

MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS
TOPIC: STRATEGIC PLANNING WORKSHOP
June 18, 2018 1:00 P.M.
22901 Banducci Road, Tehachapi, CA 93561**

Item 1. Call to Order and Roll Call
Directors Present: Hall, Pack, Prel, Worden and Zanutto
Staff in Attendance: Catherine Adams, Lori Bunn, Troy DePriest, LaMinda Madenwald and Tom Neisler

Item 2. Flag Salute
The Pledge of Allegiance was led by President Zanutto.

Item 3. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body
No comments.

Item 4. Strategic Planning Workshop

Mr. Neisler stated this was the fourth Strategic Planning Workshop. He reviewed the new binder handouts that were passed out and gave a brief summary of the Strategic Planning Meeting held on May 21, 2018. Mr. Neisler explained the goals for today are as follows: Describe the Execution Steps of the Goals, Review the Mission Statement, Core Values, and Discuss Creating and Publishing a Vision for the District.

Mr. Neisler stated that after the completion of the 2018-2019 Budget they were able to trim some the Capital Improvement items. He discussed the revisions to the Short-Term and Mid-Term Capital Improvement Plans, and there were no updates to the Long-Term Capital Improvement Plan. A copy of each plan is attached as follows: Short-Term (Exhibit A), Mid-Term (Exhibit B), and Long-Term (Exhibit C).

Mr. Neisler offered to answer questions and none were brought forward.

A. CHAMPIONING EXECUTION

Mr. Neisler discussed how Championing Execution ensures that conditions are present for the imagined future to be turned into a reality. He said this is how we will turn our vision into reality and turn all the good ideas that have been discussed into results. It will take active participation by all who are involved including our entire team; customers, Board, management, supervisors and employees.

CHAMPIONING EXECUTION - INFRASTRUCTURE

i. Adherence to Maintenance and Inspection Schedules

The District promotes a team concept, maintenance and inspection schedules, analysis methods, and goals for better pump alignment. He mentioned continuous improvements such as upgrading equipment, tools, and the Organizational Chart, training on Chain of Command, recording data, developing baselines, and being more proactive and less reactive.

ii. Pipeline Inspection

The District monitors the conditions and operating parameters of the pipeline. Tom Neisler, Troy DePriest, and Alex Steele met with Pure Technologies to discuss the conditions of the District's pipeline and receive new ideas from the experts. They were also able to meet some of Pure Technologies pumping experts and pump engineer, and discussed new opportunities such as Indirect Potable Recharge.

Staff is monitoring conditions of the pipeline and there are no pipeline inspections scheduled at this time.

iii. Plan for Engine Replacement

Mr. Neisler stated that ultimately engines 2, 3, and 4 will need to be replaced. The current plan is that as soon as the debt is retired from the Phase One Engine Replacement Plan, the budget will incur the costs to replace these engines. Staff is confident that with proper maintenance, those engines will last until the District is in a position to replace them. Wind and Solar are prevalent, however at this time; neither option will work due to the District's operating conditions. These items will remain in the Strategic Plan for the future opportunities as conditions may change.

iv. Develop Schedules for Other Key Equipment Replacement

Mr. Neisler stated that Mr. DePriest and his staff are developing standard operating inspections and maintenance procedures for the equipment to ensure long term viability of the infrastructure. He discussed the action steps that will be taken to meet that goal and stated that once these plans are in place, they will return to the Capital Improvement Plan, review the Long-Term Plan, and review the District's reserves to discuss funding items needed on a year by year basis.

Mr. Neisler asked if there were any questions on these Infrastructure items and there were none.

B. CHAMPIONING EXECUTION – WATER SUPPLY

Mr. Neisler discussed Championing Execution – Water Supply

i. Existing Supplies

The State Water Project and groundwater are currently the District's water sources. Mr. Neisler mentioned he included this as an action step to continue the District's full participation in the California WaterFix. The Board developed a goal of importing 10,000 acre feet of water per year. When all the water is not sold, the Board authorized banking of the State Water Project water locally for use in the future or if there is a failure in the State Water Project. Mr. Neisler continues to look for opportunities to purchase water. Last year the District banked water in the Kern Water Bank and this year the District is extracting 2,000 acre feet of it. Mr. Neisler mentioned if the Department of Water Resources increases the District's allocation, the District can decrease the amount of water to be extracted from the Kern Water Bank.

ii. Expanded Resources

Indirect Potable Recharge is advanced tertiary treated effluent water. The State allows importation of non-potable, non-conforming aqueduct water for recharge without quality restrictions. If the District wanted to use treated effluent it would have to be treated to drinking water standards which requires advanced tertiary treatment. The City of Tehachapi is working on engineering and cost estimating to increase treatment capacity in their treatment plant from tertiary to advanced tertiary so they can use that treated effluent for Indirect Potable Recharge. Discussions have taken place about the District partnering with the City in this effort.

