

MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
January 9, 2023, 3:00 P.M.  
22901 Banducci Road, Tehachapi, CA 93561**

**CALIFORNIA DPH RECOMMENDS ALL PERSONS CONTINUE WEARING MASKS INDOORS IN PUBLIC SETTINGS**

- Item 1. Call to Order and Roll Call**  
**Directors Present:** Hall, Sasia, Schultz, Zanutto  
**Legal Counsel:** Robert Kuhs  
**Staff in Attendance:** Catherine Adams, Jon Curry, LaMinda Madenwald, Tom Neisler
- Item 2. Announcement**  
 President Schultz announced this meeting is being audio recorded, including all Board, Staff, and Public comments.
- Item 3. Flag Salute**  
 The Pledge of Allegiance was led by President Schultz.
- Item 4. Approval of Agenda**  
 Mr. Neisler requested the agenda be amended to reverse the order of Item 6.a.i. and Item 6.a.ii. as he would like to present the latter first. Director Hall moved to approve the agenda as amended. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Hall, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None. Motion passed.
- Item 5. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body**  
 Ms. Adams stated a letter was received from GHCSO and City of Tehachapi, and it has been distributed to the Board, and copies are available on the counter.
- Item 6. Public Workshop**  
 The Board Members stepped down from the dais and all participants moved to a round table discussion.
- a. 2023 Water Deliveries**
- ii. 2023 Hydrology and SWP Allocation  
 Mr. Neisler presented a slideshow and reviewed the Statewide Reservoir Conditions charts. He highlighted the dramatic increase in the level of Lake Oroville from December 8<sup>th</sup> to January 8<sup>th</sup>, but showed a chart comparing 2022 vs. 2023, and there is not much change from this time last year. Statewide snowpack went from 156% YTD Average in December to 199% now, and when comparing to this time last year, there is little improvement. He presented the 2022 SWP Allocations going from 0% up to 15% and settling on 5%. The initial Allocation for 2023 is 5% and DWR is waiting for conditions to stabilize before announcing any updates. He shared the rainfall data from the TCCWD Office location and the volume changes in Brite Lake resulting in an increase of 36 AF in the lake since December. The conclusion was that while all of this rainfall across the state has been good, the needle hasn't been moved much yet, and we will have to see how the year progresses.
- Mr. Jay Schlosser, City of Tehachapi, asked Mr. Neisler for his thoughts on historic drought in the state and the relation of how court decisions (amount of water being released to the sea) has affected the SWP Allocation. Mr. Neisler stated that the long-term average released in the draft

EIR for the DCP is about 48% and he feels that is more reasonable than the 60% that has been previously published. He pointed out that 2017 was the wettest year on record and the Allocation was 85%, so the likelihood of ever seeing 100% is slim, and the water release Mr. Schlosser mentioned is contributory to that. Director Hall asked if the pumping stations that pump water to the SWP were running at full capacity during this storm event. Mr. Neisler stated they are not because they are limited by regulatory concerns and turbidity was too high in the Delta. There was good discussion on how the process works. Director Hall pointed out that historic droughts have been interrupted with similar Atmospheric Rivers like we are getting, so this is part of the reason DWR is being cautious before making any updates to the Allocation.

i. Updated Exhibits

Mr. Neisler stated he presented exhibits at the December 14<sup>th</sup> Regular Board Meeting, and some questions were asked that he requested additional time to research and has now update these exhibits. These are still not final for 2022 as we are currently in the process of getting year end water totals wrapped up. He displayed his Banked Water Reserve Analysis and described the updates he made. He briefly reviewed the Banked Water Reserve Account (BWRA) balances for each municipality and the one agricultural customer. He discussed the TCCWD BWRA noting the Board adopted Resolution 11-22, which set minimum balances for District reserves in Tehachapi Basin (3750 AF) and Cummings Basin (6750 AF). Observing these minimums, the District has about 2700 AF available between the two. Mr. Neisler answered questions from the Public and the Board on how banked water is extracted from the two basins and clarified the District's banked water is not native water and can be utilized in either basin.

Mr. Neisler displayed the 2023 Supply and Demand chart and noted this was the main focus of the Ad-Hoc Water Priority Committee meeting and they discussed how much water can and should be taken from the District's BWRA to supplement this year. He modified the chart so that the amount of water taken from reserves can be changed and it will update throughout the chart to show how it will affect deliveries at the various levels of SWP Allocation. The starting point the committee recommended was a withdrawal of 2000 AF and he presented what deliveries would look like under that scenario. Under this scenario, with a 5% Allocation, we could deliver 240 AF to M&I and 2325 AF to Ag. At a 10% Allocation, all M&I surface water requests could be met delivering 275 AF and 3077 AF of Ag requests could be met. He reviewed further scenarios and stated the goal of this exercise is to determine the will of the group and opened it up for suggestions. Mr. Schlosser questioned if Wheeled Water belongs on this chart. Mr. Neisler explained it does because this is an operational forecast, and that demand has to be met with water off the line but the accounting reconciliation takes place on the Annual Report under the District's banked account.

