

MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 21, 2024, 3:00 P.M.
22901 Banducci Road, Tehachapi, CA 93561**

- Item 1. Call to Order and Roll Call**
Directors Present: Ables, Sasia, Schultz, Zanutto **Absent:** Hall
Legal Counsel Present: Robert Kuhs via Zoom
Staff in Attendance: 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 President Schultz.
- Item 4. Approval of Agenda**
 Director Sasia moved to approve the agenda. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Hall. Motion passed.
- Item 5. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body**
 Mr. Ted Wyman commented on the Democratic National Convention and mentioned the Kamala Harris’s new campaign manager is Julia Chavez who is Cesar Chavez’s granddaughter. He commented on the design-build contract for the engine project and suggested getting an independent engineering agency to look over the contract.
- 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 July 17, 2024
 - b. Approve Quarterly Investment Report, Financial Report and Payment of Bills

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

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

Item 7. General Manager's Report

Neisler reported on the following:

- The picture in the Staff Report is of the fire near the road to Pump Plant 3 and this shows how close it came and how fortunate the District was.
- He reported forecasts indicate that La Nina conditions are strengthening, and July was the hottest month ever in California.
- He had a Press Release published in the Tehachapi News regarding the 2023 DWR 20-year delivery capability report. In 2021, the report showed a 20-year long-term delivery average of the State Water Project of 56% and the 2023 report reduced that to 53%. The District depends on close to a 50% average to meet current demand. The Delta Conveyance Project will increase the reliability of the project.
- He displayed and reviewed the Brite Lake chart. He pointed out that the peak was lower this year because they could not start the third engine until July 1st due to the 40% Table A Allocation this year.
- The system continues to operate with three engines and there was a planned interruption on SWP deliveries yesterday, but it is back to full flow today.
- The purchase contracts are signed with Twin Eagle Energy for natural gas purchases for 2025, but he has not purchased any gas yet. He requested an updated quote, and it went down to \$3.85 from \$4.35/mmbtu and he is waiting to see what happens in the election and will immediately purchase 2025 natural gas if the results do not support lower energy prices.
- He reviewed the Monthly Operations Summary reporting the following YTD totals; 1,245 AF have been imported, about 360 AF of groundwater and reserves have been extracted, about 2700 AF of water has been delivered, and about 1400 AF has been recharged In-District.
- He shared the San Luis Reservoir chart indicating the DWR share versus the SWP share. Lake Oroville is 114% of average and San Luis is 106% of average for this time of year.
- He spoke at the Rotary Club last week and the presentation was well attended and received. Next, he will be speaking at the ACWA Region 6 & 7 Water Forum.
- He attended the Tehachapi Chamber of Commerce meeting to introduce Congressman Vince Fong's Chief of Staff, Courtney Dunbar. He was fortunate to get ample time to speak with her face-to-face.
- He congratulated staff member, Judy Negrete, who participated in the Tehachapi Mountain Gallop 5k last week and placed first in her age group among the females.
- He reported Director Ables and Director Hall (he mistakenly stated Sasia at the meeting) are being reappointed to their seats. The Division 4 seat will be held by a new Director, Gerald Davis, and Director Zanutto will be missed.
- He offered to answer any questions the Board or Public may have.

Mr. Wyman commented on California pushing refineries to produce green hydrogen and whether that will affect the engines we use. Neisler stated the District's engines are not compatible with that fuel source as they are solely natural gas fired. He added that representatives have come to the office with speculative proposals, but green hydrogen is made from water, so the water supply is not encouraging for that. Director Zanutto asked about water being taken off the Wheeler Ridge turnout and how that affects the pressure in the line and Neisler described the thresholds and suction pressure.

Item 8. Operations Report

Curry reported on the following:

- The Pump Plant 2 and 3 Engine Replacement project is moving forward as Submittal 11 is now complete. WPI has made comments, and the procurement piece is starting to wrap up. There was a no-cost Change Order to begin with Plant 3 instead of Plant 2 for the installation phase. The scope and contracts for the design-build are currently being reviewed and Staff is hoping to begin the superstructure work prior to the system shutting down for the season.
- Emissions Source Testing was completed August 12th at Plants 1 through 3 and Plant 4 is rescheduled for August 23rd as the vendor could not make it out. The tests were well within emissions limits.

- The pumping plants throughput efficiency for the month of July was 99.9%.
- He reviewed the tasks and projects completed by the Pipeline and Pumping Systems Departments as listed in the Staff Report.
- Staff received and reviewed RFPs for the Fairview Loop Line project and those will be discussed later on the agenda. The 2024 IIPP update is now complete, and Staff processed a Brite Lake Special Event Request application.
- The JPIA Annual Risk Assessment was conducted by Mr. Lee Patton and Staff will be coordinating with USDA NRCS staff in October to complete the annual tour of Antelope and Blackburn dam sites. They also inspect the Dennison drainage channel.
- He offered to answer questions and there were none.

