CAWELO WATER DISTRICT
SPECIAL BOARD MEETING
Conference Room at District Office
Thursday, February 20, 2020 – 8:45 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 Busch, Bruce Kelsey, Todd Turley

A. CALL TO ORDER
The Special Board Meeting was called to order by President Watkins at 8:45 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 Board meeting for January 9, 2020 were presented for approval. After review, it was
motioned by Director Blackwell, seconded by Director Smith and unanimously carried that the
minutes for January 9, 2020 be approved.

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

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>6,373,991.24</td>
</tr>
<tr>
<td>Construction Funds</td>
<td>8,926,549.48</td>
</tr>
<tr>
<td>Reserved Funds</td>
<td>9,754,474.79</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td><strong>25,055,015.51</strong></td>
</tr>
<tr>
<td>Receipts for January 2020</td>
<td>6,150,867.44</td>
</tr>
<tr>
<td>Manual Cash Disbursements</td>
<td>862,896.67</td>
</tr>
<tr>
<td>Net Revenue through January</td>
<td>6,182,220.27</td>
</tr>
<tr>
<td>Total Expenses through January</td>
<td>2,916,104.71</td>
</tr>
<tr>
<td><strong>NET REVENUE / &lt;LOSS&gt;</strong></td>
<td><strong>3,266,115.56</strong></td>
</tr>
</tbody>
</table>

After review and discussion, it was motioned by Director Smith, seconded by Director Gaugel
and unanimously carried that the Treasurer’s Report for January be accepted as presented.
D. ACCOUNTS PAYABLE
District Controller, Ms. Giles, presented the Accounts Payable report for the month of January 2020. The report covered checks 32185 through 32250 issued February 14, 2020 and totaled $1,392,953.86; Manual disbursements covered checks 32179 through 32184 and totaled $862,896.67.

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 January 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 had nothing new to report at this time.

   b. Famoso to Friant Pipeline Project – Mr. Ansolabehere reported that installation of the 48” line from Lerdo Canal to Friant Canal has been completed. Interconnection of temporary bank remains. The bore pit on east side of Hwy. 99 is complete and the contractor is preparing to begin boring from east side of Hwy. 99 to west side of Hwy. 99. This is an approximately 1200-foot bore, requiring a 2 month completion time.

   c. Landowner Recharge – Mr. Hampton advised that updated draft of Landowner Banking Agreement was provided to the Directors for review and consideration. Updated draft contains no significant alterations from prior discussions. Mr. Hartsock suggested a few minor additional changes that were discussed with the Board.

   Director Gaugel raised the potential of alternate recharge facilities and Mr. Hartsock discussed language in the agreement that would allow Cawelo to consider different banking and recharge facilities.

   A member of the public raised concerns about the proposed 5 year term of the agreement. After discussion, Staff and the Directors agreed that a 10 year term would be acceptable.

   A member of the public also discussed the transferability of up to 25% of banked water credits to outside of the District.

   After review and discussion, it was motioned by Director Gaugel, seconded by Director Blackwell and unanimously carried that the updated draft of The Landowner Banking and Recharge agreement be approved, as presented, with minor revisions and discussed amendments to be made by Staff and Counsel.

2) ILRP - Coalition Update – In addition to providing a written report, Mr. Hampton reported that Nitrogen Management Plan (NMP) summary reports are due by March 1, 2020. Reminder notices, including new INMP worksheets, have been sent to all coalition members.
Mr. Hampton noted that Poso Creek has provided consistent flows between 26 to 31 cfs since the start of the year. Decreased flow of 25 cfs occurred February 19, 2020. Winter Season total volume into the District is approximately 4,400 AF, and for the calendar year 2020, approximately 2,900 AF.

Due to October 2019 amendments to SWRCB’s Basin Plans requiring salt and nitrate control programs for the valley, Mr. Hampton recommended District inclusion in CV Salts P & O study. Mr. Hampton advised that participation allows District to avoid costly and stringent SWRCB regulatory limits imposed using the most conservative values.

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) – No new information, at this time.

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

H. ENGINEER’S REPORT
   1) Poso Creek Diversion Petition - Nothing new to report on this item, at this time.

I. MANAGER’S REPORT
   1) Water Deliveries/Supplies into the District for January 2020 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>1,385</td>
<td>1,385</td>
</tr>
<tr>
<td>East Poso Basin Recharge</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Famoso Basin Recharge</td>
<td>1,083</td>
<td>1,083</td>
</tr>
<tr>
<td>System Loss/Operational Recharge</td>
<td>-139</td>
<td>-139</td>
</tr>
<tr>
<td>Diversion from Poso Creek</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>To Famoso Basin Banking</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percolation losses Creek Channel</td>
<td>0</td>
<td>3,700</td>
</tr>
<tr>
<td>Poso Creek Water Passed Trenton Weir</td>
<td>0</td>
<td>4,400</td>
</tr>
</tbody>
</table>

   Produced Water Deliveries for the month of January 2020 were as follows:
   - Chevron: 35.6 cfs per day (2,119 ac-ft.)
   - CRC/Bell Aire: 8.4 cfs per day (503 ac-ft.)

2) System Operations & Maintenance:
   Mr. Ansolabehere requested the Board to approve the drilling and equipping of one (1) new groundwater well for the District. Funding is part of the $8.5 million dollar bond sale
of 2017 and the recently acquired property east of the District’s Distribution Canal is the area under consideration. In addition, Staff requests Board approval to contract with Dee Jaspar & Associates, for updated groundwater well specifications and development of bid documents in order to request formal bids to drill and equip said well.

After review and discussion, it was motioned by Director Gaugel, seconded by Director Blackwell and unanimously carried that the District be allowed to drill and equip up to two (2) new wells, including updated specifications and development of bid documents necessary to request formal bids for drilling and equipping wells.

ADJOURNED TO CLOSED SESSION – The meeting adjourned at approximately 10:00 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 10:27 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 10:27 a.m. The next Regular Board Meeting is set for Thursday, March 12, 2020 at 8:45 a.m. in the Cawelo Water District Conference Room.

[Signature]
Brian Blackwell, Board Secretary