

MINUTES

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
 REGULAR MEETING OF THE BOARD OF DIRECTORS
 July 20, 2022, 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, Pack, Schultz, Zanutto **Absent:** Cassil

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.

President Schultz read a statement commemorating the life and service of Mr. Jean Prel who served as the Division 5 Director on this Board for 23 years. Mr. Prel passed away peacefully at his home on July 19th and a moment of silence was observed to honor him.

Item 4. Approval of Agenda

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

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

Ms. Susan Wells, GHCSO, asked if she could get a report on the status of the RUWMP, the status of the Ad-Hoc Water Priority Committee meetings, and complimented Mr. Neisler on his presentation at The Tehachapi Association of Realtors meeting but stated she still has an issue with Mr. Neisler's statement that M&I gets all the water it needs. She feels that because GHCSO cannot take direct delivery water, their needs have not been met. Mr. Neisler stated that he addresses the RUWMP in his Manager's Report and will discuss it at that time. President Schultz stated he has given the continual comments a lot of thought and read a statement he had prepared in response to Ms. Wells concerns.

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 June 15, 2022
- b. Approve 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 he removed Item a.

Director Hall moved to approve Item b. of the Consent Calendar. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Cassil. Motion passed.

President Schultz stated he was not at the last meeting and therefore could not vote to approve Item a. Minutes. Director Hall moved to approve Item a. of the Consent Calendar. Director Pack seconded the motion, and it was carried on the following vote: Ayes: Hall, Pack, Zanutto; Noes: None; Abstain: Schultz; Absent: Cassil. Motion passed.

Item 7. General Manager's Report

Mr. Neisler reported on the following:

- Mr. Jerry Gladbach who served as the President of ACWA and JPIA, as well as on the Santa Clarita Water Board has passed away. He was very prominent in the State water industry and there will be a memorial service for him in Sacramento next week and a moment of silence was observed in his honor.
- He described the picture in the Staff Report highlighting the improvements made to Plant 1 achieved through Capital Improvement Projects.
- In May, statewide water use was 3% less than the baseline year of 2020. The cumulative water reduction over the baseline period, since implementation, is 2% for voluntary cutbacks. The Governor has requested 15%. The Voluntary Agreement discussions are continuing, and the MOU is being negotiated amongst the parties and they plan to present that by the end of this year.
- DWR and SWRCB staff are overwhelmed and struggling to complete projects on time. The resubmittal of the rejected GSP's are due in July and there is a huge volume of data to be reviewed.
- At the last meeting, the Board authorized Staff to purchase 45 acre feet of supplemental water, Staff completed the required paperwork and Legal Counsel prepared a formal contract. The customer has asked for the purchase amount to be reduced from 45 AF to 25 AF and Mr. Neisler is working with the Agency and is confident they can come to a resolution and the District will not be harmed in the process. He will report back to the Board as progress is made.
- With regard to the RUWMP, he has reviewed the status of the District's information as well as the other agencies' with the consultant, AECOM. They agreed that the best process to move forward is for TCCWD to complete its data request and submit to AECOM, then she will collate that information with the other information that has been received. From that point they will move forward cooperatively.
- The importation system is operating and will continue until mid-August. Mr. Curry will describe a mainline leak we suffered and the repair strategy.
- Staff is still working on some Capital Improvement Projects from the previous fiscal year and we are seeing the impacts of the ongoing supply chain issues.
- He thanked Ms. Wells for her kind words regarding his presentation at the Tehachapi Association of Realtors and mentioned he also spoke at the Bear Valley Garden Club on how BV water operations coordinates with our District.
- He discussed the charts included in his Staff Report. The Brite Lake chart shows things are continuing in the path as predicted and the state reservoir charts show the low levels throughout the state.
- He offered to answer any questions and there were none.

Item 8. Operation Manager's Report

Mr. Curry reported on the following:

- The importation system started on July 5th and was flowing 14 CFS by noon. On Sunday, July 10th, we suffered a mainline leak between Pump Plant 1 and the Wheeler Ridge Maricopa 15 turnout. The on-duty operator notified his supervisor and Staff was able to get the line shutdown within 2 hours of the

alarm. The cause was a chain reaction that started up at Pump Plant 4 and caused a system shutdown which triggered the blowout. The Pipeline and Pumping System crews did a great job of getting the line repaired and the system back up and running by Wednesday, July 13th.

-On June 23rd, Mr. Lee Patton with JPIA visited the District to do a walkthrough inspection and ensure we are in compliance, and he found no violations.

-Operationally, the system is running at 14 CFS with two engines and all Tehachapi Basin extraction wells are pumping. The City's Snyder Well is down for a couple of days. The Brite Lake data from July 15th was elevation 4355.2', volume 1200.6 AF, and level 29.2'. The level will continue to rise through importation and fall once pumping ends.

-The Pumping Systems Staff is shifting their focus now from project work to maintenance and operations. There will be less engine services this year due to the shortened pumping season.

-The Pipeline Department repaired a leak near Pegasus Street in Cummings Valley and two near Highline and Dennison. They spread aggregate base in the maintenance yard, PP5 and the Cogen Facility and replaced gates on the East/West Channel and PP5. The Book 3 (Tehachapi Valley) turnouts were recorded in the GIS database and work was done on data points for the piezometers at JC Jacobsen Dam.

