

MINUTES

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

February 21, 2018 3:00 P.M.

22901 Banducci Road, Tehachapi, CA 93561

Item 1. Call to Order and Roll Call

Directors Present: Hall, Pack, Worden and Zanutto

Absent at Roll Call: Prel

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

Additional staff in attendance included: Cat Adams, Brian Copus, Wes Fowlkes, Doug Hertz, Farrell Loyd, Cale Lykins, James Mann, Jenny Pfeiffer and Chris Vigil

Legal Counsel: Bernard Barmann

Item 2. Flag Salute

The Pledge of Allegiance was led by Tom Neisler.

Item 3. Approval of Agenda

The agenda was approved as presented on motion made by Director Hall, seconded by Director Worden and carried on the following vote: Ayes: Hall, Pack, Worden and Zanutto; Noes: None; Abstain: None; Absent: Prel.

Mr. Neisler welcomed everyone to the District's new Board Room facility. He described the locations of the emergency exits, fire extinguisher, and restroom facilities, including the all gender restroom; he reviewed the evacuation procedures and explained that there is an AED available and District personnel have been trained to use it.

Director Prel arrived at 3:05 p.m.

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

None

Item 5. Adopt Resolution 1-18 in Recognition and Appreciation, Commending Alex Steele for 40 Years of Service

Mr. Neisler shared his personal reflections regarding Alex Steele and he thanked Alex for his dedication to the District.

President Zanutto read Resolution 1-18 commending Alex Steele. Director Hall introduced Resolution 1-18 and moved for its adoption. Director Worden seconded the motion and roll call was taken on the vote:

AYES: Hall, Pack, Prel, Worden and Zanutto

NOES: None

ABSTAIN: None

ABSENT: None

President Zanutto thanked Mr. Steele for his dedication and service and he thanked his family for their understanding and sacrifices. Mr. Steele thanked the Board for the opportunity to work at the District. Mr. Steele was presented with a gift of appreciation for his dedicated service.

Item 6. Adjourn to Closed Session

Closed Session items were referenced by President Zanutto.

- a. **In Accordance with Exhibit A Attached Hereto, DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds et al.**
- b. **In Accordance with Exhibit B Attached Hereto, Kern County Superior Court Case 97209, Tehachapi-Cummings County Water District, a Body Corporate and politic vs. Frank Armstrong et al.**
- c. **In Accordance with Exhibit C Attached Hereto, Dennis Carpenter vs. Tehachapi-Cummings County Water District BCV-15-1011 170 TSC**

The Board went into Closed Session at 3:13 p.m.

Item 7. Return to Open Session

The Board returned to Open Session at 4:27 p.m.

a. Report Action Taken in Closed Session:

1. **In Accordance with Exhibit A Attached Hereto, DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds et al.**
President Zanutto reported that there was no reportable action taken.
2. **In Accordance with Exhibit B Attached Hereto, Kern County Superior Court Case 97209, Tehachapi-Cummings County Water District, a Body Corporate and politic vs. Frank Armstrong et al.**
President Zanutto reported that there was no reportable action taken.
3. **In Accordance with Exhibit C Attached Hereto, Dennis Carpenter vs. Tehachapi-Cummings County Water District BCV-15-1011 170 TSC**
President Zanutto reported that there was no reportable action taken.

Item 8. 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.

Approve Minutes of the Regular Meeting of January 17, 2018

- a. Approve Quarterly Investment Report, Financial Report and Payment of Bills;

President Zanutto asked if there were any items the Board members, public or staff would like to remove for discussion. No items were pulled for discussion.

President Zanutto stated that if there were no objections, Item 8a Minutes of the Regular Meeting of January 17, 2018 and Item 8b Approve Quarterly Investment Report, Financial Report and Payment of Bills will be adopted. There being no objections, Item 8a and Item 8b were adopted.

Item 9. General Manager's Report

The following matters were addressed in Mr. Neisler's General Manager's Report:

- Review of the drought chart;
- System start-up took place on February 1, 2018. The system is operating well. There were some problems that arose from the recent cold temperatures. These problems were resolved

by District staff;

- Reservoir and recharge operations were reviewed;
- Irrigation operations have begun;
- The SWP allocation of Table A water has been increased to 20%.
- The Pump Plant Crew has begun the 24-hour operation schedule;
- Mr. Neisler reported on his attendance of the American Groundwater Association Conference;
- A meeting is planned for next week regarding water service to the Keene area;
- The Kern County Water Summit is scheduled for March 7 from 10:00 to 4:30 p.m. All Board members were invited to attend;
- The annual pump plant tour is coming up. It is scheduled for Thursday, April 19, 2018;
- Mr. Neisler reviewed the exhibits attached to his report. Brite Reservoir operations were reviewed, along with the SWP reservoir conditions and precipitation data;
- Mr. Neisler reported on SB623;

President Zanutto asked for additional information on the meeting scheduled to discuss the Keene water service. Mr. Neisler provided additional information on the meeting.

