CAWELO WATER DISTRICT
BOARD MEETING
Conference Room at District Office
Thursday, March 12, 2020 – 8:45 a.m.

MINUTES

DIRECTORS PRESENT: Keith Watkins, Mark Smith, Eric Miller, John Gaugel, Brian Blackwell
DIRECTORS ABSENT: David Ansolabehere, Dave Hampton, LeeAnn Giles
STAFF PRESENT: Robert Hartssock
LEGAL COUNSEL: Steven Rowlee, Gary Horace, Stan Eschner, Bruce Kelsey, Jeff Looker, Garrett Busch, Andy Schweikart, Todd Turley

A. CALL TO ORDER
The Special Board Meeting was called to order by President Watkins at 8:54 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 February 20, 2020 were presented for approval. After review, it was motioned by Director Miller, seconded by Director Smith and unanimously carried that the minutes for February 20, 2020 be approved.

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

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>3,813,882.94</td>
</tr>
<tr>
<td>Construction Funds</td>
<td>8,931,787.60</td>
</tr>
<tr>
<td>Reserved Funds</td>
<td>9,776,223.60</td>
</tr>
<tr>
<td><strong>TOTAL FUNDS</strong></td>
<td><strong>22,521,894.14</strong></td>
</tr>
<tr>
<td>Receipts for February 2020</td>
<td>150,867.44</td>
</tr>
<tr>
<td>Manual Cash Disbursements</td>
<td>10,887.92</td>
</tr>
<tr>
<td>Net Revenue through February</td>
<td>5,201,099.46</td>
</tr>
<tr>
<td>Total Expenses through February</td>
<td>1,537,875.76</td>
</tr>
</tbody>
</table>

**NET REVENUE / <LOSS>** 3,813,882.94
After review and discussion, it was motioned by Director Smith, seconded by Director Miller and unanimously carried that the Treasurer’s Report for February be accepted as presented.

1) Resolution 681, Declaring Necessity for Levying 2020 Special Assessments

A RESOLUTION OF THE BOARD OF DIRECTORS OF CAWELO WATER DISTRICT DECLARING NECESSITY FOR LEVYING SPECIAL ASSESSMENTS AND CALLING AND NOTICING A PUBLIC HEARING THEREON.

Upon a motion by Director Smith, and a second by Director Gaugel, Resolution 681, declaring the necessity to levy 2020 Special Assessments and to notice a public hearing, was carried by the following roll call vote:

AYES: 4 Watkins, Smith, Miller, Gaugel
NOES: 0
ABSTAIN: 0
ABSENT 1 Blackwell

D. ACCOUNTS PAYABLE

After review and discussion, it was motioned by Director Miller, seconded by Director Smith and unanimously carried that checks for the Accounts Payable for the month of February 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 Caltrans has approved the plans, but the project is currently on hold awaiting Burlington Northern Railroad approval of bore plans. The contractor will be boring west to east due to the high cost of a railroad flagman required if boring east to west. Time frame for project completion is approximately two months.

   c. Landowner Recharge – Mr. Hampton reported on the final revisions to the Landowner Banking Agreement, which was approved by the Board at the February 2020 meeting. Pursuant to discussions and recommendations, District staff will begin the CEQA process as soon as possible, and once completed will provide the agreement to landowners.

2) ILRP - Coalition Update – In addition to providing a written report, Mr. Hampton reported that the Nitrogen Management Plan Summary Reports due by March 1, 2020 have been
completed by all but seven (7) coalition members. Staff is working with those members to aid in completion of their summary reports.

Mr. Hampton noted that Poso Creek has been consistent throughout February with flows of approximately 25 cfs. Warmer, drier weather lowered flows, but the most recent storm raised flows to approximately 28 cfs. March precipitation is .82 inches providing a calendar year volume into the District of approximately 3,770 AF.

Mr. Hampton informed the Board that the next round of anonymous landowner “Barriers to Adoption” surveys is set to go out in the next couple months.

Mr. Hampton further reported that during his last Southern San Joaquin Valley WQC & MPEP Committee Meeting, the Regional Board Staff joined the meeting. The Regional Board’s primary focus is SWAT modeling validation. Three studies are currently underway: almonds, tomatoes and citrus. Due to costly nature of the validation projects, staff is being selective and attempting to use grant funds where possible.

Mr. Hampton provided a copy of minutes for the latest CV SALTS meeting held on February 18, 2020. Upcoming priority one letters of compliance were discussed. Kern County is a priority two area, but salinity notices will go out to district landowners in April 2020. Mr. Hampton also discussed the CVGMC work plan submitted two years ago has now been reviewed by Regional Board and they have suggested substantial revisions. The CVGMC group is determining the next steps forward.

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. Ansolabhere reported there have been ongoing discussions about a potential transfer program that may involve DCP generated Table A and Article 21 water. Concerns exist regarding re-regulation of Article 21 water which could render Kern County water banking programs less valuable. The District’s presently intended participation remains at 100%.

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 February 2020 were as follows:

<table>
<thead>
<tr>
<th>Supplies Received</th>
<th>Ac-Ft Delivered</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,491</td>
<td>9,356</td>
</tr>
</tbody>
</table>
Landowner Deliveries  4,702  5,542
East Poso Basin Recharge  0  0
Famoso Basin Recharge  1,192  2,275
System Loss/Operational Recharge  -313  -452

Diversion from Poso Creek
To Famoso Basin Banking  0  0
Percolation losses Creek Channel  620  2,320
Poso Creek Water Passed Trenton Weir  0  3,770

**Produced Water Deliveries** for the month of February 2020 were as follows:
Chevron  35.1 cfs per day (2,089 ac-ft.)
CRC/Bell Aire  8.1 cfs per day (482 ac-ft.)

2) **System Operations & Maintenance:**
Mr. Ansolabehere gave an update regarding the liner replacement at Reservoir B’s polishing pond. Due to an installed bypass, no disruption to flow will occur and all work is being done at Chevron’s expense. April’s Regional Board meeting is to be held in Kern County and it is anticipated the food safety whitepaper will be presented at that time. Prior to the meeting of April 16, the Regional Board intends to tour District facilities both on-site and on Panorama Boulevard. Meter repairs continue to be conducted throughout the District. Pump Station B Solar Arrau Project RFQ’s are under review.

**ADJOURNED TO CLOSED SESSION** – The meeting adjourned at approximately 9:50 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 10:30 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 10:30 a.m. The next Regular Board Meeting is set for Thursday, April 9, 2020 at 8:45 a.m. in the Cawelo Water District Conference Room.

[Signature]

Brian Blackwell, Board Secretary