CAWELO WATER DISTRICT

BOARD MEETING
Conference Room at District Office
Thursday, July 11, 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, Celynn Lyman
LEGAL COUNSEL: Robert Hartsock
OTHER ATTENDEES: Garratt Burns, Hayden Cornwell, Andy Schweikart, Jeff Looker, Bruce Kelsey

A. CALL TO ORDER

The meeting was called to order by President Watkins at 9:10 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 13, 2019 were presented for approval. After review, it was motioned by Director Blackwell, seconded by Director Gaugel and unanimously carried that the minutes for June 13, 2019 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:

<table>
<thead>
<tr>
<th>Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>7,835,630.43</td>
</tr>
<tr>
<td>Construction Funds</td>
<td>8,877,155.02</td>
</tr>
<tr>
<td>Reserved Funds</td>
<td>9,554,902.98</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td><strong>26,267,688.43</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts for June 2019</td>
<td>463,932.35</td>
</tr>
<tr>
<td>Manual Cash Disbursements</td>
<td>25,183.19</td>
</tr>
<tr>
<td>Net Revenue through June</td>
<td>5,536,623.54</td>
</tr>
<tr>
<td>Total Expenses through June</td>
<td>3,253,448.64</td>
</tr>
</tbody>
</table>

**NET REVENUE / <LOSS>** 5,005,606.47

After review and discussion, it was motioned by Director Smith, seconded by Director Blackwell and unanimously carried that the Treasurer’s Report for June be accepted as presented.
D. ACCOUNTS PAYABLE
District Controller, Ms. Giles, presented the Accounts Payable report for the month of June 2019. The report covered checks 31765-31816 and 31760-31762 issued June 12, 2019 and totaled $489,115.54, PWRPA (June) not included as bill was just received.
After review and discussion, it was motioned by Director Miller, seconded by Director Smith 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 CWD has made inquiries of the City, trying to move this matter forward. Other than that, he had no update with respect to the North Kern Transportation Agreement.
   b. Famoso to Friant Pipeline Project – Mr. Ansolabehere reported that CWD is still working with landowners for additional easements to reflect the newly proposed realignment. Agreements with Cal-Trans and the railroad have had to be revised. Railroad will probably require insurance rider and paperwork is in process.
   c. Landowner Recharge – Mr. Hampton reported the draft principles were recently revised considering the latest comments and discussion. Mr. Hartsock commented that he considered the proposed edits and comments made by Todd Turley and Tim Gobler and attempted to address their major concerns. A copy of the draft principles were handed out at the meeting. Director Gaugel requested some additional time to review the updated revision and Mr. Hampton agreed to email a copy to the Directors.

2) ILRP
   Coalition Update – Mr. Hampton reported that last month’s meeting was cancelled and he only has minimal updates. Mr. Hampton reported that the Regional Board had reviewed the latest revised SWMP, (submitted June 6, 2019,) and requested additional revisions regarding the discussion on “no municipal water use”. Additional inconsistencies were noted in the plan. Updates will be completed for submittal of a revised, certified and finalized SWMP to the Regional Board. Mr. Hampton reports that he has
acknowledgement from the Regional Board that if requested changes are made to his plan, it will finally be approved.

Lastly, Mr. Hampton noted that coalition fees are due July 19th. Approximately $50k has been received to date, with a budgeted fee revenue of $100k. The Annual Monitoring Report is due by August 31, 2019 and will include the initial data for groundwater monitoring this year. Similar to last year, Provost & Pritchard is developing the report.

3) Sustainable Groundwater Management Act
   a) Update – There was no update, noting the Cawelo GSA meeting, prior to this meeting, covered this topic.

4) Financial and Personnel
   a) Employee Compensations – No report.

5) SWP
   a) Delta Conveyance Project (DCP) – (Previously Cal Water Fix) Mr. Ansolabehere reports that the Agency is looking for a participation commitment. CWD is looking at 100% participation with an initial $4.3 million investment for preliminary studies. This may be split over a 2-3 year period. President Watkins questioned what has been spent, to date, on the DCP (under its various former names). Mr. Ansolabehere stated that through the last three iterations of project (BDCP, Cal Water Fix, DCP) millions have been spent and nothing has been gained. Mr. Ansolabehere further states that he believes it is important to participate in the DCP.

   As an aside, Mr. Hartsoek reported that Curtis Creel is resigning from the Agency September 13, 2019.

   Director Blackwell questioned whether DCP participation is mandatory District-wide with all landowners being in agreement or if this presents a situation where landowners could opt out. Potential funding options and participation methods were discussed. Mr. Ansolabehere further states Agency is looking for a participation commitment, and that commitment does not include money, at this point. The Board agrees to 100% participation at this time, but that is contingent on actual contract and whether process will actually occur. President Watkins indicates that, at some point, it needs to be brought to the attention of the Agency that CWD has been dealing with this since it was the BDCP.

G. ATTORNEY’S REPORT – Mr. Hartsoek had no report for open session.
H. ENGINEER’S REPORT

1) Poso Creek Diversion Petition - Mr. Ansolabehere reported that he had no update with respects to the Poso Creek Diversion Petition, at this point.

I. MANAGER’S REPORT

1) Water Deliveries/Supplies into the District for June 2019 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Ac-Ft Delivered</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplies Received</td>
<td>19,048</td>
<td>66,531</td>
</tr>
<tr>
<td>Landowner Deliveries</td>
<td>12,899</td>
<td>32,224</td>
</tr>
<tr>
<td>East Poso Basin Recharge</td>
<td>689</td>
<td>1,215</td>
</tr>
<tr>
<td>Famoso Basin Recharge</td>
<td>5,288</td>
<td>27,123</td>
</tr>
<tr>
<td>System Loss/Operational Recharge</td>
<td>884</td>
<td>3,215</td>
</tr>
<tr>
<td>Diversion from Poso Creek</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Famoso Basin Banking</td>
<td>2,289</td>
<td>28,793</td>
</tr>
<tr>
<td>Percolation losses Creek Channel</td>
<td>892</td>
<td>7,617</td>
</tr>
<tr>
<td>Poso Creek Water Passed Trenton Weir</td>
<td>3,181</td>
<td>24,198</td>
</tr>
</tbody>
</table>

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

- Chevron: 35.1 cfs per day (2,089 ac-ft.)
- CRC/Bell Aire: 9.5 cfs per day (564 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 10:11 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

4) Employment: Clerk Government Code Section 54957
K. RETURN TO OPEN SESSION – The Board returned to Open Session at 11:22 a.m. 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 11:22 a.m. The next regularly scheduled Board meeting is set for August 8, 2019 at 9:00 a.m. in the Cawelo Water District Conference Room.

Brian Blackwell, Board Secretary