

MINUTES

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

February 15, 2017

3:00 P.M.

21415 Reeves Street, Tehachapi, CA 93561

Item 1. Call to Order and Roll Call

Directors Present: Hall, Pack, Prel and Zanutto

Directors Absent: Worden

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

Pledge of Allegiance, led by President Zanutto.

Mr. Neisler asked to have an item added to the agenda as an emergency action item. An office memorandum was prepared for the Board providing details of the matter. He explained that after the agenda was posted, the District received the annual agreement from the Kern County Water Agency for routine water transfers/exchanges between two member units of the KCWA that have to be approved by the KCWA. This matter is brought to the Board annually and the action previously taken was to direct the General Manager to execute the agreement on behalf of the District. Because there are several water exchanges/transfers in negotiation, this matter requires immediate action and cannot be carried over to the next regular Board meeting. Mr. Neisler said the conditions for adding this item to the agenda have been met. Mr. Neisler reviewed the process as outlined in the memorandum from Legal Counsel.

Added Agenda Item

Director Hall made a motion to add this item to the agenda. President Zanutto seconded the motion and roll call was taken on the vote: Ayes: Hall, Pack, Prel and Zanutto; Noes: None; Abstain: None; Absent: Worden. President Zanutto said this item would be added as Item 5a.

Item 2. Establish Procedures for Consent Calendar

Mr. Neisler reviewed the purpose of the Consent Calendar and he also described the procedures for using a Consent Calendar. The Consent Calendar should be handled as follows: The President places the Consent Calendar before the Board and asks, "Does anyone wish to remove any item from the consent agenda?" Members of the Board may call out any item they wish to have removed. In that case, the President shall announce that item has been removed. The President then asks, "Are there any other items to be removed?" If there are none, the President states "Items numbered _____ are before you. If there is no objection, these items will be adopted." After pausing to be sure there is no objection, the President states, "There being no objection, these items are adopted."

Discussion took place on this matter.

Item 3. Comments by any Party on Items of Interest to the Public and Within the Subject Matter Jurisdiction of the Legislative Body

Director Hall made comments regarding establishing summer water rates. Mr. Neisler said there was an item on the agenda for the Water Rate Committee and this can be brought up at that time.

Item 4. Consent Calendar - Consent items are considered routine and are intended to be acted upon in one motion, without discussion. During this portion of the meeting, the Consent Calendar will be read aloud. Prior to approval, the President will give the Board, staff, and public the opportunity to request any item to be discussed individually. 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.

Consent Calendar:

- a. Approve Minutes of the Regular Meeting of January 18, 2017
- b. Receive and File Quarterly Investment Report, Financial Report and Payment of Bills
- c. Update Signature Authority on the Bank of the West Checking Account

President Zanutto asked the Board, Staff and Public if there were any items to be removed from the Consent Calendar. No objections were made.

President Zanutto stated that Items a, b and c would be adopted if there were no objections. There being no objections, the items were adopted.

Item 5. Manager's Report

Mr. Neisler reported that the imported water system was started on February 1, 2017, operating with a two-engine system at 14 cfs. Pumping will increase to a three-engine system on April 1, 2017.

Mr. Neisler reviewed the details of his written report covering reservoir operation, pump plant operations, and pipeline department activities.

Mr. Neisler commended the Operations Staff for all of their hard work during the off-season.

The status of the SWP was reviewed. Mr. Neisler said the current allocation is 60% and the District will have all the water it needs to meet its demands this year. He reported on carryover water in San Luis Reservoir and the release of Article 21 water. Mr. Neisler provided a summary of where the District stands statewide in terms of the State Water Supply; and he reviewed the precipitation data, both statewide and locally.

A report was made on the Lake Oroville situation.

Mr. Neisler reviewed "Other Issues" included in his written report.

In regard to the Cummings Basin, District Staff has been unable to reach an agreement with the agricultural group on 2017 allocation. Mr. Neisler will prepare a status update letter for the stakeholders.

Mr. Neisler offered to answer questions.

Comments were made by George Cappello and a question was taken from Tina Forde.

Item 5a. Approve Agreement with Kern County Water Agency Re: 2017 Water Transfers and Exchanges

Mr. Neisler explained that approval of this agreement will allow the District to engage in routine water transfers and exchanges with other KCWA member units; and he reviewed the staff report for this item.

After discussion, Director Hall made a motion that the Board approve the agreement with the Kern County Water Agency for water transfers and exchanges for 2017 and authorize the General Manager to execute the agreement for this year and subsequent years. The General Manager will notify the Board upon the annual renewal of the contract. Director Prel seconded the motion and it was carried on the following vote: Ayes: Hall, Pack, Prel and Zanutto; Noes: None; Abstain: None; Absent: Worden.

