

MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
May 21, 2025, 3:00 P.M.
22901 Banducci Road, Tehachapi, CA 93561**

Item 1. Call to Order and Roll Call

Directors Present: Ables, Hall, Sasia, Schultz **Absent:** Davis

Legal Counsel Present: None

Staff Present: Catherine Adams, Jon Curry, Tom Neisler, Crystal Sampson

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 Director Hall.

Item 4. Approval of Agenda

Director Hall moved to approve the agenda. Director Sasia seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Sasia, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 5. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body

Taylor Davis and Bailey Damian from Tehachapi Valley Recreation and Park District thanked the District for supporting this year's fishing derby and their long-standing partnership. Davis introduced Damian as she will be taking over the derby in the coming years. Davis presented the Board with a plaque commending the sponsorship. The Board expressed their gratitude and asked Neisler to accept the plaque on behalf of the District. Neisler stated he appreciated them coming to the meeting and commended them on a very well-run event with record success this year. Further discussion took place on the event details and outcomes.

Item 6. 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.

- a. Approve Minutes of the Regular Board Meeting of April 16, 2025
- b. Approve Quarterly Investment Report, Financial Report and Payment of Bills
- c. Approve Date for Benefit Assessment Hearing

President Schultz asked if there were any items the Board, Staff or Public would like to remove for discussion, and there were none.

Director Hall moved to approve the Consent Calendar. Director Sasia seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Sasia, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 7. General Manager's Report

Neisler reported on the following:

- The coupling needed for the Engine Replacement Project has been delivered, is installed and the system is operating. Everyone has put in a tremendous effort to get this done so many kudos to Curry, his team and the subcontractors.
- One of the priorities in the Governor's state budget is to fast track the Delta Conveyance Project. They are trying to generate positive press coverage of the benefits of the project and the cost estimate remains at about \$20 billion. They anticipate the project will return about \$2.20 of benefit for every dollar invested.
- Vice President Hall and Curry attended the ACWA Conference was last week. Neisler was not able to attend this year.
- The TVRPD Fishing Derby was a great success and from a property owner standpoint, there were no issues, and the District is happy to work with them on this and similar events.
- The lake level is lower than normal, however, now that the system is operating it will begin to recover.
- On the reservoir charts, everything is full, and Lake Oroville is within a foot of its maximum capacity. As of yesterday, 1,700 CFS was running over the spillway and 600 CFS was being imported into the State Water Project. San Luis Reservoir is at 96% of average and 73% of total capacity. Those numbers are lower because there is only 600 CFS going into the reservoir. President Schultz asked questions regarding the amount of water spilling, other users access to that water and Neisler answered his questions and explained some environmental factors.
- The snowpack is diminishing rapidly, the precipitation charts are standard, and the Table A Allocation is still at 50%.

Item 8. Operations Report

Curry reported on the following:

- He reiterated that the coupling came in a little earlier than expected and the system is operating with two engines currently. The corner lift test and deflection testing went great the week of June 12th-15th. WPI and INNIO provided support during the testing to make adjustments and tune the engines.
- The Pump Plant Staff, WM Lyles, AC Electric and all the contractors have worked very hard, including weekends and evenings, to get this project done. Hats off to everyone, especially the District mechanics and Paul Dutcher, the Pumping Systems Supervisor, for keeping the project moving forward and getting the job done. There are a few non-critical tasks to be completed on the project as well as new doors for the plant. The doors are expected to arrive in mid-June.
- Potholing began at Pump Plant 2 for the gas line so the plot can be set for the retaining wall and some other tasks that can be done while the system is operating to get a head start for the off-season.
- The Brite Lake data from May 16, 2025, was: 4348.5', volume 882.5 acre feet, and level 23.9'. The Tehachapi Basin extraction wells are shut down.
- He described the details of the maintenance projects and tasks completed by the Pumping Systems and Pipeline Staff as listed in the Staff Report. He described two mainline breaks in Cummings Valley and the repairs that were made.
- The Portable Equipment Emissions Renewal was completed with CARB for a portable generator.
- Pay Request #7 for Pump Plant 3 Engine Replacement Project was processed.
- Annual Hearing Testing was completed on site.
- An updated Clean The Truck (CTC) with CARB was completed on the water truck.
- Looking ahead, the main focus is keeping the system operating and trying to make up for starting later this year.
- He offered to answer any questions the Board or Public may have and President Schultz commented he is glad to see the engines are running and thanked everyone for their work.

Item 9. Adopt Resolution 05-25, Amending and Restating the District Reserves Policy

Sampson stated the purpose of this item is to amend and restate the District Reserves Policy through the adoption of this resolution that will authorize the District Treasurer to add a designated reserves fund. The new fund will be named the Unfunded Pension Liability fund. Staff proposes adding this designated reserve fund for the purpose of proactively managing the Unfunded Accrued Liability (UAL) balances for the District's three CalPERS pension plans. These reserve funds may be used to make additional discretionary payments toward these balances. Other amendments to the policy include some minor revisions and an update that would eliminate the need for re-adopting the policy annually. Those annual updates will become part of the transmittal letter of the Budget rather than in the Reserves Policy.

