CAWELO WATER DISTRICT

BOARD MEETING
Conference Room at District Office
Thursday, August 8, 2019 - 9:00 a.m.

MINUTES

DIRECTORS PRESENT: Keith Watkins, Mark Smith, Eric Miller, John Gaugel
DIRECTORS ABSENT: Brian Blackwell
STAFF PRESENT: David Ansolabehere, Dave Hampton, LeeAnn Giles, Celynn Lyman
LEGAL COUNSEL: Robert Hartsock
OTHER ATTENDEES: Stacie Ann Silva, Jeff Lockner, Garrett Burns, Sydney Proffitt, Andy Schweikart

A. CALL TO ORDER
The meeting was called to order by President Watkins at 9:50 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 11, 2019 were presented for approval. After review, it was motioned by Director Miller, seconded by Director Gaugel and unanimously carried that the minutes for July 11, 2019 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:

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>7,214,784.57</td>
</tr>
<tr>
<td>Construction Funds</td>
<td>8,885,463.97</td>
</tr>
<tr>
<td>Reserved Funds</td>
<td>9,559,784.95</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td><strong>25,660,033.49</strong></td>
</tr>
</tbody>
</table>

Receipts for July 2019: 13,421.34
Manual Cash Disbursements: 54,337.74

Net Revenue through July: 15,205,022.08
Total Expenses through July: 3,253,448.64

**NET REVENUE / <LOSS>:** 4,509,432.51

After review and discussion, it was motioned by Director Smith, seconded by Director Miller and unanimously carried that the Treasurer’s Report for July be accepted as presented.
D. ACCOUNTS PAYABLE

District Controller, Ms. Giles, presented the Accounts Payable report for the month of July 2019. The report covered checks 31819-31869 and 31817 issued August 9, 2019 and totaled $883,478.09, PWRPA (July) not included as bill was not yet received.

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 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, unfortunately, 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 landowner(s), exchanging electronic files. Project will need to be out for bid within the next month to be scheduled for this year. The laying of initial pipe, from Friant to Lerdo, is pivotal.

c. **Landowner Recharge** – Mr. Hampton commented that the revised draft principles for a potential landowner banking program have been distributed for review. There were no additional comments received by Staff. It was recommended that, if there were no further comments or questions, the Board approve the principles as presented and direct Staff to begin developing a Landowner Banking Agreement based on the set of approved principles.

After review and discussion, **it was motioned by Director Gaugel, seconded by Director Smith and unanimously carried to approve Landowner Banking Principles and proceed with drafting a Landowner Banking agreement.**

2) ILRP

**Coalition Update** – Mr. Hampton reported that Poso Creek was at 4 cfs on the 28th and the next day, flow was zero. Six (6) water samples and one (1) toxicity sample were taken this year. Additional sampling for 2019 should not be required unless we have unusual significant storm events. Costs for water quality analysis are approximately $34k currently
and expected to total approximately $50k for 2019. That is $5k over budget but it has been a wet year. SWMP final draft was submitted July 31st and we are awaiting approval. Mr. Hampton also discussed Coalition fees and provided an update on State Board Fees. The State Board set fees for 2019 at $.95/per irrigated acre and it is estimated that it will increase for 2020 by about 12% or go to approximately $1.06/per irrigated acre. 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, the firm of Provost & Pritchard is developing the report and Cawelo Staff will be provided the data and review the drafts

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. Hamilton reports, as consultant, that the Agency is currently negotiating with other SWP Contractors and the State regarding numerous aspects of the DCP. Various offers from the State and the Contractors are being considered. Mr. Hampton asked if capacity is going to be allocated to tunnel participants or does everyone benefit. Mr. Hamilton replied that, in principle, the participants will be the beneficiaries. The reality is that, even though capacity cannot be transferred, water can be and – for the moment – that is a benefit to non-participants. The negotiation process is in the initial stages, with five (5) negotiating meetings set up over the next five (5) months. Mr. Hamilton will keep the Board informed.

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 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 July 2019 were as follows:
CAWELO WATER DISTRICT
August 8, 2019

<table>
<thead>
<tr>
<th>Ac-Ft Delivered</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplies Received</td>
<td>20,667</td>
</tr>
<tr>
<td>Landowner Deliveries</td>
<td>14,817</td>
</tr>
<tr>
<td>East Poso Basin Recharge</td>
<td>0</td>
</tr>
<tr>
<td>Famoso Basin Recharge</td>
<td>4,780</td>
</tr>
<tr>
<td>System Loss/Operational Recharge</td>
<td>857</td>
</tr>
<tr>
<td>Diversion from Poso Creek</td>
<td>0</td>
</tr>
<tr>
<td>To Famoso Basin Banking</td>
<td>0</td>
</tr>
<tr>
<td>Percolation losses Creek Channel</td>
<td>0</td>
</tr>
<tr>
<td>Poso Creek Water Passed Trenton Weir</td>
<td>0</td>
</tr>
</tbody>
</table>

Produced Water Deliveries for the month of July were as follows:
- Chevron: 32.5 cfs per day (1,936 ac-ft.)
- CRC/Bell Aire: 10.0 cfs per day (596 ac-ft.)

Mr. Ansolabehere continued that CWD has received a letter from Mr. Jerry Anderson, Oak Investors – which owns 9 parcels, approximately 200 acres, near Reservoir B – asking to be brought into the water district. There was discussion regarding prior similar requests, and the current deficit of water supplies. As with previous requests, staff recommends the request be denied due to limited water supply and uncertainty in regards to SGMA.

Mr. Hartsock commented that the district has typically rejected annexations due to limited water. The Board has two options if there is a desire to not approve the annexation: (1) – act and reject/deny landowner request; or (2) – take no action. The Board took no action, and therefore the request was not approved.

Mr. Ansolabehere will draft and send a letter to Mr. Anderson, advising of the denial.

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 10:22 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 12:07 p.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 12:07 p.m. The next regularly scheduled Board meeting is set for September 12, 2019 at 9:00 a.m. in the Cawelo Water District Conference Room.

[Signature]
Brian Blackwell, Board Secretary