

MINUTES

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT REGULAR MEETING OF THE BOARD OF DIRECTORS

August 16, 2017

3:00 P.M.

21415 Reeves Street, Tehachapi, CA 93561

Item 1. Call to Order and Roll Call

Directors Present: Pack, Prel and Worden

Directors Absent: Hall and Zanutto

Staff in Attendance: Lori Bunn, Troy DePriest, LaMinda Madenwald and Tom Neisler

Director Hall arrived at 3:12 p.m.

Item 2. Flag Salute

Pledge of Allegiance, led by Vice President Worden.

Item 3. Approval of Agenda

The agenda was approved as presented.

Item 4. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body

No comments were made.

Item 5. Consent Calendar - Consent items are considered routine and are intended to be acted upon as a single item, without discussion. During this portion of the meeting, the Consent Calendar will be read aloud. Prior to approval, the President will give the Board the opportunity to remove any item from the Consent Calendar to be discussed and voted on individually. The President will also give staff and the public the opportunity to request any item be discussed individually, in which case the President will determine whether the item will be removed from the Consent Calendar. The remaining calendar will be acted upon. Any removed items will then be heard and acted upon individually.

- a. Approve Minutes of the Regular Meeting of July 19, 2017;
- b. Approve Quarterly Investment Report, Financial Report and Payment of Bills

Vice President Worden asked if there were any items the Board members, public or staff would like to pull for discussion. There were no requests to pull any of the items from the Consent Calendar.

Vice President Worden stated that if there were no objections, Items a. and b. would be adopted. There being no objections, Items a. and b. were adopted.

Item 6. Manager's Report

Mr. Neisler included the following topics in his Manager's Report:

- Status of the San Luis Reservoir;
- Update on the Oroville Spillway repairs;
- The District's imported water system continues to operate with a three-engine system, at near peak efficiency. Mr. Neisler said Staff has done a tremendous job this year accommodating this new increased schedule;
- Update on the California Water Fix;
- Reservoir operations were reviewed;
- Snyder Well operation, 16 acre feet was put into the District's system to-date;
- A town hall meeting at Stallion Springs CSD was held to discuss the operation of the Horse Thief Golf Course;
- The SWP allocation remains at 85%;
- In regard to the Stueber Well Waterline Project, it does not look like the City of Tehachapi will be participating in the project. Therefore, the Joint Agency Agreement between the City of Tehachapi, Golden Hills CSD and the District is being modified to include the District and Golden Hills CSD;
- Suction pressure issues at Plant 1. Mr. Neisler said this is not abnormal for this time of year. The District is in the range of meeting the 10,000 acre foot demand this year;
- Warranties for all three phases of the Engine Replacement Project will expire next month;
- Received the final condition assessment of the pipeline inspection project done by Pure Technologies. Mr. Neisler reported that they found one area of minor degradation. Mr. Neisler said they have projected a full 75-year useful service life for this pipe. A full report will be available at the September meeting;
- Mr. Neisler reported on meetings he attended. He spoke to the Tehachapi Rotary Club and attended a Brown Act seminar on August 16, 2017;
- The District will be hosting the Team TCCWD Safety Picnic on September 22, 2017. Directors were invited to attend.

Mr. Neisler responded to questions and comments from the Board regarding the joint turnout and rotating screen and the California Water Fix.

Item 7. Operations Manager's Report

Mr. DePriest reported on the following matters during his Operations Manager's Report:

- The imported water system is operating well, and close to full capacity;
- Due to dredging work on the aqueduct, staff has had to increase monitoring of the turnout to remove excessive debris;
- Staff is working with the City of Tehachapi on the Pilot Flying J construction. Mr. DePriest reviewed some of the details of the project;
- Mr. DePriest has been working on the Board Room Remodel Project. Received bids on August 10, 2017. A recommendation will be made to the Board at this meeting;
- Received three bids to repair the roof of the headquarters buildings. This will be brought to the Board next month;
- Details of a pump failure that occurred on July 20 at Pump Plant 3, Engine 4 and subsequent repairs were reviewed;
- Status of greenhouse gas reporting was reviewed. Beginning in 2018 the District will not report as an intrastate pipeline. Emissions reporting thresholds will remain the same;

- In July, the District imported a total of 1,277 acre feet of SWP water
- On August 7, 2017, the reservoir held 1,081 acre feet of water;
- Staff continues to work around the clock to meet the pumping goals;
- The activities of the Pipeline Maintenance Crew were reviewed;
- Activities of the Controls and Emissions Specialist were reviewed
- Reviewed items included in the "Looking Ahead" portion of the written report;
- Described photos included in the report.

Mr. DePriest and Mr. Neisler responded to questions and comments from the Board and public.