The Ad-Hoc Budget Committee, President Schultz and Director Davis, has reviewed the policy and recommended the Board adopt Resolution 05-25, Amending and Restating the District Reserves Policy. The amended policy is Attachment A and the red-lined revision is Attachment B. President Schultz thanked her for including his input on the committee and appreciated the discussion.

President Schultz moved for adoption of Resolution 05-25, Amending and Restating the District Reserves Policy to add a Designated Reserve fund, to be called the "Unfunded Pension Liability Fund", and incorporate revisions. Director Sasia seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Sasia, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 10. Execute Engagement Agreement with Matarazzo Law and Authorize Transfer of Documents from Pioneer Law Group to Matarazzo Law

Neisler stated since 2021, the District has utilized the services of Pioneer Law Group as the outside CEQA counsel for an ongoing series of litigation issues. Staff have been happy with the cooperation and the results of utilizing that firm. Ms. Matarazzo is leaving Pioneer Law Group and starting a separate firm called Matarazzo Law. She was one of the partners and one of the founding members of Pioneer Law Group.

The Board is tasked with employing Legal Counsel, the Auditor and the General Manager. Staff is requesting that the Board consider engaging Matarazzo Law to continue as outside CEQA counsel and have the President execute a letter to transfer all document files from Pioneer Law to Matarazzo Law.

President Schultz moved that the Board approve engaging Matarazzo Law, APC, to serve as special counsel and direct the Board President to execute the engagement letter and the document transfer letter. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Sasia, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 11. Accept Bids and Award Contract to Elite Constructors Inc. for New Storage Facility and Authorize General Manager to Execute Contract

Curry stated that due to the lack of bids received for the New Storage Facility Project, the Board authorized Staff to re-solicit bids at the March 26, 2025, Regular Board Meeting. Bid notices were sent out on March 28th, and a job walk was held on April 14th in which one contractor, Elite Constructors Inc., attended. Two bids were received by the May 9th deadline, Hoffman Steel Structures \$134,285 (steel building only) and Elite Contractors Inc. \$248,761. The Hoffman bid would require the District complete the balance of the work separately, which would likely be more costly, so Staff is recommending the Board accept the bid and award a contract to Elite Contractors Inc. for the New Storage Facility Project, and authorize the General Manager to execute the contract. The current CIP budget includes \$300,000 for the project and it will carry over into the Preliminary FY 2025-26 CIP.

President Schultz asked if there were any interior finishes included in this bid and Curry explained the only interior item is building a small records storage area and that is not included in the bid. That is a small

enough task that the complete project should still come in under \$300,000. President Schultz agreed that the Hoffman bid is incomplete.

Director Sasia moved that the Board accept bids and award contract to Elite Constructors Inc. for New Storage Facility and authorize General Manager to execute contract. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Sasia, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 12. Accept Offer of Donation of APN 222-470-17

Neisler stated that Glenn and Barbara Mueller, through their trust, own a small parcel of land adjacent to the District's 19-Acre Recharge Facility. On two previous occasions, the Muellers have graciously offered to sell this parcel to the District, however, the District could not identify a beneficial use at that time. The Muellers have since offered to donate the parcel to the District, at no cost. Staff believes a beneficial use for this parcel could be for a potential well site due to it being adjacent to the 19-Acre Recharge and now that there is upgraded Southern California Edison facilities in the area, there is adequate power for a well. A Grant Deed is attached to the Staff Report. Staff recommends the Board accept the Muellers' gracious offer of a donation, process the execution, and record the Grant Deed transferring title. No taxes will be due as this transfer is to a public agency and the District is exempt from transfer tax. He noted Glenn Mueller was in the audience and disclosed Mueller is a retired General Manager of the District.

President Schultz asked questions regarding a tax write off associated with the donation and stated he agrees this parcel could be of use to the District at some point in time.

President Schultz moved that the Board accept the donation of the real property known as APN 222-470-17 at no cost to the District and direct Staff to process the execution and recordation of the Grant Deed transferring title to TCCWD. Director Sasia seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Sasia, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 13. Report on ACWA JPIA Spring Conference

