

MINUTES

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

January 18, 2017

3:00 P.M.

21415 Reeves Street, Tehachapi, CA 93561

Item 1. Call to Order and Roll Call

Directors Present: Hall, Pack, Prel, Worden and Zanutto

Staff in Attendance: Tom Neisler and Lori Bunn

Legal Counsel: Bernard Barmann

Item 2. Approve Minutes:

a. Special Meeting of December 5, 2016

Minutes of the Special Meeting of December 5, 2016 were approved as presented on motion made by Director Hall, seconded by Director Pack and carried on the following vote: Ayes: Hall, Pack, Prel and Worden; Noes: None; Abstain: Zanutto; Absent: None.

b. Regular Meeting of December 21, 2016

Minutes of the Regular Meeting of December 21, 2016 were approved as presented on motion made by Director Hall, seconded by Director Pack and carried on the following vote: Ayes: Hall, Pack, Prel and Worden; Noes: None; Abstain: Zanutto; Absent: None.

c. Special Meeting of December 29, 2016

Minutes of the Special Meeting of December 29, 2016 were approved as presented on motion made by Director Pack, seconded by Director Hall and unanimously carried: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 3. Manager's Report

Mr. Neisler reviewed his written report, including details of the reservoir storage. He said that the Pump Plant Department continues to perform off-season maintenance and repairs in preparation for system start-up on February 1 and the Pipeline Department has been focused on the weather and buttoning up the system back up after the Pure Technologies inspection. Mr. Neisler gave a brief report on the inspection and discussion took place.

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

No comments were made at this time.

Item 5. Election of Officers: President, Vice President, Treasurer and Secretary

Mr. Neisler explained this item to the Board. After discussion elections took place.

President: President Worden nominated Rick Zanutto to fill the position of President for the next two years or until a future election of officers is called. Director Pack seconded the nomination and it was carried on the following vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Vice President: Director Zanutto nominated David Worden to fill the position of Vice President for the next two years or until a future election of officers is called. Director Hall seconded the nomination and it was carried by a unanimous vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Secretary: President Worden nominated Lori Bunn to remain in the position of Secretary for the next two years or until a future election of officers is called. The nomination was seconded by Director Hall and unanimously carried. Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Treasurer: President Worden nominated LaMinda Madenwald to remain in the position of Treasurer for the next two years or until a future election of officers is called. The nomination was seconded by Director Zanutto and unanimously carried. Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

President Worden said the elections to be effective at the end of this meeting.

Item 6. Appoint Directors to Serve on 2017 Ad-Hoc Committees

Mr. Neisler reviewed this matter. He explained that the committee appointments are at the President's discretion and only two directors can serve on a given committee. He said an Ad-Hoc Committee is formed to fulfill a purpose. When the purpose is fulfilled, the committee automatically ceases to exist. Following are descriptions of the purpose of each committee:

Audit Committee: The Audit Committee meets with the contracted Auditor to discuss their findings and recommendations. Typically, two meetings are held annually in the fall/winter. The first meeting includes staff and discusses the procedures and preliminary audit findings. The second meeting is between the Auditor and the Committee members only and occurs after the final audit is completed and prior to approval by the full Board. In private, they can discuss with the Directors any deficiencies or other issues encountered during the audit and fully describe their final findings.

Budget Committee: Staff is proposing a slight modification to the Budget Committee's typical responsibilities this year. Due to changes and additions to staff, we propose that the Budget Committee meet with staff prior to the mid-year budget review currently scheduled for our February meeting. This will allow staff to ensure that we have provided all of the information that the Board requires and for a "dress rehearsal" of the full Board presentation. Commencing in late spring, the Budget Committee will hold several meetings with staff to discuss the preparation of the preliminary budget, review of the preliminary budget after Board approval and preparation of the Final Budget for Board approval. The exact timing and number of meetings required depends on the complexity of the budget issues. Staff anticipates at least three and maybe as many as five meetings will be required from April to August.

