CAWELO WATER DISTRICT

SPECIAL BOARD MEETING
Conference Room at District Office

Friday, September 13, 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: Garrett Burns, Jeff Looker, Andy Schweikart

A. CALL TO ORDER

The meeting was called to order by President Watkins at 9:00 a.m. in the Conference Room of the District office located at 17207 Industrial Farm Road, Bakersfield, CA.

ADDITION OF AGENDA ITEM

Mr. Hartsock announced that an agenda item – Acceptance of Audit - needed to be added under item #C – Treasurer’s Report. After discussion, and in accordance with California Government Code section 54954.2 (b)(2), it was motioned by Director Blackwell, seconded by Director Smith and unanimously carried that an agenda item – Acceptance of Audit, under item #D, Treasurer’s Report, be added.

B. APPROVAL OF BOARD MINUTES

Minutes of the Board meeting for August 8, 2019 were presented for approval. After review, it was motioned by Director Smith, seconded by Director Gaugel and unanimously carried that the minutes for August 8, 2019 be approved.

C. TREASURER’S REPORT

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

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>6,296,002.04</td>
</tr>
<tr>
<td>Construction Funds</td>
<td>8,894,382.50</td>
</tr>
<tr>
<td>Reserved Funds</td>
<td>10,924,597.29</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td><strong>26,114,981.83</strong></td>
</tr>
</tbody>
</table>

Receipts for August 2019 1,837,154.38
Manual Cash Disbursements 21,187.49
Net Revenue through August 16,597,670.26
Total Expenses through August 5,586,810.74
NET REVENUE / <LOSS>  11,007,859.52

After review and discussion, it was motioned by Director Blackwell, seconded by Director Miller and unanimously carried that the Treasurer’s Report for August be accepted as presented.

1) Acceptance of Audit

The Audit was presented by Andy Pauldin, CPA, with Brown and Armstrong Accountancy. Mr. Pauldin reported there were no material issues with the audit and that he had reviewed the audit information in detail with the District’s ad hoc Finance Committee. After review and discussion, it was motioned by Director Blackwell, seconded by Director Smith and unanimously carried that the Audit be accepted.

E. ACCOUNTS PAYABLE

District Controller, Ms. Giles, presented the Accounts Payable report for the month of August 2019. The report covered checks 31901 and 31951 issued September 12, 2019 and totaled $1,837,154.38; Manual disbursements covered checks 31818 and 31870 and totaled $21,187.49; 2019 Winter Water Refunds were issued September 11, 2019; and covered checks 31819 through 31869 and totaled $137,144.25.

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 August be accepted as presented and all invoices and refunds paid accordingly.

F. PUBLIC COMMENTS – The floor was open for any public comments, at which time there were none.

G. COMMITTEE REPORTS

1) Projects
   a. North Kern Transportation Agreement – Mr. Ansolabehere reported that he had no update with respect to the North Kern Transportation Agreement.
   b. Famoso to Friant Pipeline Project – Mr. Ansolabehere reported that plans and specifications are out for bid. A special meeting will need to be scheduled in first part of October 2019, to award – possibly around the 8th of the month. Additionally, Mr. Ansolabehere requested board ratification for the purchase of open cut pipe and appurtenances that have been ordered (due to shipping time tables and constraints) and will be arriving October 22, 2019.
After review and discussion, it was motioned by Director Blackwell, seconded by Director Gangel and unanimously carried that the Ratification of Pipe (and appurtenances) Purchase, be approved.

c. Landowner Recharge – Mr. Hampton reported there was no update to this item but a draft agreement based on the approved principles will be prepared.

2) ILRP

Coalition Update – Mr. Hampton reported that we still have no update on the revised Surface Water Monitoring Plan that was submitted.

Mr. Hampton continued with discussion of Coalition fees and provided an update on State Board Fees. The State fees are expected to increase by approximately 13% to $1.08 per irrigated acre for 2020. Additionally, it was reported that Basin Plan amendments regarding Salt and Nitrate Control Program were going to be considered at the State Board meeting on September 17th and 18th but that has been tabled.

The Annual Monitoring Report was due and submitted September 3, 2019. The report included Poso Creek water quality information, high level review of the groundwater monitoring results, and summaries of nitrogen usage data. Mr. Hampton noted that in November the Nitrogen Assessment Reports will be sent out to members that submitted Nitrogen Summary Reports.

3) Sustainable Groundwater Management Act

a) Update – There was no update, at this time.

4) Financial and Personnel

a) Employee Compensations – Nothing to report on this item, at this time.

5) SWP

a) Delta Conveyance Project (DCP) – (Previously Cal Water Fix) Mr. Hamilton reported that meetings are continuing on a regular basis. Currently, opt-in provisions are being reviewed and negotiated. Mr. Hamilton will keep the Board informed.

b) Mr. Hartsock noted that today is Curtis Creel’s last day and the KCWA has not appointed his successor.

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

I. ENGINEER’S REPORT
1) **Poso Creek Diversion Petition** - Mr. Ansolabehere reported that he has been in discussion with Jane Ling, and will be addressing comments and completing this item as soon as possible.

**J. MANAGER’S REPORT**

1) **Water Deliveries/Supplies** into the District for August 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>12,488</td>
<td>100,757</td>
</tr>
<tr>
<td>Landowner Deliveries</td>
<td>12,180</td>
<td>59,729</td>
</tr>
<tr>
<td>East Poso Basin Recharge</td>
<td>0</td>
<td>1,215</td>
</tr>
<tr>
<td>Famoso Basin Recharge</td>
<td>4,780</td>
<td>35,883</td>
</tr>
<tr>
<td>System Loss/Operational Recharge</td>
<td>500</td>
<td>4,626</td>
</tr>
<tr>
<td>Diversion from Poso Creek</td>
<td>0</td>
<td>21,793</td>
</tr>
<tr>
<td>To Famoso Basin Banking</td>
<td>0</td>
<td>7,617</td>
</tr>
<tr>
<td>Percolation losses Creek Channel</td>
<td>0</td>
<td>30,189</td>
</tr>
<tr>
<td>Poso Creek Water Passed Trenton Weir</td>
<td>0</td>
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</tr>
</tbody>
</table>

**Produced Water Deliveries** for the month of August 2019 were as follows:

- Chevron: 32.5 cfs per day (2,103 ac-ft.)
- CRC/Bell Aire: 10.0 cfs per day (594 ac-ft.)

2) **System Operations & Maintenance:**

Mr. Ansolabehere reported that PWRPA members toured CWD facility last month and he received an inquiry regarding the feasibility of installation of solar array directly at Pump Station B substation. Solar power at that location would offer CWD considerable cost savings, green energy credits and a possible net return. Mr. Ansolabehere inquired as to whether Board would like to consider a 3 Megawatt, 15-acre solar facility installation.

President Watkins affirmed that Board would like Staff to review the economics of a solar array installation at that location.

**ADJOURNED TO CLOSED SESSION** – The meeting adjourned at approximately 9:44 a.m. to Closed Session.

**K. 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

L. RETURN TO OPEN SESSION – The Board returned to Open Session at 11:10 a.m. It was announced that no action was taken in Closed Session that required disclosure under the Brown Act at this time.

M. ADJOURNMENT – The Board meeting adjourned at 10:55 a.m. The next regularly scheduled Board meeting is set for October 10, 2019 at 9:00 a.m. in the Cawelo Water District Conference Room.

[Signature]
Brian Blackwell, Board Secretary