Neisler reported he did not attend the ACWA JPIA Spring Conference. Curry has prepared written notes as Attachment A to the Staff Report he will present and Director Hall will provide an oral report. Director Hall stated he does not have his ACWA Conference notes put together yet but he will present on the JPIA Conference. Director Hall noted one thing from the ACWA Science Committee was that they promised to be very open and transparent with all the data that's collected regarding the water going into the canal and the Delta. They will make the information available to everyone. Director Hall described that JPIA is an insurance company that also has California Water Insurance Fund, a corporation in Utah, that they created to make longer-term investments that are not allowed in California. JPIA reported the property market has not yet felt the California wildfires. The director of pooled programs, reported there were \$1.5 billion of insured assets in the wildfire zones, and there were zero losses to the JPIA from that. JPIA is migrating from Risk Console to Risk Star, which is a database of agencies' insured inventories, and they will be asking everyone to ensure inventory is updated on that new system. A new product was introduced, Parametric Insurance, based on the belief that there is a large amount of uninsured risk for public agencies because the risks cannot be quantified. For instance, there are extra charges and expenses due to recovering from an earthquake that are not represented by loss of inventory or anything else. Just having to hire people to direct traffic would be an example of that. He described how Parametric Insurance works using regional boxes on the map, and if an emergency of significant magnitude happens in that box, the agency gets a payout. Agencies would get a payout, regardless of whether they suffered damage and it's an attempt to address traditionally uninsurable loss. He stated he will share on the ACWA Conference at next month's meeting.

Curry attended the JPIA Leadership program 10-year alumni event and it was great to catch up with everyone. He enjoyed that the exhibit hall is open all day so there is ample time to visit the vendors. ACWA currently has an Interim Executive Director and they are looking for a permanent replacement. The Excellence in Water Leadership award went to a hydrogeologist from Turlock Irrigation District. Katherine Zitsch from National Water Supply Alliance spoke about some of the common issues that affect other states that are similar to what California experiences. He was surprised to hear states like Georgia suffer from drought at times as well. There was a presentation on the Watershed Resilience Initiative that discussed climate change challenges, working through individual GSAs, tribal disadvantaged participants and updates on the five pilot projects. There was a keynote speaker from Fight for the Forgotten, Justin Wren, who is a retired MMA fighter who runs a program that constructs water wells in Africa. A session entitled "Agriculture, Water and the Public – Building Support for a Sustainable Future" discussed technological advances, public education, and the role agriculture has in water quality and conservation. There is a podcast called "We Grow California" with one urban and one agriculture commentator discussing issues in the state. There was a very informative session on state, local, and federal efforts to enhance water supply with some contention between some of the Kern participants and the State Water Resources Control Board. At the end of the conference, there was talk about this possibly being the last year the conference will be held in Monterey as there were about 1,700 attendees and it is too hard to house everyone there.

Item 14. Board of Directors Comments

President Schultz commented on an email he read from the Department of Water Resources, which highlighted water supply and quality with regards to the San Francisco Bay fish. The fish are contaminated with levels of forever chemicals that could harm anglers. It was written by Rachel Becker, on May 20th, 2025, and it can be found on calmatters.org. He found it interesting and not surprising, that these fish could be contaminated and there is concern that these chemicals cause cancer, birth defects, and other problems. He shared the details of some studies and compared how these chemicals wash down into the bay, and this is similar to Tehachapi being shaped like a bowl and everything washing down into the groundwater. He feels the area is blessed to have the water quality it does compared to other parts of the state.

Item 15. Adjourn to Closed Session

President to reference Closed Session items as presented on Agenda, then Board to adjourn to Closed Session.

- a. In Accordance with Exhibit A Attached hereto, TCCWD v. City of Tehachapi *Et al.*
- b. In Accordance with Exhibit B Attached hereto, DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds, et al.; DWR v. All Persons Interested In The Matter of the Authorization of Delta Program Revenue Bonds, *Et al.*
- c. In Accordance with Exhibit C Attached hereto, Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency *Et al.*
- d. In Accordance with Exhibit D Attached hereto, City of Tehachapi vs. TCCWD
- e. In Accordance with Exhibit E Attached hereto, City of Tehachapi vs. TCCWD

The Board adjourned to Closed Session at 3:52 p.m.

Item 16. Return to Open Session

The Board returned to Open Session at 4:30 p.m.

Report Action Taken in Closed Session:

- a. No reportable action.
- b. No reportable action.

- c. No reportable action.
- d. No reportable action.
- e. No reportable action.

Item 17. Adjournment

The meeting adjourned at 4:30 p.m. on a motion made by Director Hall, seconded by Director Sasia and carried on the following vote: Ayes: Ables, Hall, Sasia, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

 6-18-2025
Robert W. Schultz, Board President


Catherine Adams, Board Secretary



CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

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

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

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

1. Existing Litigation: County of Sacramento Superior Court Case No. Case No. 34-
2022-80003892
Name of Case: TCCWD v. City of Tehachapi *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: _____



CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

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

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

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

1. Existing Litigation: Two Cases
Names of Cases: DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds, et al.; DWR v. All Persons Interested In The Matter of the Authorization of Delta Program 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: Not Applicable
Unrepresented Employee: _____



CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

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

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

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

1. Existing Litigation: KCSC No. BCV 21100418 TSC
Name of Case: Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency
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: _____



CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

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

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

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

1. Existing Litigation: KCSC Case No. BCV-23-104134
Names of Cases: City of Tehachapi vs. Tehachapi-Cummings County Water District

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: _____



CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

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

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

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

1. Existing Litigation: KCSC Case No. BCV-24-101512
Names of Cases: City of Tehachapi vs. Tehachapi-Cummings County Water District
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: _____