President Zanutto asked Mr. Neisler if he would like a head count on the directors that would be attending the Kern County Water Summit. Mr. Neisler said that would be helpful. President Zanutto polled the Board members to see if they were going to attend. Directors Hall, Pack and Worden said they were interested in attending and President Zanutto said he would be attending.

Item 10. Operations Manager's Report

Mr. DePriest reported on the items listed below at the Board meeting:

- Imported water operations began on February 1, 2018. Operating with a 2-engine system at the rate of 14 cubic feet per second. Recharge operations also began on February 1;
- On January 18, the Jacobsen, Antelope and Blackburn Dams were inspected by the California Department of Water Resources, Division of Safety of Dams;
- The District received the final inspection approval from Kern County Building Department for the Board Room Project;
- On January 11, the 8" steel waterline on Tehachapi Willow Springs Road was damaged by a utility sub-contractor working on a utility pole. TCCWD staff repaired the line and the sub-contractor will be billed for expenses incurred by the District;
- Mr. DePriest reported on a webinar he attended hosted by the DWR Division of Safety of Dams and California Office of Emergency Services (CalOES) regarding emergency planning regulations and requirements for dam safety. The new regulations require all owners of high hazard classification dams to submit updated inundation maps and emergency action plans prior to January 1, 2019. Requests for Proposals were sent to three engineering firms for the documentation needed for the District's three dams;
- Attended a webinar hosted by the California Air Resources Board regarding greenhouse gas emissions reporting regulations;
- Recharge operations were reviewed, recharging a combined total of 17.4 acre feet per day. Staff has been working on a project to automate the recharge valves at Antelope Dam and Cummings Pond locations;
- The sub-contractors for GHCSO have completed laying the pipeline for the Antelope Conjunctive Use Project in the District's easement;
- On February 15, 2018, Brite Lake elevation was 4348.4 and the lake volume was 800.6 AF;
- The maintenance activities of the Pump Plant and Pipeline Departments were reviewed;

- TCCWD dams, reservoirs and appurtenances were deemed safe for continued use as a result of the inspections that took place on January 18;
- Mr. DePriest reviewed the projects included in the “Look Ahead” portion of the Operations Report;
- The photos included in the written report were described for the Board.

Mr. DePriest responded to questions from the Board and audience.

Item 11. Reconsider Request of Easement on TCCWD Property by Schultz Enterprises

Mr. Neisler reviewed the background of this matter and the details of the changes in the request along with concerns with this request:

1. The revised alignment of the easement and its impact on the ultimate use of the District’s property. An alignment that is not contiguous to the property line could potentially limit the use.
2. The advisability of providing an easement across public property for the use of a private, for profit telecommunications facility.
3. The potential for a claim to rise of providing a gift of public resources to a private entity.
4. The precedent that granting such an easement without appraisal and compensation would set for future requests.

Mr. Neisler said the recommended motion for the Board is to require the applicant to provide an appraisal for the granting of the easement and to stake the alignment in the field for staff review and recommendation to Board.

Mr. Schultz addressed the Board and reviewed the changes in the project. He said the purpose of the project is to get power to the property.

Mr. Schultz responded to questions from Director Hall regarding the maximum distance from the property line to the poles and he asked if the original condemnation of the property provided for recreational use.

Discussion took place at this time and after it was complete, Director Worden made a motion for the Board to require the applicant to provide an appraisal for the granting of the easement and to stake the alignment in the field for staff review and recommendation to the Board. The motion was seconded by Director Hall and carried on the following vote: Ayes: Hall, Pack, Worden and Zanutto; Noes: Prel; Abstain None; Absent: None.

Item 12. Review of 2017 Water Operations and Forecast for 2018 Water Operations

Mr. Neisler provided data tables to the Board for the Summary – End of Year 2017 and Estimated Supply and Demand for 2018.

Mr. Neisler responded to questions from Mr. Wyman regarding proposed regulations for arsenic in non-potable water and what the District was going to do to have a more definitive idea on the quality of the water that is being pumped into the District.

