CAWEO WATER DISTRICT
SPECIAL BOARD MEETING
Conference Room at District Office
Wednesday, November 13, 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: Tim Gobler, Jeff Looker

A. CALL TO ORDER
The Special Board 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.

B. APPROVAL OF BOARD MINUTES
Minutes of the Board meeting for October 10, 2019 and the Special Board Meeting for October 28,
2019 were presented for approval. After review, it was motioned by Director Blackwell, seconded
by Director Miller and unanimously carried that the minutes for October 10, 2019 and the
minutes for the Special Board Meeting of October 28, 2019 be approved.

C. TREASURER’S REPORT
The Treasurer's Report for the month of October was presented by District Controller, Ms. Giles.
Balances for October were as follows:

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>4,443,528.55</td>
</tr>
<tr>
<td>Construction Funds</td>
<td>8,909,541.14</td>
</tr>
<tr>
<td>Reserved Funds</td>
<td>12,508,115.61</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td><strong>25,861,185.30</strong></td>
</tr>
</tbody>
</table>

Receipts for October 2019: 321,528.86
Manual Cash Disbursements: 1,510,724.40
Net Revenue through October: 10,277,131.02
Total Expenses through October: 6,314,466.35

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

After review and discussion, it was motioned by Director Blackwell, seconded by Director Gaugel
and unanimously carried that the Treasurer’s Report for October be accepted as presented.
1) **Adopt 2020 Budget and Set Rates – Resolution 680**
A resolution of the Board of the Directors of Cawelo Water District adopting budget for year 2020 and fixing and levying standby charges and fixing water tolls for 2020 and providing for penalty and interest charge on all delinquent standby charges and water tolls.

After review and discussion, *it was motioned by Director Smith and seconded by Director Miller that Resolution 680 be adopted, which passed by the following roll call vote:*

**AYES:** 4  Blackwell, Gaugel, Watkins, Miller

**NOES:** 0

**ABSTAIN:** 0

**ABSENT:** 1  Smith

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**D. ACCOUNTS PAYABLE**
District Controller, Ms. Giles, presented the Accounts Payable report for the month of October 2019. The report covered checks 32010 through 32062 issued October 9, 2019 and totaled $1,510,724.40.

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 October be accepted as presented and all invoices and refunds paid accordingly.*

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

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**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** – Discussion deferred until after closed session.

   c. **Landowner Recharge** – Mr. Hampton reported that the draft agreement is under revision. It is desired to have a draft available for the next Board meeting.

2) **ILRP - Coalition Update** – In addition to providing a written report, Mr. Hampton noted that it is time for Nitrogen Assessment Reports. QA/QC reports have been completed and will be going out to approximately 20 district landowners by the end of the month. Reports are non-regulatory documents and are intended to be informative.

   Mr. Hampton continued that KRWCA outreach meetings have been scheduled for December 2019 and January 2020. Cawelo’s Coalition intends to have notices out to members by the end of the month.

   In addition, Mr. Hampton reported that, as part of the MEEP program, SWAT has been developed and provided to Coalition leads in September. Additional access is being requested by growers and public. Mr. Hampton recommends additional access remains exclusive until review discussions have concluded.

   Regarding AR outlier methodology, Mr. Hampton discussed the proposed methodology and the need to define outliers based on the INMP Summary Report Data. Cawelo is using standard interquartile range (IQR) approach, as is the KRWCA, in the Annual Monitoring Report. Mr. Hampton recommends that the Cawelo Coalition remain consistent with KRWCA and the Cawelo Board agreed.
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. Hampton reported that KCWA Manager meeting update involved discussion regarding minimum percentage required for participation, possible differing levels of participation, procedures, and storage. Attempting to determine fair and equitable participation was discussed, as well as SLO reservoir storage capacity, spill, and carry over issues. Mr. Hartsock noted that the Agency is looking for a participation percentage by December 18, 2019. It was the conclusion of the Cawelo Board to defer percentage determination until Special Board Meeting Monday, December 16, 2019.

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 is in discussion with Jane Ling, compiling requested information and working towards completion of this item by January 2020.

I. MANAGER’S REPORT

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

<table>
<thead>
<tr>
<th>Supplies Received</th>
<th>Ac-Ft Delivered</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landowner Deliveries</td>
<td>5,737</td>
<td>74,009</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>-244</td>
<td>-5,119</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>
</tbody>
</table>

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

- Chevron 36.2 cfs per day (2,152 ac-ft.)
- CRC/Bell Aire 9.8 cfs per day (583 ac-ft.)

2) System Operations & Maintenance:
   Mr. Ansolabehere reaffirmed that RFQ’s from different solar providers are under review. Once a sound and solid proposal is found, it will be presented to the Board.

3) Delano Farms Company Request for Incorporation Into Service Area:
   Mr. Ansolabehere noted that Cawelo is in receipt of a letter from Delano Farms Company, dated October 22, 2019, requesting incorporation into service area. As with previous requests of this type, staff recommends the request be denied due to limited water supply and uncertainty in regards to the upcoming SGMA.
Mr. Ansolabehere commented that it has been a long standing policy for the district to reject incorporation due to limited water. Board considered two options: (1) – act and reject or deny request or, (2) – take no action. The Board took no action, in effect denying the request.

Mr. Ansolabehere will draft and send a letter to Delano Farms Company, advising of denial.

4) **Ratification of 2020 Chevy Silverado purchase to replace 2014 Ford**
Mr. Ansolabehere reported that the 2014 Ford, allocated to Paul Torres, has a blown engine with a $13K cost to repair. Replacement vehicle cost is approximately $36,000.
After review and discussion, *it was motioned by Director Blackwell, seconded by Director Gaugel and unanimously carried that the purchase of 2020 Chevrolet Silverado be ratified.*

**ADJOURNED TO CLOSED SESSION** – The meeting adjourned at approximately 9:45 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 10:40 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 10:41 a.m. The next Special Board Meeting is set for Monday, December 16, 2019 at 9:00 a.m. in the Kawelo Water District Conference Room.

[Signature]
Brian Blackwell, Board Secretary