Farm Evaluation Forms and Irrigation and Nitrogen Management Plan. CWDC staff will review the final approved order and provide a summary of the new requirements. Mr. Hampton reported that the Regional Board responded to CWDC's Surface Water Management Plan (SWMP) that was submitted on November 14, 2018. The Regional Water Board is requesting that CWDC monitor the Lerdo Canal and Distribution Canal. The Regional Board requested that CWDC provide a revised SWMP by February 14, 2019 and Staff requested an extension.

Coalitions are considering potential arguments and reasoning for not monitoring agricultural conveyance canals. Legal counsel of multiple coalitions are reviewing the validity of the Regional Board's request with respect's to "waters of the state" and access to private facilities.

The Kern River Watershed Coalition Authority (KRWCA) continues their efforts to organize meetings between the Executive Officer and water district managers to discuss jurisdiction over their respective ag conveyance facilities.

Lastly, Mr. Hampton reported the consultant group, Provost & Pritchard (P&P), was awarded the contract to support KRWCA with the understanding that eventually KRWCA would become its own entity with its associated employees.

P&P has provided notice that they will no longer house KRWCA staff and KRWCA is evaluating their options on becoming an independent entity. Currently, CWDC is a member of the KRWCA and participates in special activities that include CV Salts and the ILRP Farm database management system. Although KRWCA owns the software, P&P

manages and maintains the software database. CWDC currently has an existing contract with P&P and the transition should have no affect with the exception of potential added costs.

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** – This matter was deferred until after closed session.

5) SWP

- a) **Cal Water Fix** – Consultant, Mr. Hamilton, provided a brief update on the Cal Water Fix, including the Governor’s statement regarding his preference for one tunnel.

Mr. Hamilton also reported that San Luis Reservoir is near capacity and could provide Article 21 water.

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 representatives from Department of Water Resources are reviewing the petition and will provide comments in the near future.

- 2) **Stream Alteration Agreement** - Mr. Schafer also reported that staff intends to schedule a conference call with Fish and Wildlife representatives regarding further issues and hopes to bring the Stream Alteration Agreement to conclusion.

Mr. Schafer noted that he has submitted the draft Operations Summary Report to staff for final revisions.

I. MANAGER’S REPORT

- 1) **Water Deliveries/Supplies** into the District for January 2019 were as follows:

	<u>Ac-Ft Delivered</u>	<u>YTD</u>
Supplies Received	2,722	2,722
Landowner Deliveries	880	880
East Poso Basin Recharge	0	302
Famoso Basin Recharge	0	1,506
System Loss/Operational Recharge	1,783	1,783
Diversion from Poso Creek To Famoso Basin Banking	0	0

Percolation losses Creek Channel	246	246
Poso Creek Water Passed Trenton Weir	246	246

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

Chevron	35.4 cfs per day (2,103 ac-ft.)
CRC/Bell Aire	10.4 cfs per day (618 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) Equipment Acquisition – Mr. Ansolabehere is requesting the purchase of a new truck as a replacement of the Assistant Manager’s current 2013 Ford F-150, due to heavy wear and increased service requirements. Staff recommends the purchase, at a cost not to exceed \$38,000 through Fleet Purchasing.

After review and discussion, *it was motioned by Director Blackwell, seconded by Director Miller and unanimously carried that the purchase of a new vehicle at a cost not to exceed \$38,000 through Fleet Purchasing be approved.*

3) Hamilton Resource Economic Contract – Mr. Ansolabehere reported that consultant, Scott Hamilton, of Hamilton Resource Economics, has been a tremendous contribution to Cawelo’s involvement in the State Water Project and California Water Fix. Mr. Hamilton’s service contract term has ended and he has provided staff with a contract renewal for consideration. Staff recommends the Board approve execution of the new contract with Hamilton Resource Economics.

After review and discussion, *it was motioned by Director Blackwell, seconded by Director Smith and unanimously carried that the Cawelo Water District execute a new contract with Hamilton Resource Economics.*

ADJOURNED TO CLOSED SESSION – The meeting adjourned at approximately 10:38 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 at 11:48. It was announced that no action was taken in Closed Session that required disclosure under the Brown Act at this time.

The Board next considered item F. 4 of the agenda. Upon motion by Director Blackwell, seconded by Director Smith, it was unanimously carried that the Board approved an increase in wages for non-exempt employees as recommended by management, but modified to insure no position earned less than \$12.00 per hour, and further approved wage increases for exempt employees as follows: Assistant Manager 5.44 %; Controller 4.69 %; and General Manager 4.5 %.

L. ADJOURNMENT – The Board meeting adjourned at 11:50 a.m. Because the Kern Water Summit is scheduled for March 7th, the next Board meeting will be held on March 21, 2019 at 9:00 a.m. in the Cawelo Water District Conference Room.

Brian Blackwell, Board Secretary