The District currently holds a permit to direct apply 700 acre feet of reclaimed water from the California Correctional Institution (CCI) that has been treated to tertiary standards, specifically to the Horse Thief Golf Course and Valley Sod. Currently the Golf Course uses no water so the resource is underutilized. If an advanced tertiary treatment system were to be built, the remaining water could be utilized. This is a new idea that came up last week so staff will be following up on it with the Board once more details are available. Director Worden asked if the reclaimed water from CCI could be used for other purposes such as to water a park. Mr. Neisler explained that the water cannot be used for any place

that has public access, it cannot be applied within 50 feet of a residence and it can only be applied from 7:00pm to 7:00am.

Mr. Neisler also discussed capturing Storm Water as another expanded resource that the State is beginning to recognize. He is hopeful that with as much flooding that occurs locally there will be a means of capturing that water in the future, measuring it, and have it count towards the District's banked supply.

C. CHAMPIONING EXECUTION – HUMAN RESOURCES

Mr. Neisler discussed Championing Execution – Human Resources. He discussed the following practices and ideas the District currently uses.

i. Nurture and Stimulate Our Team Members and Provide a Positive, Fulfilling Workplace

Perform regular performance evaluations; where do our team members want to be, progression, yearly and long-term goals.

Provide team social activities; picnics, occasions for informal lunches, celebrations for goals, hats, t-shirts, develop comradery, and team work. Strive to increase and maintain moral.

Maintain and enhance communication; support transparency (fiscal, operational, and employment), explain plans to employees and customers, hold staff meetings and other means of maintaining communication, involve employees in decisions and ask for their ideas and input, develop and encourage workforce synergy.

ii. Plan for Succession When Team Members Leave the District

Document procedures and protocols to develop Standard Operating Procedures that can be used as new people come in. The Employee Handbook is being updated to keep up with California laws and give employees a guide.

The GIS System is in progress and the backbone of the Importation System map is underway. Mr. Neisler provided a visual of the first edit of the map on the screen and gave a demonstration of how it can be used. GPS data collectors will be used to verify the angles and points in the field and to record locations of additions and changes to lines going forward. The GIS System will have a public portal allowing the public access to information and make the District's services more user friendly to customers.

The District has a program to reimburse 50% of education costs to aid employees to further their education in their field. Money is budgeted annually for this yet, it is rarely used. Employees are encouraged to further their education whether it be a welding certification class or a writing class, the District can benefit from these increased skills.

Mr. Neisler asked if there were any questions or comments and Mr. Wyman asked to make an observation. Mr. Wyman spoke about how valuable field experience is and that he feels all managers should experience the true grit of the positions below them. He mentioned he has met highly educated people who have struggled with basic field knowledge that is necessary to being a good manager. Mr. Neisler thanked him for his comment and mentioned he feels that this District has experienced managers and is looking for those same qualities in future hires.

D. MISSION STATEMENT

Mr. Neisler proposed a revised version of the current Mission Statement for discussion and editing. Discussion took place with input from the Board and the public, and edits were made to the Mission Statement. Director Worden suggested the Board take this revised version home for review. President Zanutto agreed the Board could review the statement and present their ideas at the Regular Board Meeting scheduled for June 20, 2018.

E. CORE VALUES AND VISION

Mr. Neisler explained the difference between a Mission Statement, Core Values and Vision. He reviewed the Core Values and Vision that were created from prior meetings. Discussion took place, a revision was suggested, and the Board agreed they would like to keep it the way it is.

Mr. Neisler asked if after this discussion on Core Values and Vision, if the Board would like to revisit the Mission Statement. Mr. Shultz commented that the Mission Statement should be a short sentence and the Vision can be more detailed. The Board confirmed they felt it was best to take time to review the Mission Statement further and finish the discussion at the Regular Board Meeting.

Director Hall asked to raise a question that was related to an earlier topic of this meeting. He wanted to know how much carbon the District is producing. Mr. Neisler answered with details about Carbon Monoxide and the District's permit requirements.

President Zanutto asked if there were any other questions or comments. There were none. He complimented Mr. Neisler and the staff on the work they have done for this workshop and how smoothly the process went. He also thanked Director Pack for taking time off to attend and all the public for their participation.

Item 5. Adjournment

The meeting was adjourned at 3:12 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.


