

CAWELO WATER DISTRICT

BOARD MEETING

Conference Room at District Office

Thursday, March 21, 2019 - 9:30 a.m.

MINUTES

DIRECTORS PRESENT: Keith Watkins, Mark Smith, Eric Miller, John Gaugel, Brian Blackwell
STAFF PRESENT: David Ansolabehere, Dave Hampton, LeeAnn Giles, Candice Valdez
LEGAL COUNSEL: Robert Hartsock
OTHER ATTENDEES: Scott Hamilton, Andy Schweikart, Garrett Busch, Todd Turley, Sam Etchegaray, Tim Gobler

A. CALL TO ORDER

The meeting was called to order by President Watkins at 9:24 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 14, 2019 were presented for approval. After review, *it was motioned by Director Blackwell, seconded by Director Smith and unanimously carried that the minutes for February 14, 2019 be approved.*

C. TREASURER'S REPORT

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

General Funds	6,367,536.77
Construction Funds	9,649,360.49
Reserved Funds	<u>9,446,437.75</u>

TOTAL FUNDS **25,463,335.01**

Receipts for February 2019	349,348.56
Manual Cash Disbursements	40,502.01

Net Revenue through February
Total Expenses through February

NET REVENUE / <LOSS>

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

- 1) District controller, Ms. Leeann Giles reported that Cawelo has received proposals from the following auditing service providers: Barbich Hooper King Hill Doffman and Brown Armstrong. Ms. Giles distributed both proposals to the board for consideration and recommends Brown Armstrong. The Board reviewed the proposals and suggests using Brown Armstrong and if any issues or discrepancies arise, the District will reconsider Barbich Hooper King Hill Doffman for future use.

After review and discussion, *it was motioned by Director Gaugel, seconded by Director Blackwell and unanimously carried that the District retains Brown Armstrong for their auditing services.*

- 2) Resolution 676, Declaring Necessity for Levying 2019 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 676, declaring the necessity to levy 2019 Special Assessments and to notice a public hearing, was carried by the following roll call vote:

AYES:	5	Watkins, Smith, Blackwell, Miller, Gaugel
NOES:	0	
ABSTAIN:	0	
ABSENT	0	

D. ACCOUNTS PAYABLE

The Accounts Payable report for the month of February 2019 was presented by District Controller, Ms. Giles. The report covered checks 31509 – 31559 issued March 15, 2019 and totaled \$1,289,503.60.

After review and discussion, *it was motioned by Director Miller, seconded by Director Gaugel and unanimously carried that checks for the 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 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 is working with landowners to finalize the last easement for the Famoso to Friant Pipeline project.
- c. Landowner Recharge** – Mr. Hampton reported that staff and legal counsel have updated the draft principles and distributed it to the Board of Directors. The Board of Directors provided comments and recommendations on the draft regarding language, water banking, deliveries, and future waters. Staff and legal counsel will review comments and concerns and distribute updated draft principles for review.

2) ILRP

Coalition Update – Mr. Hampton reported that Poso Creek waters reached Trenton Weir on January 31, 2019 and Zerker Road on February 7, 2019. Water quality samples were collected on February 7, 2019 and will continue to be collected for the month of March and the following months, if water is flowing.

Mr. Hampton also reported that the East San Joaquin (ESJ) general order provides that a Surface Water Expert Panel is required to assist in determining appropriate surface water monitoring for the ESJ watershed. There is currently an advisory group being formed to recommend members for the Expert Panel. There will be three agricultural representatives for the advisory group and they are Susan Paulsen, Mike Wakeman, and Sara Rutherford will represent the Southern Coalitions. Remaining members will be chosen as follows: 2 representatives from environmental groups, 1 representative from other interested party groups and 2 representatives from the Regional Board.

With respect to the Surface Water Monitoring Plans (SWMP), coalitions are considering potential arguments for exclusion of agricultural conveyance canals from being monitored in the SWMP. Coalitions have retained legal representatives to examine the validity of the Regional Board's request, with respect to the "Waters of the State" and access to private facilities. There are currently four water districts who, along with representatives from the Kern River Watershed Coalition Authority, have scheduled a meeting with the Regional Board staff on March 21, 2019.

Mr. Hampton further reported that the revised General Order requires coalitions to develop groundwater protection targets and multiple coalitions have been working with the ESJ in a collaborative effort. Coalitions met on March 14, 2019, to discuss the process and the potential to use the Southern MPEP program and SWAT modeling as part of the

Groundwater Protection Targets (GPT) formulas. Mr. Hampton provided a draft table that showed potential costs to participate in the proposed efforts that would be allocated based upon High Vulnerability acres.

Lastly, Mr. Hampton reported that coalitions are working collectively to work through the GPT process and there is a need to share grower and other information to help fellow coalitions protect against increasing regulations and lawsuits. Mr. Hampton provided a draft Common Interest Agreement that has been developed to allow confidential information to be shared and protected pursuant to attorney-client privilege and the attorney work product privilege. Mr. Hampton recommends that the Board authorize execution of the draft agreement for CWDC, pending staff and legal counsel's final approval.

After review and discussion, *it was motioned by Director Blackwell, seconded by Director Smith and unanimously carried that the Common Interest Agreement be approved, pending staff and legal counsel's final approval.*

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 preference for one tunnel (as opposed to two), the possibility that additional CEQA must be done, and the potential for an opt-in approach. Mr. Hamilton also noted that State Water Project (SWP) deliveries have increased to 70% for SWP participants and that the federal government is willing to fund less than initially expected for Oroville Dam repairs. Mr. Hartsock noted that the Department of Water Resources has initiated a validation action with respect to SWP contract extensions.

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

H. ENGINEER'S REPORT

- 1) Poso Creek Diversion Petition** - Mr. Ansolabehere reported that staff has responded to DWR's comments and concerns, and has not yet received a response.

- 2) **Stream Alteration Agreement** - Mr. Ansolabehere reported that staff has spoken with representatives from Fish and Wildlife representatives regarding comments and issues and hopes to bring the Stream Alteration Agreement to conclusion in the near future.

I. MANAGER'S REPORT

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

	<u>Ac-Ft Delivered</u>	<u>YTD</u>
Supplies Received	5,853	8,575
Landowner Deliveries	1,104	1,984
East Poso Basin Recharge	363	363
Famoso Basin Recharge	2,430	2,430
System Loss/Operational Recharge	1,349	1,426
Diversion from Poso Creek		
To Famoso Basin Banking	1,232	1,232
Percolation losses Creek Channel	2,302	2,302
Poso Creek Water Passed Trenton Weir	3,534	3,534

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

Chevron	33.8 cfs per day (2,008 ac-ft.)
CRC/Bell Aire	9.0 cfs per day (538 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.

Mr. Ansolabehere noted that staff will meet with Dee Jaspar and Associates to discuss issues with erosions on valves, meters, and pipes due to aging infrastructure.

ADJOURNED TO CLOSED SESSION – The meeting adjourned at approximately 11:21 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 11:57. 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 10:48a.m. The next regularly scheduled Board meeting is set for April 11, 2019 at 9:00 a.m. in the Cawelo Water District Conference Room.

Brian Blackwell, Board Secretary