Mr. Neisler reviewed 2017 System Operations in Cummings Valley. He described the key well locations in Cummings Valley and reviewed the changes in the hydrographs for wells 20M1, 30K1 (CCI) , 36M2, and 35N1.

Item 13. Report of Ad-Hoc Water Rate Committee, Adopt Resolution 2-18, Setting Water Rates for 2018

Ms. Madenwald said the purpose of this item is to set the water rates for 2018. Approval of this resolution will keep all water rates at the current levels, effective May 1, 2018. Ms. Madenwald reported a meeting of the Ad-Hoc Water Rate Committee took place on February 5, 2018.

Ms. Madenwald reviewed the details of the written staff report and attachments.

Discussion took place at this time.

Director Hall made a motion to adopt Resolution 2-18 setting the water rates. President Zanutto seconded the motion and roll call was taken on the vote:

AYES: Hall, Pack, Prel, Worden and Zanutto

NOES: None

ABSTAIN: None

ABSENT: None

Item 14. Adopt Resolution 3-18 Transferring Funds from the Water Banking Reserve to the General Fund

Ms. Madenwald explained the adoption of Resolution 3-18 would authorize the transfer of funds from the Water Bank Reserve to the General Fund to replace the cost of 2016-17 replenishment of banked water used to meet demand during the 2014-15 historical drought. Ms. Madenwald reviewed the background relating to this matter.

After discussion Director Worden made a motion to adopt Resolution 3-18 transferring funds from the Water Bank Reserve to the General Fund in the amount of \$1,151,857. Director Hall seconded the motion and roll call was taken on the vote:

AYES: Hall, Pack, Prel, Worden and Zanutto

NOES: None

ABSTAIN: None

ABSENT: None

Item 15. Adopt Resolution 4-18 Transferring Funds from the General Fund to the Water Rate Stabilization Fund

Ms. Madenwald explained that adoption of Resolution 4-18 will authorize the transfer of funds from the General Fund to the Rate Stabilization Fund to appropriately reserve revenues collected over extraordinary costs incurred to meet agricultural water demand during the 2014-15 historical drought. Ms. Madenwald reviewed the written staff report and the table for Extraordinary Costs Analysis. She said the Ad-Hoc Water Rate Committee recommended approval of this resolution for transfer.

Director Hall made a motion to adopt Resolution 4-18 transferring funds from the General Fund to the Water Rate Stabilization Fund in the amount of \$231,240. The motion was seconded by Director Pack and roll call was taken on the vote:

AYES: Hall, Pack, Prel, Worden and Zanutto

NOES: None

ABSTAIN: None

ABSENT: None

Item 16. Authorize General Manager to Advise Kern County Water Agency of TCCWD Position on California WaterFix

Mr. Neisler explained that this process continues to change rapidly. The project now is a 9,000 cfs facility. This presentation and the commitment being asked of the Board is not impacted by these changes, because there will be a project of one capacity or another. This commitment is to reserve the District's allocated portion of whatever the project ends up being. Mr. Neisler said the District can only commit to the information that is available at the time of commitment. Mr. Neisler asked the Board to

authorize the General Manager to write a letter to the General Manager of the Kern County Water Agency stating the District's position on the California WaterFix as we understand the project. Mr. Neisler said as the project evolves, that position may be different. At this time, a power point presentation on the California WaterFix was presented. Mr. Neisler reviewed the list of the requested commitments and provided his recommendations.

Director Pack voiced his opposition to the project. Director Hall provided favorable comments on the project.

Mr. Wyman made comments and asked questions regarding new water storage facilities. Mr. Neisler provided information to answer his questions.

Mr. Cappello asked if the KCWA is asking for a commitment on gap funding. Mr. Neisler responded that there is no gap funding required unless the project fails, but "yes" KCWA is asking for that commitment.

President Zanutto made comments supporting the project so the District can meet the future needs of the farmers and M&I interests. He added that everyone should understand that there could be more restrictive regulations in the future. Additional discussion took place at this time.

President Zanutto made a motion for the Board to authorize the General Manager to notify Kern County Water Agency of TCCWD Board of Directors' intention with respect to questions posed and project participation in the California WaterFix. The motion was seconded by Director Hall and carried on the following vote: Ayes: Hall, Prel, Worden and Zanutto; Noes: Pack; Abstain: None; Absent: None.