Water Priority Committee: This committee's title and function are slightly different this year. Previously, this committee was known as the Drought Committee. This year, the purpose of this committee will be review proposed priorities for water allocation for both delivery and banking/recharge. The function is expanded as the impact of drought is replaced by new allocation and banking challenges in Cummings Valley. Staff anticipates at least two and possible several more meetings will be required to address the issues and direct staff in

preparing the required Ordinance for full Board consideration and approval. Staff anticipates meetings will commence in February/March and be completed by May.

Personnel Committee: This committee serves solely to consider staff cost of living salary adjustments. These adjustments are based on the April CPI figures. Consequently, this committee typically only meets once or twice in June and July (if needed). If the President desires, the function of this committee could be assumed by the Budget Committee. If this approach were taken, the Personnel Committee would not need to be formed.

Discussion took place on combining the Budget and Personnel Committees. Because the duties of the Budget Committee encompass the purpose of the Personnel Committee, President Worden decided to combine the two committees.

President Worden made the following ad-hoc committee assignments:

Audit Committee:	Director Hall and Director Zanutto
Budget/Personnel Committee:	Director Zanutto and Director Prel
Water Priority Committee:	Director Pack and Director Worden
Water Rate Committee:	Director Hall and Director Pack
Labor Negotiating Committee:	Director Worden and Director Zanutto

Item 7. Develop Schedule for 2017 Ad-Hoc Committee Meetings

Mr. Neisler reviewed this matter and explained the options for scheduling these meetings. He said that the Budget Committee will need to meet February 6-8th in preparation for the February Board meeting. The Committee members agreed. Mr. Neisler said the Water Rate Committee will also need to meet prior to the February Board meeting. Mr. Neisler said that the Secretary will contact the committee members to schedule this meeting. A meeting of the Water Priority Committee will be scheduled for the end of February.

Item 8. Adopt Resolution 1-17, Granting the General Manager the Authority to Apply for a WaterSMART Water and Energy Efficiency Grant to the U. S. Bureau of Reclamation

Withdrawn.

Item 9. Review of 2016 Water Operations and the Forecast for 2017 Water Operations

Mr. Neisler provided charts and graphs relating to precipitation data and the State Water Project. He reviewed the details of this data and the SWP operation.

Mr. Neisler also provided a Water System Summary for 2016 for the District, which included total supply, deliveries, losses and recharge operations for each basin.

An imported water demand forecast for 2017 was provided and reviewed by Mr. Neisler and discussion took place.

Item 10. Approve Agreement with Wheeler Ridge Maricopa Water Storage District for Joint Facilities

Tabled.

Item 11. Financial Report and Payment of Bills

The following checks were presented to the Board for payment:

Checks #2500-2501, totaling \$10,504.72
Checks #2502-2551, totaling \$573,549.60
Checks #2552-2574, totaling 49,983.21
Checks #2575-2577, totaling \$859,954.34

After review, President Worden made a motion to approve the checks for payment. The motion was seconded by Director Hall and carried by unanimous vote. Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 12. Closed Session in Accordance with Exhibit A and Exhibit B Attached Hereto

The Board went into Closed Session at 4:35 p.m.
Returned to Open Session at 6:20 p.m.

Item 13. Report Action Taken in Closed Session

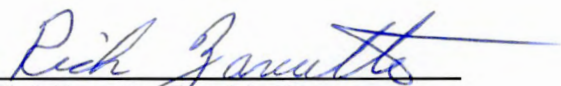
- a. In accordance with Exhibit A attached hereto.
No action taken.
- b. In accordance with Exhibit B attached hereto.
No action taken.

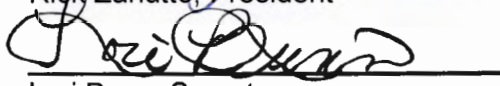
Item 14. Approve General Manager Contract

Director Hall made a motion to approve the General Manager's contract that was presented in Closed Session and agreed to by the Board and Mr. Neisler; subject to the revisions discussed by the Board and approved in final form by Legal Counsel, consistent with those changes. The motion was seconded by Director Pack and roll call was taken on the vote: Ayes: Hall, Pack, Prel and Zanutto; Noes: Worden; Abstain: None; Absent: None.

Item 15. Adjournment

The meeting was adjourned on a motion made by Director Hall, seconded 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: 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: _____

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

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

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

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