Item 9. Adopt Resolution 13-24 Approving Fiscal Year 2024-25 Final Budget, Appropriations Limit and Reserves Policy

Sampson stated the proposed resolution is to approve the Final FY Budget for 2024-25. At the June Regular Board Meeting, the Board adopted the Preliminary Budget, and it has been available for public inspection since that date. Revisions have been made since updated information is now available from Kern County and other agencies to replace estimates that were made at the time of the Preliminary Budget. She reviewed the summary of changes as detailed in the Staff Report highlighting there was an increase to reserves of \$21,350 and the Net Income for the Operating General Fund was \$32,000 after fourth quarter interest income was included. There was a \$100,000 increase to Capital Outlay Expenses that will be covered in the CIP portion of this presentation.

Overall, the Final Budget reflects an increase of \$586,000 to overall reserves and the budget is balanced. Attachment A lists the changes from the Preliminary to the Final Budget, Attachment B is the Capital Improvements Budget, and Attachment C is the Resolution to adopt the Final Budget. Curry described the projects listed in the Capital Improvements Budget and pointed out the addition of \$100,000 for Pump Plant 5 well repair and rehabilitation. Neisler made the Board aware that the Kern County Tax Collector notified the District of a significant change to anticipated property tax revenue this year, reducing the District's proceeds by several hundred thousand dollars. This came too late to include in the budget and he feels this assessment may change before the end of the year as there are large facilities that routinely challenge the property tax assessment at the east end of the District. Adjustments should be able to be made accordingly at the Mid-Year Budget. Director Zanutto recalled that the District has reserve accounts for these scenarios and Neisler confirmed the District does have adequate funds.

Director Sasia moved for adoption of Resolution 13-24, Approving the Fiscal Year 2024-25 Final Budget, Appropriations Limit, and Reserves Policy. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Ables, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Director Zanutto commented that the budget amounts for maintenance of the flood control facilities have increased and asked if it takes a Prop 218 process to increase the assessment. Neisler responded that the increase is due mostly to permitting costs and our current Pipeline Supervisor does a great job of tracking the maintenance costs, so we have a more accurate account of those than in the past. It does require a Prop 218 election and with that cost being \$20-\$30,000 for about 1500 parcels in the Benefit Assessment zone, it has not seemed worth the cost, but Staff can look into it this year.

Item 10. Adopt Resolution 14-24 Transferring Funds

President Schultz stated this item is not needed and moved on to Item 11. (Staff Report explains this item was a placeholder in case a transfer was necessary and as a result of the Budget, it was not.)

Item 11. Accept Bids and Authorize General Manager to Execute Contract to Purchase Remote Mower

Curry stated at the July 17, 2024, Regular Board Meeting, the Board authorized Staff to solicit bids for a remote drive mower. Staff's interest in this machine was discussed in meetings prior. The Bid Notices were circulated to vendors and three bids were received as listed on Attachment A. Environmental Concepts, Owen Equipment Co., and Cal-Line Equipment all submitted bids on the same piece of equipment, RC Mowers R60. The specifications of this model are provided in Attachment C. The Capital Expenditures budget includes \$80,000 for this purchase and the low bid was from Cal-Line Equipment for \$76,641.00.

President Schultz asked questions about the lifespan of the mower and Curry stated the warranty period is 400 hours or two years. Until Staff is able to put the mower to work at the dam facilities, they do not have a good estimate on how many hours these tasks will take at each site. Further discussion took place on how the mower will operate and the handwork it will replace. Director Zanutto further inquired about the skid steer that was purchased last year and its capabilities compared to this remote mower. Discussion took place and Pipeline Supervisor, Graysen Oldham, added that the District had been spending about \$20,000 per year renting a skid steer to mow JC Jacobsen dam and all the flat areas on the property. Once the District purchased one, Staff discovered it could mow JC Jacobsen going straight down and up but it was still dangerous if you hit a rock or needed to turn sideways. The remote mower is safer and can also mow Blackburn and Antelope dams that are too steep for the skid steer. Overall, both machines will be utilized for this work each year. President Schultz and Director Zanutto had reservations about the cost of the remote mower but agreed the elimination of safety concerns is important.

President Schultz moved that the Board accept bids and authorize the General Manager to execute the contract to purchase the Remote Mower from Cal-Line Equipment in the amount of \$76,641.00. Director Sasia seconded the motion, and it was carried on the following vote: Ayes: Ables, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 12. Reject Proposals for Fairview Loop Line Replacement Engineering and Authorize Staff to Investigate Alternates to Replacement

Curry stated at the June 19, 2024, Regular Board Meeting, the Board authorized Staff to send out proposals for engineering services for the replacement of the Fairview Loop Line. On June 26th, proposals were sent out to five engineering firms (Attachment A) and only two proposals were received by the deadline on July 26th. Due to the low number of responses and the high costs of the ones received, Staff is recommending the Board reject these proposals and authorize Staff to investigate alternatives to the mainline replacement. To clarify, these proposals were just for engineering of the project; construction costs would be additional causing this project to be very expensive for only 10 connections on the Fairview Loop line.

