CAWELO WATER DISTRICT
BOARD MEETING
Conference Room at District Office
Thursday, January 9, 2020 - 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: Ryan Niese, Ed Kuykendall, Garrett Busch, Andy Schweikart, Bruce Kelsey, Scott Hamilton

A. CALL TO ORDER
The Special Board Meeting was called to order by President Watkins at 9:06 a.m. in the Conference Room of the District office located at 17207 Industrial Farm Road, Bakersfield, CA. 93308.

B. APPROVAL OF BOARD MINUTES
Minutes of the Special Board meeting for December 16, 2019 were presented for approval. After review, it was motioned by Director Blackwell, seconded by Director Smith and unanimously carried that the minutes for December 16, 2019 be approved.

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

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>3,139,228.51</td>
</tr>
<tr>
<td>Construction Funds</td>
<td>8,921,231.38</td>
</tr>
<tr>
<td>Reserved Funds</td>
<td>9,728,389.87</td>
</tr>
</tbody>
</table>

**TOTAL FUNDS**

21,788,849.76

Receipts for December 2019 2,310,057.93
Manual Cash Disbursements 54,129.58

Net Revenue through December 11,056,814.92
Total Expenses through December 8,294,363.50

**NET REVENUE / LOSS** 1,739,907.61

After review and discussion, it was motioned by Director Blackwell, seconded by Director Gaugel and unanimously carried that the Treasurer’s Report for December be accepted as presented.
D. ACCOUNTS PAYABLE
District Controller, Ms. Giles, presented the Accounts Payable report for the month of December 2019. The report covered checks 32130 through 32175 issued January 8, 2019 and totaled $1,921,499.46; Manual disbursements covered checks 32128 through 32129 and totaled $54,129.58.

After review and discussion, it was motioned by Director Smith, seconded by Director Miller and unanimously carried that checks for the Accounts Payable for the month of December 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 a meeting is being scheduled later this month.

b. Famoso to Friant Pipeline Project – Mr. Ansolabehere reported that most of the 48” line has already been installed from Lerdo Canal west towards the Friant-Kern Canal. Crews are currently installing the 36” and 42” diameter pipelines across the Lerdo Canal. North Kern’s preference is that we cut into the west bank of the Lerdo Canal (vs. east side) which is a better alignment overall. That work is being completed now to accommodate North Kern’s shutdown for the remainder of January.

c. Landowner Recharge – Mr. Hampton advised that a meeting is scheduled Monday, January 13, 2020 for staff to review and revise the draft Landowner Banking Agreement. The updated draft will be provided to the Board for review.

2) ILRP - Coalition Update – In addition to providing a written report, Mr. Hampton reported two of the three outreach meetings have been completed. The upcoming third meeting is scheduled for Thursday, January 16, 2020 at 3pm, at the Buttonwillow Rec Center. The slide presentation from the meetings will be posted to the website.

Mr. Hampton also advised the State Board fees for ILRP are at $1.08 per irrigated acre. The total 2020 fee to be paid by the Cawelo Coalition is $37,682.

Mr. Hampton noted that Poso Creek continues with flows between 26 to 31 cfs. There are currently no flows at Zerker Road. As of today, 3,539 acre-feet of water have passed Trenton Weir this winter season. In addition, a total of 3.64 inches of rain have been measured at the office rain gauge this winter.

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 briefly discussed DWR’s most recent proposal for the DCP negotiations. It was noted that negotiations have shifted to an opt-out approach, but the DWR draft proposal was unclear and required further clarification.

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 continues working towards completion of this item.

I. MANAGER’S REPORT

1) Water Deliveries/Supplies into the District for December 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>2,598</td>
<td>119,939</td>
</tr>
<tr>
<td>Landowner Deliveries</td>
<td>407</td>
<td>75,712</td>
</tr>
<tr>
<td>East Poso Basin Recharge</td>
<td>256</td>
<td>1,471</td>
</tr>
<tr>
<td>Famoso Basin Recharge</td>
<td>1,796</td>
<td>37,679</td>
</tr>
<tr>
<td>System Loss/Operational Recharge</td>
<td>-183</td>
<td>-5,302</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 December 2019 were as follows:

- Chevron: 35.8 cfs per day (2,072 ac-ft.)
- CRC/Bell Aire: 8.8 cfs per day (526 ac-ft.)

2) System Operations & Maintenance:

Mr. Ansolabehere advised that the lined polishing pond upstream of reservoir “B” (owned by Chevron) has a 12-year old liner that will be replaced. Replacement of the liner is to occur at the end of February, 2020. Flows will not be impacted due to an installed bypass. Projected work includes modifications to existing inlet/outlet structures due to corrosion, and the installation of a double-layer liner system with a monitoring system in between liners. In addition, during bypass of the polishing pond, the number of absorbent booms and hard booms inside reservoir “B” are to be increased for additional levels of security. Seven (7) additional booms installed along Reach 1 will also add increased security. All associated costs are to be covered by Chevron.

Mr. Ansolabehere reported that copper sulfate applications at the distribution canal and reservoirs continue. In addition, meter repairs are being conducted throughout the District, and a RFQ review for a potential solar project at Pump Station “B” is ongoing.
ADJOURNED TO CLOSED SESSION – The meeting adjourned at approximately 9:27 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 10:20 a.m. It was announced that no action was taken in Closed Session that required disclosure under the Brown Act at this time.

The Board then considered agenda item 4 (a), Employee Compensation.

After review and discussion, it was motioned by Director Blackwell, seconded by Director Smith and unanimously carried that non-exempt employee wages be increased in accordance with Staff’s recommendations, and that exempt employee wages be increased in accordance with the following: Assistant General Manager- 5.5%; Controller- 4%; and General Manager- 4%.

L. ADJOURNMENT – The Board meeting adjourned at 10:22 a.m. The next Regular Board Meeting is set for Thursday, February 13, 2020 at 9:00 a.m. in the Cawelo Water District Conference Room.

[Signature]
Brian Blackwell, Board Secretary