Item 8. Adopt Resolution 9-17 Transferring Funds from the General Fund to Certain Reserve Funds

The staff report was prepared and reviewed by LaMinda Madenwald. She explained that the designated reserves in two funds will fall short of their full reserve target and therefore management is recommending that money be transferred from the general fund to the designated reserve funds as follows:

Fund	Budget	Amount Needed	Additional Amount
Major Repair/Overhaul Fund 60181	\$1,253,500	\$1,411,500	\$158,000
Tax Revenue Liability Fund 60185	386,800	591,900	205,100

Vice President Worden made a motion that the Board adopt Resolution 9-17 transferring funds from the General Fund to Funds 60181 and 60185. Director Hall seconded the motion and roll call was taken on the vote:

AYES: Hall, Pack, Prel and Worden
NOES: None
ABSTAIN: None
ABSENT: Zanutto

Item 9. Adopt Resolution No. 10-17 Approving Fiscal Year 2017-18 Final Budget, Investment Policy, Appropriations Limit and Reserves Policy

Ms. Madenwald explained that adoption of this resolution will approve the final fiscal year 2017-18 budget. She reviewed the changes to the preliminary budget:

1. General Fund: Add \$18,000 to pump plant capital expenditures to re-roof office building and annex building;
2. Prop. 84 Grant: Subtract \$11,000 from operating expense as program is nearing completion.

Ms. Madenwald said the Budget Committee met on August 10 and agreed to recommend adoption of the 2017-18 final budget at the August 16, 2017 meeting. Ms. Madenwald reviewed the budget document with the Board.

Director Hall asked if there was a rationale for reserve targets for the dams. Mr. Neisler and Ms. Madenwald responded to his question. Mr. Neisler said he will research the matter and bring it back to the September meeting.

Director Hall made a motion to adopt Resolution 10-17 approving the Fiscal Year 2017-18 Final Budget, Investment Policy, Appropriations Limit and Reserves Policy. The motion was seconded by Director Prel and roll call was taken on the vote:

AYES: Hall, Pack, Prel and Worden
NOES: None
ABSTAIN: None
ABSENT: Zanutto

Item 10. Accept Bids and Authorize General Manager to Execute Contract for Board Room Remodel

Mr. DePriest reviewed the information provided in his written Staff Report, including the summary of bids received.

After discussion, Director Pack made a motion that the Board Authorize the General Manager to execute a contract for the Board Room Remodel Project, including the base bid and the add/alternate with Webb Builders, Lancaster, CA in the amount of \$531,000. The motion was seconded by Director Hall and it was carried on the following vote: Ayes: Hall, Pack, Prel and Worden; Noes: None; Abstain: None; Absent: Zanutto.

Item 11. Approve Purchase of Vehicles, Declare Vehicles Surplus, Authorize Surplus Vehicles to be Used as Trade-Ins

Mr. DePriest reviewed the bid process and the bids received for the for the four new vehicles approved in the final budget. Mr. DePriest also described three vehicles to be declared surplus by the Board.

Staff made the following recommendation:

1. Authorize the purchase of the following vehicles:
 - a. 2017 Ford F-250 from Jim Burke Ford for \$28,966.88;
 - b. 2018 GMC Sierra 1500 from MotorCity West GMC for \$25,005.75;
 - c. 2017 GMC 3500 HD cab/chassis with Service Bed included from MotorCity West GMC for \$48,088.02;
 - d. 2017 Toyota 4-Runner Limited from AutoNation Toyota Tempe for \$40,650.61.
2. Declare the following vehicles surplus to the needs of the District and direct Staff to utilize them as trade-ins for the above vehicles to be purchased:
 - a. 2012 Ford F 250 for \$9,520.00
 - b. 2007 Ford F-150 for \$2,500
 - c. 2007 Ford Explorer for \$4,000

After discussion, Vice President Worden made a motion that the Board take the action as written in the revised Staff Report. Director Hall seconded the motion and it was carried on the following vote: Ayes: Hall, Pack, Prel and Worden; Noes: None; Abstain: None; Absent: Zanutto.

Item 12. Approve Directors' Attendance at Fall ACWA Conference

Mr. Neisler reviewed the Staff Report and explained that approval of Directors' attendance to the 2017 Fall ACWA Conference will enable them to be reimbursed for actual and necessary expenses. He said the conference will be held in Anaheim, CA from November 28 through December 1, 2017. Estimated cost will be no more than \$2,100 for one Director to attend the full conference. Mr. Neisler said he spoke with President Zanutto and he will not be attending this

conference.

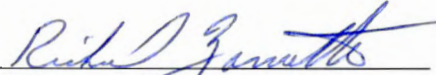
Discussion took place and Director Hall was unsure, but said he may be interested in attending the conference. Vice President Worden said he would have to check his schedule. Director Pack and Director Prel were not available to attend.

Director Pack made a motion to approve Directors Hall and Worden to attend the 2017 Fall ACWA Conference. The motion was seconded by Director Hall and carried on the following vote: Ayes: Hall, Pack, Prel and Worden; Noes: None; Abstain: None; Absent: Zanutto.

Item 13. Adjournment

Prior to adjournment, Vice President Worden congratulated Tom Neisler for completing the Leadership Program, Leadership Essentials for the Water Industry. Mr. Neisler, in turn, thanked John Martin and the Board of Directors for allowing him to participate in this program. Mr. Wyman also congratulated Mr. Neisler for completing this program.

The meeting was adjourned at 4:31 p.m. on a motion made by Director Hall, seconded by Vice President Worden and unanimously carried. Ayes: Hall, Pack, Prel and Worden; Noes: None; Abstain: None; Absent: Prel and Zanutto.



Rick Zanutto, President



Lori Burn, Secretary