Staff feel alternative solutions should be investigated and one solution is to install a pressure-reducing sustaining station to reduce operating pressure and hold the line pressure steady. This will reduce the pressure swings on that section of the mainline. The main issue with the line is that the operating pressure is borderline what the pipe is designed to be used for. President Schultz asked what Staff recommends the pressure be operated at on that line and Curry answered 70-80 PSI and it is currently running at about 110-120 PSI. Discussion took place on whether reducing the pressure will affect the customers' use and it should not. Neisler stated we certainly do not want to inconvenience our customers and provided more details explaining it is plastic irrigation pipe that was installed in-house, and it has required continuous maintenance. The budget included \$20,000 for engineering for this project and the lowest proposal received was \$225,000 and that just seems out of line.

Director Zanutto moved that the Board reject proposals for Fairview Loop Line Replacement Engineering and authorize Staff to investigate alternates to replacement. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Ables, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 13. Accept Proposal from Bakersfield Well and Pump Co. to Repair/Rehabilitate Pump Plant 5 Well

Curry stated this item was discussed briefly during the Final Budget item as it was included in the capital projects section. The District's Pump Plant 5 well is a deep vertical turbine well and this project will include repairs to the tube, shafting, pump bowl assembly, motor rehabilitation, casing and perforation cleaning, and swage patch repair. This is similar to the repairs completed on the Dennison well.

The Pump Plant 5 well was drilled in 1996 and produces roughly 500 gpm and upon start up this pumping season, the well would not build pressure or produce flow. Staff did initial checks on the motor and controls and Bakersfield Well and Pump was called out to diagnose the problem. The video work showed a hole in the casing and Attachment B provides the details of the issues they found, and he described those mentioning the repairs will include an acid treatment with a bale and brush to get the perforations opened up more. The Fiscal Year 2024-25 Capital Improvement Program Budget includes \$100,000 for this project and he offered to answer any questions.

President Schultz asked about the 3 airlines in the drawing and Curry explained those have broken off and are at the bottom of the well. Further discussion took place on the video findings and the condition of the well. Director Zanutto asked how deep the well was and Curry provided 470 ft, and it was discussed that the pump will be set back at 440 ft as it was before.

President Schultz moved that the Board accept the proposal from Bakersfield Well and Pump Co. to repair/rehabilitate Pump Plant 5 Well and authorize the General Manager to execute the proposal. Director Sasia seconded the motion, and it was carried on the following vote: Ayes: Ables, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 14. Adopt Resolution 15-24 Amending Injury and Illness Prevention Program

Curry stated every California employer must establish, implement and maintain a written Injury and Illness Prevention Program (IIPP). Title 8 of the California Code of Regulations defines the requirements and adoption of Resolution 15-24 will satisfy these requirements.

The District formalized a safety education program by Resolution 17-86 to comply with OSHA requirements and in 2011 adopted an IIPP. Attachment B is an updated version of the IIPP to comply with current standards and provides framework for inspection, training, safety-related reporting, accident investigation and employee coordination. Staff worked with ACWA JPIA to develop the program and utilized their template for the update. Director Zanutto thanked him for including the exhibit with the full document because it was very informative.

Director Sasia moved that the Board adopt Resolution 15-24, Amending the Injury and Illness Prevention Program. Director Zanutto seconded the motion, and it was carried on the following vote: Ayes: Ables, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 15. Authorize Director Attendance at ACWA Region 6 & 7 San Joaquin Valley Water Forum and 2024 Fall ACWA Conference

Neisler stated the Fall ACWA Conference will be held in Desert Hot Springs this year (December 3-5, 2024). ACWA reserves a block of rooms that will open the first week of September. The registration has gone up to \$899 and includes two continental breakfasts and two lunches. The ACWA Region 6 and 7 Water Forum usually includes a tour on Thursday but this year it will just be the forum on Friday, October

11th at Harris Ranch in Coalinga as it is centrally located for both regions. Neisler will be speaking on a panel at the forum on “Navigating Funding Priorities for Capital Projects.” Discussion took place on Director attendance for both events and it was mentioned that Director Hall will most likely attend the JPIA Conference and if not, Neisler will fill the District’s role.

President Schultz moved that Directors Zanutto and Schultz be approved to attend the Region 6 & 7 San Joaquin Valley Water Forum and moved that Directors Ables and Schultz be approved to attend the Fall 2024 ACWA Conference. Director Sasia seconded the motion, and it was carried on the following vote: Ayes: Ables, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 16. Board of Directors Comments

President Schultz thanked Sampson for her hard work on the Final Budget and appreciated the detail she added for clarity with the attachments. He also complimented Curry on his development of the operational plan this year as it is successful.

Director Zanutto commented he was looking at the Strategic Plan and how the Engine Replacement Project was long-term and now it’s short-term and how fast that came up. It’s wonderful the District has the funding to be able move forward with these projects and get them accomplished with the Board supporting it.

Item 17. 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 4:33 p.m.

Item 18. Return to Open Session

The Board returned to Open Session at 5:17 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 19. Adjournment

The meeting adjourned at 5:18 p.m. on a motion made by Director Sasia, seconded by Director Ables and carried on the following vote: Ayes: Ables, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Hall. Motion passed.



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.)

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

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

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

- Appointment: _____
Title: _____
- Employment: _____
Title: _____
- Performance Evaluation: _____
Title: _____
- 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: _____