Mr. Schlosser requested the Supply and Demand chart include the requests for banked water from customers because this chart should reflect that those are requests that will not be met. Mr. Neisler stated he can include those under the 2023 requests column. Mr. Schlosser asked under what scenario would the District begin to meet banked water requests. Mr. Neisler stated that is up to the Board to determine based on when current demands are met. Ms. Susan Wells, GHCSO, asked if these charts are fulfilling demands based off of last year's Water Priority Ordinance. Mr. Neisler clarified these are simply supply and demands, and what was supplied in 2022 is the basis for what will be supplied in 2023. If more water becomes available, the customers who were cut back the most, would get the additional water and that is based on the 2022 Water Priority Ordinance; current year agricultural use has a higher priority than recharge. Mr. Schlosser reiterated his request for a more than one-year decision making matrix, so they have some idea of when their banking requests will be met. Mr. Neisler explained that is not possible because every year allocations change, carry over changes, supplemental water may be available, and the District

cannot continue to extract 2000 AF from its banked supplies. The Board did commit to providing this data as early in the year as possible and to establish what supplies they will be willing to extract from their BWRA to meet current year demand. President Schultz explained that once we reach an Allocation where all wet water demands can be met, there is no need for the Water Priority Ordinance, it's in years where there is excess water that we can begin to bank. Mr. Schlosser stated he recognizes that in low Allocation years, it is reasonable for the District to not fulfill recharge requests, but there needs to be some point where some recharge water is delivered prior to every drop of wet water demand being met. He disagrees with the current approach because if there is more water available next year, and agricultural demands increase, the City and GHCSO still do not get recharge water. Mr. Neisler sees his point and explained that the District has customers in Cummings Basin with different starting and ending points than the City or GHCSO, and they require Conjunctive Use to meet yearly needs and banking requirements. Mr. Schlosser stated they would like to see the Allocation scenarios extended out to show at what point their recharge requests would be met. Further discussion took place on long-term needs, how BWRA water can be used, and how the RUWMP relates to this discussion.

Mr. Matt Vickery, Grimmway, stated he is hoping to get a better understanding of under what scenarios the Board would support pumping the District's banked supply to supplement 2023 demand, and the amount, as that is critical to their planning. President Schultz commented that if they start with a 2000 AF withdrawal, he would like to see that number decrease if the SWP Allocation increases. Mr. Zanutto agreed with this and also brought up that when the District replenishes their banked supply in the future, the cost to do so will be higher because of rising energy costs. He doesn't feel it is right to charge current rates for banked water extractions because we will be on the short end of the stick. Mr. Neisler stated he hopes to have further discussions on water rates this year. Mr. Robert Kuhs, TCCWD Legal Counsel, stated that when the District first started BWRA, they were faced with a proposition where they were not taking all the wet water available to them in a year. The BWRAs were a way of creating a financial incentive for customers to take water in wet years. Over the years since these accounts have been in place, what the District used to take and bank, is now being sold to customer reserve accounts. If the District put the same banking requirements on Agricultural customers, their demand is so high, that would not leave much water on the table for others. Mr. Schlosser asked the Board by what vehicle can they ever obtain the water they feel they are paying for, and Ms. Wells echoed the question. Mr. Neisler responded that the Ad-Valorem Tax supports the infrastructure to import the water, it does not directly pay for the water that is imported. Just like gas taxes pay to benefit roads; it's a general benefit tax that benefits the entire area. Tehachapi would not exist as it does today without the water importation system and further discussion took place on other taxes. Mr. Neisler circled back to when they will get recharge water and stated that current year demand is about 6500 AF, so that is about 34% of the SWP Allocation. If the Allocation goes above that, they can start talking about recharge water and decide the priority of voluntary banking requests and Term M&I Agreement banking requirements. Mr. Don Marsh, City of Tehachapi, asked for clarification on if that means the additional water will not just go to Ag and Mr. Vickery stated that the 2023 water requests they submitted, would be 100% of their need for the year, so they would not need additional water beyond that. President Schultz clarified that additional water requests cannot be made later in the year. The discussion went back to what amount of the District's BWRA should be withdrawn for this year and Directors agreed it should not be a fixed amount; the amount from reserves should decrease if additional Allocation is given. In conclusion, the Board had Mr. Neisler update the chart to show the scenario of withdrawing 2500 AF at 5%, 2000 AF at 10%-15%, and 1500 AF at 20% for consideration until the next Board meeting. Director Hall expressed concerns for withdrawing too much water from the District's BWRA and not leaving much for the following year.

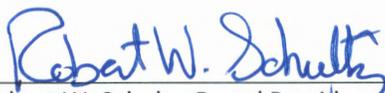
Mr. Neisler stated he will update the Supply and Demand chart to include the proposed TCCWD BWRA withdrawal amounts discussed and expand the columns out to higher Allocation percentages and show what impact that has on available surface water supply. He will have this prepared for the RBM on January 18<sup>th</sup> and add an item to the agenda to discuss the Water Priority Ordinance (WPO). Mr. Vickery asked Mr. Neisler to provide a quick update on why the WPO cannot be a long term document as a preface to the next meeting. Mr. Neisler stated there are multiple documents that need to come together to create a long term path forward; the RUWMP, the WPO, and the Term M&I Agreements and that will dictate what those policies are. If the WPO were implemented for more than one year, it would need to have a CEQA review. In addition, it is too dynamic and it does not need implemented every year. President Schultz mentioned that last year, when he told GHCS D that he really wanted to make the WPO something that could be used as a planning tool, as he got deeper into that project, he realized it wasn't feasible. He requested a lot of data from Mr. Neisler and looked at how everything interacts with the RUWMP, the WPO and the Term M&I Agreements and it became clear that it could not be solved directly through the WPO. In addition, the CEQA review process with a very variable supply makes things difficult. He feels a slower process such as we are taking now, where we are reviewing the Supply and Demand, making decisions earlier in the year, and trying to link those documents is a better approach than through the WPO.

**Item 7. Board of Directors Comments**

There were none.

**Item 8. Adjournment**

The meeting was adjourned at 5:41 p.m. on a motion made by Director Hall, seconded by President Schultz, and carried on the following vote: Ayes: Hall, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None. Motion passed.



Robert W. Schultz, Board President



Catherine Adams, Board Secretary