Item 17. Adopt Resolution 5-18 Amending the District's Pay Schedule for Authorized Employees and Authorize General Manager to Recruit and Hire Two Employees

Mr. Neisler explained that his action is requested and predicated by the retirement of the Pump Plant Superintendent in May of this year. He continued by reviewing the details contained in the staff report, including the proposed changes to the Authorized Positions List, responsibilities for new positions, salary changes, a vehicle allowance for the Pump Plant Supervisor, because he lives in Bakersfield, the inclusion of a daily on-call duty rate, and revising the rate for temporary hourly employees at the entry level to Range 14 from \$10.50 per hour to \$12.83 per hour.

Director Hall made a motion that the Board adopt Resolution 5-18 amending the District's Pay Schedule for Authorized Employees and authorize the General Manager to recruit and hire two employees to fill the newly created Controls and Emissions Technician and Operations Assistant positions. President Zanutto seconded the motion and it was carried on the following vote: Ayes: Hall, Prel and Zanutto; Noes: None; Abstain: Pack and Worden; Absent: None.

Item 18. Schedule Strategic Planning Workshops

Mr. Neisler reviewed this matter and after discussion, the Board decided to hold the Strategic Planning Session on Monday, March 26, 2018 from 1:00 to 5:00 p.m.

Director Hall made a motion that the Strategic Planning Workshop be scheduled and publicized for Monday, March 26, 2018 from 1:00 to 5:00 p.m. with additional sessions to be determined. Director Pack seconded the motion and it was carried on the following vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 19. Approve Director's Attendance at the 2018 Spring ACWA Conference

Mr. Neisler acknowledged a correction on the staff report, revising the request from the Fall ACWA Conference to the Spring ACWA Conference. He reviewed this staff report and the potential costs involved in sending directors to the Spring ACWA Conference. The conference is set for May 8-11, 2018 and it will be held in Sacramento. The estimated cost of attendance will be no more than \$2,100 per director. Mr. Neisler said that Director Hall will be attending the ACWA/JPIA meeting and has expressed interest in attending the ACWA Conference.

Discussion took place and Director Worden expressed interest in attending the conference, but said he may have a scheduling conflict. President Zanutto said if Director Worden could not attend, he would like to attend the ACWA Conference.

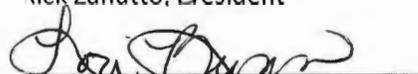
Director Hall made a motion that Director Hall and Director Worden be approved to attend the 2018 ACWA Spring Conference with President Zanutto to attend in the event that Worden cannot. The motion was seconded by Director Zanutto and carried on the following vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 20. Adjournment

The meeting was adjourned at 7:38 p.m. on a motion made by Director Hall, seconded by Director Pack and unanimously carried. Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.



Rick Zanutto, President



Lori Bunn, Secretary

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code, § 54956.8.)

Description of Property: _____

Negotiating Parties: _____

Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code, § 54956.9.)

1. Existing Litigation: _____
Name of Case: DWR v. All Persons Interested in Authorization of WaterFix
Revenue Bonds et al.

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (b): _____
Gov. Code § 54956.9 (c): _____

C. PUBLIC EMPLOYEES (Gov. Code, § 54957.)

1. Appointment: _____
Title: _____

2. Employment: _____
Title: _____

3. Performance Evaluation: _____
Title: _____

4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code, § 54957.6.)

Agency Negotiator: _____

Employee Organization: _____

Unrepresented Employee: _____

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code, § 54956.8.)

Description of Property: _____

Negotiating Parties: _____

Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code, § 54956.9.)

1. Existing Litigation: Case No. 97209
Name of Case: Tehachapi-Cummings County Water District
a Body Corporate and politic, vs. Frank Armstrong et. al.

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (b): _____
Gov. Code § 54956.9 (c): _____

C. PUBLIC EMPLOYEES (Gov. Code, § 54957.)

1. Appointment: _____
Title: _____

2. Employment: _____
Title: _____

3. Performance Evaluation: _____
Title: _____

4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code, § 54957.6.)

Agency Negotiator: _____

Employee Organization: Not applicable

Unrepresented Employee: _____

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code, § 54956.8.)

Description of Property: _____

Negotiating Parties: _____

Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code, § 54956.9.)

1. Existing Litigation: One Case
Name of Case: Dennis Carpenter vs. Tehachapi-Cummings County
Water District, BCV-15-1011 170 TSC
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (b): _____
Gov. Code § 54956.9 (c): _____

C. PUBLIC EMPLOYEES (Gov. Code, § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code, § 54957.6.)

Agency Negotiator: _____
Employee Organization: _____
Unrepresented Employee: _____