Richard Zanutto, Board President


Lori Bunn, Board Secretary



CAPITAL IMPROVEMENT PLAN SHORT-TERM (1-2 YEARS)

DATE: JUNE 18, 2018

REV. NO.: 07

PRIORITY	DESCRIPTION	BUDGET	COMMENTS
DEPARTMENT 01 - ADMINISTRATION			
	Warehouse restroom	\$ 15,000	septic system not included
	Office computer server	\$ 10,000	upgrade hardware and software
	Control room cabinet reconfiguration	\$ 30,000	
	GIS development	\$ 50,000	maintenance ongoing budget exp.
	GPS data collectors	\$ 30,000	
	Front office reconfigure	\$ 5,000	
	Exterior painting	\$ 20,000	
	Tehachapi Valley Groundwater Model	\$ 100,000	
	Automate compound gate	\$ 30,000	
	Digital records transfer	\$ 25,000	ongoing project
DEPARTMENT 02 - PIPELINE			
	Pipeline Truck - 1 ton SRW Diesel w/ svc bed	\$ 55,000	
	Pipeline Truck - Superintendent	\$ 40,000	spec per AS
	Parking lot paving/reconstruction	\$ 200,000	Carryover again! Start engineering?
	Pump plant road base/surfacing	\$ 20,000	
	Pipeline to gravel pit recharge	\$ 20,000	
	Pipeline to new portion 19 ac. Recharge	\$ 36,000	
	Pipeline locator	\$ 7,000	
	WRMWSD inter-tie	\$ 125,000	
DEPARTMENT 03 - PUMPING SYSTEMS			
	Pump Plant Light Upgrades	\$ 50,000	PP 1-4, 2 years
	Pump alignment	\$ 125,000	PP 1-4, 2 years
	Driveline balancing	\$ 32,000	PP 2 & 3
	PP4 heat exchangers	\$ 100,000	
	Rebuild parts	\$ 80,000	Superior Engines per year
	Tank maintenance and repair service	budget	investigate service contract
	Automate office/campground wells & tanks	\$ 35,000	
	Cummings ponds recharge automation	\$ 30,000	
	Waukesha spare parts	\$ 20,000	PP 1-4
	Air compressors	\$ 60,000	PP 1-4, 2 years
	7 stage pump	\$ 78,000	FY 2019-2020
	Additional SCADA software licenses	\$ 10,000	New technician
	Bead blaster	\$ 7,000	
	Inventory management system	\$ 20,000	
		\$ 1,465,000	



Tehachapi-Cummings
County Water District
Our Water • Our Future

CAPITAL IMPROVEMENT PLAN MID-TERM (3-5 YEARS)

PRIORITY	DESCRIPTION	BUDGET	COMMENTS
DEPARTMENT 01 - ADMINISTRATION			
	Vehicles	\$ 50,000	1/year
	Brite Lake access road paving	\$ 500,000	
	Brite Lake Fencing repair	\$ 100,000	
	Accounting software	\$ 300,000	hard cost only, soft costs TBD
	Cummings Basin groundwater model	\$ 200,000	approx. 2023
	Indirect potable recharge study CCI effluent	\$ 50,000	
	IPR system CCI	TBD	based on study above
	Storage Structure	\$ 75,000	3 sided - open front west of PL shop
	Security system upgrades	\$ 50,000	
	HVAC system replacement	\$ 75,000	front of main bldg & PL shop
DEPARTMENT 02 - PIPELINE			
	Pipeline Inspection	\$ 1,000,000	
	Crawler tractor	\$ 200,000	D5, 6 way blade, slope boards, T3?
	Backhoe	\$ 150,000	replacement
	Front end loader	\$ 150,000	ITC option
	Cummings Valley loop line completion	\$ 2,000,000	
DEPARTMENT 03 - PUMPING SYSTEMS			
	7 stage pumps	\$ 80,000	0.5/yr
	3 stage pump	\$ 50,000	1 spare on ground, lighter duty
	Cummings Valley recharge add'n capacity	\$ 400,000	
	Fiber optic cable replacement	\$ 200,000	PP 2 to CoGen (service life exist)
		\$ 5,630,000	



CAPITAL IMPROVEMENT PLAN LONG-TERM (6-10 YEARS)

PRIORITY	DESCRIPTION	BUDGET	COMMENTS
DEPARTMENT 01 - ADMINISTRATION			
	Brite Campground water tank replace	\$ 25,000	
	Vehicles	\$ 50,000	1/year
DEPARTMENT 02 - PIPELINE			
	Pipeline Inspection	\$ 1,000,000	
DEPARTMENT 03 - PUMPING SYSTEMS			
	7 stage pumps	\$ 80,000	0.5/yr
	Engine Replacement PP 2, 3, 4	\$ 18,000,000	incl. pump plant modification
	Brite Lake expansion	\$ 1,000,000	
	Gearhead regearing/rebuild	\$ 360,000	
	Upgrade remote communications	\$ 1,000,000	future technology
	PP 5 motors	\$ 100,000	2 - 100 hp
	Cummings Valley extraction well	\$ 300,000	
		\$ 21,915,000	