CAVELO WATER DISTRICT
BOARD MEETING
Conference Room at District Office
Thursday, October 10, 2019 - 9:00 a.m.

MINUTES

DIRECTORS PRESENT: Keith Watkins, Eric Miller, John Gaugel, Brian Blackwell
DIRECTORS ABSENT: Mark Smith
STAFF PRESENT: David Ansolabehere, Dave Hampton, LeeAnn Giles, Celynn Lyman
LEGAL COUNSEL: Robert Hartsock
OTHER ATTENDEES: Garrett Busch, Jeff Looker, Scott Hamilton

A. CALL TO ORDER

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

C. TREASURER’S REPORT

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

<table>
<thead>
<tr>
<th>Account</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>4,509,621.99</td>
</tr>
<tr>
<td>Construction Funds</td>
<td>8,894,382.50</td>
</tr>
<tr>
<td>Reserved Funds</td>
<td>11,309,012.77</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td><strong>24,713,017.26</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts for September 2019</td>
<td>299,881.43</td>
</tr>
<tr>
<td>Manual Cash Disbursements</td>
<td>2,086,261.48</td>
</tr>
<tr>
<td>Net Revenue through September</td>
<td>10,277,131.02</td>
</tr>
<tr>
<td>Total Expenses through September</td>
<td>6,314,466.35</td>
</tr>
</tbody>
</table>

**NET REVENUE / <LOSS>** 2,936,737.03

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

D. ACCOUNTS PAYABLE
District Controller, Ms. Giles, presented the Accounts Payable report for the month of September 2019. The report covered checks 31954 through 32007 issued September 12, 2019 and totaled $922,041.64; Manual disbursements covered checks 31952 and 31953 and totaled $8,020.32. After review and discussion, it was motioned by Director Blackwell, seconded by Director Miller and unanimously carried that checks for the Accounts Payable for the month of September be accepted as presented and all invoices and refunds 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 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. Staff was scheduled to open bids on Tuesday, October 8th but that was pushed back to Tuesday, October 15th due to issues with the pipe. A Special Board Meeting may be required to award the contract. Easements are still being finalized and Staff is in discussions with the landowner regarding a land purchase for a pump station. The estimated area of land needed for the pump station is a little over half an acre.

   c. Landowner Recharge – Mr. Hampton reported a draft agreement based on the previous Board approved principles has been prepared for internal staff level review. A draft should be ready to present to the Directors for review by the next Board meeting.

2) ILRP - Coalition Update – In addition to providing a written report, Mr. Hampton reported that he has received a non-conditional letter approving Cleveland’s Surface Water Monitoring Plan (SWMP), dated September 25, 2019. The updated plan adds an extra monitoring location on Poso Creek at Highway 65, just downstream from the Trenton Weir.

   Mr. Hampton reported that the Cleveland Coalition is nearly finished with the 2019 well samples for the Groundwater Trend Monitoring Program.

   Also, it was reported the Coalition is currently evaluating the pesticides per the Pesticide Protocol for the upcoming surface water sampling season.

   Regarding the Management Practices Evaluation Program (MPEP), the grant received to develop the MPEP workplan and tools has been closed out. The coalitions are in the process of preparing proposals for another potential $7 million in grant funds.
It was noted that a CV Salts presentation has been scheduled for October 29, 2019, at the Bakersfield Museum of Art and people that wish to attend must RSVP.

Mr. Hampton discussed the recent New Requirements for On-Farm Drinking Water Wells letters that have been sent to Cawelo landowners from the Regional Board.

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. Hartsock reported that there was no KCWA Manager call update on Tuesday and that Thursday’s meeting was cancelled so he had no new information. Mr. Hamilton will also 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 has been in discussion with Jane Ling, and will be addressing comments and completing this item, hopefully, by next month.

I. **MANAGER’S REPORT**

Mr. Ansolabehere reported that, after posting the Agenda for this meeting, Cawelo received a landowner request to transfer water. After discussion, and in accordance with California Government Code section 54954.2 (b)(2), it was motioned by Director Blackwell, seconded by Director Gaugel and unanimously carried that an agenda item – AG-Wise Request to Transfer District Water, be added to the agenda.

1) **AG-Wise Request to Transfer District Water:**

   Mr. Ansolabehere reported that he received a letter from Ag-Wise indicating they have about 100 acre feet of water that is surplus to their needs and attempted to sell within the district, but was unable to do so, and therefore requests approval to transfer the water outside of Cawelo to other properties. Mr. Ansolabehere advised that pursuant to Cawelo’s Rules and Regulations, such a water transfer would require Board approval. Cawelo has had many requests for transfer in the past, which have always been denied. In light of SGMA and other considerations, staff recommends to the Board that this request be denied as Cawelo does not want to be seen as having surplus water that can be taken out of the district.

Mr. Hartsock discussed the Districts Rules and Regulations, and specifically, **Article VIII, Uses of Surplus Water**, which provides various options that are available to landowners. After discussion, it was motioned by Director Blackwell, seconded by Director Miller and
unanimously carried that the Ag-Wise request to transfer water to non-district land is denied.

2) 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>6,836</td>
<td>107,593</td>
</tr>
<tr>
<td>Landowner Deliveries</td>
<td>5,975</td>
<td>65,704</td>
</tr>
<tr>
<td>East Poso Basin Recharge</td>
<td>0</td>
<td>1,215</td>
</tr>
<tr>
<td>Famoso Basin Recharge</td>
<td>0</td>
<td>35,883</td>
</tr>
<tr>
<td>System Loss/Operational Recharge</td>
<td>250</td>
<td>4,876</td>
</tr>
<tr>
<td>Diversion from Poso Creek</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Famoso Basin Banking</td>
<td>0</td>
<td>21,793</td>
</tr>
<tr>
<td>Percolation losses Creek Channel</td>
<td>0</td>
<td>7,617</td>
</tr>
<tr>
<td>Poso Creek Water Passed Trenton Weir</td>
<td>0</td>
<td>30,189</td>
</tr>
</tbody>
</table>

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

<p>| | |</p>
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<thead>
<tr>
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<tbody>
<tr>
<td>Chevron</td>
<td>35.4 cfs per day (2,110 ac-ft.)</td>
</tr>
<tr>
<td>CRC/Bell Aire</td>
<td>9.4 cfs per day (558 ac-ft.)</td>
</tr>
</tbody>
</table>

3) System Operations & Maintenance:

Mr. Ansolabehere reported that PWRPA members have received RFQ’s from different solar providers and those are being reviewed now. As soon a sound and solid proposal is found, it will be presented to the Board.

ADJOURNED TO CLOSED SESSION – The meeting adjourned at approximately 9:58 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 11:25 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 11:25 a.m. The next regularly scheduled Board meeting is set for November 14, 2019 at 9:00 a.m. in the Cawelo Water District Conference Room.

[Signature]

Brian Blackwell, Board Secretary