Item 6. Mid-Year Budget Review, Adopt Resolution 2-17 Amending Fiscal Year 2016-17 Budget

Ms. Madenwald said the Ad-Hoc Budget Committee met on February 7, 2017. Minutes of that committee meeting were provided with the staff report. She said adoption of this resolution will amend the fiscal year 2016-17 budget. In summary, the recommended changes to the General Fund are: 1) Increase the revenue budget by \$168,000; 2) Increase the expenditure budget by \$375,337 and the net result of the changes to the previously adopted budget is a decrease to General Fund operating reserves of \$198,237. Ms. Madenwald said the Ad-Hoc Budget Committee recommends that the Board adopt Resolution 2-17 amending the fiscal year 2016-17 budget.

Director Pack made a motion to adopt Resolution 2-17. The motion was seconded by Director Hall and roll call was taken on the vote:

Ayes: Hall, Pack, Prel and Zanutto
Noes: None
Abstain: None
Absent: Worden

Item 7. Report of Ad-Hoc Water Rate Committee, Adopt Resolution 3-17 Setting Water Rates for 2017

Ms. Madenwald reported that the Ad-Hoc Water Rate Committee met on February 6, 2017 and a copy of the minutes from that meeting were included in the staff report. Ms. Madenwald reviewed the information provided in the staff report and said the Ad-Hoc Water Rate Committee recommends that the Board approve no rate change at this time and apply any revenue differences from the modeled rate structure to offset the Engine Replacement Project debt service obligation.

President Zanutto entertained a motion that the Board adopt Resolution 3-17. Director Hall made the motion and it was seconded by Director Prel. Roll call was taken on the vote:

Ayes: Hall, Pack, Prel and Zanutto
Noes: None
Abstain: None
Absent: Worden

Glenn Mueller stated his opinion regarding keeping the rates the same and facing potential expenses related to the Oroville Dam. Mr. Neisler addressed his concerns.

Item 8. Approve Directors' Attendance of the 2017 ACWA Spring Conference

Mr. Neisler reviewed this staff report and discussion took place.

President Zanutto made a motion that he and Director Hall be approved to attend the Spring ACWA Conference. The motion was seconded by Director Hall and carried on the following vote: Ayes: Hall, Pack, Prel and Zanutto; Noes: None; Abstain: None; Absent: Worden.

Item 9. Schedule Water Priority Committee Meeting

Mr. Neisler explained that he would like to schedule a Water Priority Committee Meeting prior to the March Board meeting. Directors Pack and Worden will be contacted to schedule this meeting.

Item 10. Discuss Strategic Planning Workshop

Mr. Neisler said that staff requests the Board's direction on conducting a strategic planning workshop. Items to be considered included:

- Date, time and location
- Public involvement
- Format (Facilitator led, staff/Board workshop, formal vs. informal)
- Goals and Objectives desired

Discussion took place. Mr. Neisler said he would take these comments and develop an agenda or worksheet to give to the Board so they can formulate their thoughts.

George Cappello suggested if a list of ideas was developed it could be given to the public prior to the workshop.

Item 11. Authorize Advertisement and Recruitment for Operations Manager

Mr. Neisler said this item would authorize the General Manager to fill the vacant Operations Manager position and amend the Authorized Positions Schedule. The staff report was reviewed and Mr. Neisler offered to answer questions.

After discussion, President Zanutto made a motion that the General Manager be authorized to fill the Operations Manager position and to revise the Approved Pay Schedule for Authorized Positions to eliminate the Assistant General Manager-Operations position and reinstate the Operations Manager position at Range 141. Director Hall seconded the motion and roll call was taken on the vote:

Ayes: Hall, Pack, Prel and Zanutto
Noes: None
Abstain: None
Absent: Worden

Item 12. Acceptance of Easement and Assignment of Rights for Easement for Snyder Well Project

Mr. Neisler reviewed this matter and explained that acceptance of the easement and assignment of rights for the easement for the Snyder Well Project would authorize the Board President to execute the easement documents to transfer the Snyder Well Pipeline to TCCWD for operation and maintenance.

Director Pack made a motion that the Board authorize the President to execute the Assignment of Easement and the Grant of Easement for the Snyder Well Project. Director Hall seconded the motion and it was carried on the following vote: Ayes: Hall, Pack, Prel and Zanutto; Noes: None; Abstain: None; Absent: Worden.

Item 13. Approve Agreement with Wheeler Ridge-Maricopa Water Storage District for Joint Facilities

Mr. Neisler said there has been no progress on this item. He asked the Board to remove it from consideration at this time.

George Cappello, President of the Board of Wheeler Ridge-Maricopa WSD, made comments in this regard and agreed with removing it from consideration at this time.

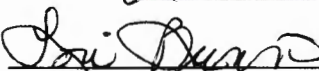
Director Pack made a motion to remove this item from the agenda and direct staff to bring it back to the Board when action is appropriate. The motion was seconded by Director Hall and carried on the following vote: Ayes: Hall, Pack, Prel and Zanutto; Noes: None; Abstain: None; Absent: Worden.

Item 14. Adjournment

The meeting was adjourned at 4:29 p.m. on a motion made by Director Hall, seconded Director Pack and unanimously carried. Ayes: Hall, Pack, Prel and Zanutto; Noes: None. Abstain: None; Absent: Worden.



Rick Zanutto, President



Lori Bunn, Secretary