-Staff will be working with our consultant, Alliance, conducting emission source testing of eight engines at PP's 1-4 as part of our annual compliance testing.

Director Hall referenced the examination the District had done of the mainline a few years ago in which they gave it a clean bill of health and asked if this leak event was unusual. Mr. Neisler replied that pipeline assessment was done in 2016 and it did receive a clean bill of health. This failure occurred immediately after an emergency shutdown and Staff suspects that pressure transient that was created from a hard shutdown traveled down and caused the break. The pipe was thinner than they like to see and there was some rust between the pipe and the coating.

President Schultz inquired if there was property damage to the property adjacent to our line and if so, had it been remediated. Mr. Curry explained that it was near a seasonal creek which caught most of the flow and there was not damage to the other property. President Schultz also asked if there is a Capital Improvement Project that could help prevent something like this in the future. Mr. Neisler explained the problem is extremely rare and the remediation is probably not worth the cost. There are 35 high and low points through that run so it would require pressure monitoring at each one of those, but it is very brief and mitigating it would be very difficult. Staff has thought about it and looked into it at the time of the pipeline assessment, but it just wasn't feasible. President Schultz commented that if Staff comes across anything that can help, the Board would be happy to hear about it.

Item 9. Conduct Public Hearing Regarding Adoption of Resolution 07-22, Determining Benefit Assessment for Tehachapi Watershed Project for Fiscal Year 2022-23

President's Opening Remarks:

President Schultz stated this is a Regular Meeting of the Board of Directors for the purpose of considering Resolution 07-22. This Resolution asks for a Benefit Assessment in the amount of \$106,000 for the maintenance, operation and installation of the Tehachapi Watershed Project in Fiscal Year 2022-2023. The public hearing was declared in session at 3:34 p.m.

Staff Report:

Ms. Adams, Board Secretary, stated that the Tehachapi Watershed Project was constructed with financial assistance under PL-566 through the Soil Conservation Service. As a condition of obtaining Federal funds for construction of the project, the District had to assume full responsibility for the operation,

maintenance, repair and replacement of all structural measures for the project pursuant to the maintenance agreement. Staff has reviewed all the zoning changes, parcel splits, changes of ownership, new construction and assessed values in Zone 1 to update the land use categories and factors for each parcel. Because the State utility roll is no longer broken down by tax code area, a questionnaire was sent to each utility company to determine any changes in value to each utility owned property.

The Resolution is to accept the Written Report and the values contained therein to be put on the tax roll. Exhibit A to the Written Report, is a breakdown of all APN's, their assessed values, and the tax to be assessed to each parcel.

Ms. Adams then introduced the exhibits to the Resolution as follows:

Exhibit A: Declaration of Posting Notice- This notice was posted at Tehachapi City Hall, Golden Hills Community Services District, and Tehachapi-Cummings County Water District.

Exhibit B: Proof of Publication- This notice was published in two consecutive issues (July 6th and July 13th) of the Tehachapi News.

Exhibit C: Written Report of Proposed Benefit Assessment for Tehachapi Watershed Project Fiscal Year 2022-2023. She asked if there were any questions from the Board or the Public.

(Close Hearing and Return to Regular Meeting)

There being no comments, President Schultz declared the hearing closed at 3:37 p.m. and returned to the Regular Board Meeting.

Item 10. Accept Written Report and Adopt Resolution 07-22 Determining Benefit Assessment for Tehachapi Watershed Project for Fiscal Year 2022-23

President Schultz introduced this subsequent item and asked if there were any questions. There were none.

Director Zanutto moved that the Board adopt the Written Report of Proposed Benefit Assessment for the Tehachapi Watershed Project for Fiscal Year 2022-23 and Adopt Resolution No. 07-22 Determining Benefit Assessment to Finance Maintenance, Operation and Installation of the Tehachapi Watershed Project in Fiscal Year 2022-23. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Cassil. Motion passed.

Item 11. Adopt Resolution 08-22 Determining the Amount of Tax Required for Water Supply Contracts for Fiscal Year 2022-23 and Establishing the Tax Rate

Ms. Madenwald stated that by August 10th of each year, the Board must adopt a resolution setting the Ad-Valorem tax rate and provide it to the Kern County Tax Collector. This year the tax will increase by \$0.12 on a \$200,000 assessed value home so it is effectively unchanged. The rate change is de minimis due to a decrease in the reserve balance and a decrease in the State Water Project (SWP) annual obligation. This tax revenue is used exclusively to pay the District's financial obligations for the SWP per the invoices received from the Kern County Water Agency (KCWA). The tax calculation is attached as Exhibit A to the resolution.

The fiscal impact will be a tax levied at the rate of 0.053498% of assessed value of private property and will generate revenues of approximately \$2.9 million during fiscal year 2022-23. She offered to answer any questions.

Mr. Jay Schlosser, City of Tehachapi, commented that they recognize that the \$2.9 million is to service the KCWA contracts, but it is in servicing those contracts that all the water imported is available to all of the customers. They feel it is the private property owners in the Tehachapi region who are paying the bill to facilitate the service of imported water to the customers. He shared the results of the City's study done to determine how much tax revenue is coming from the City of Tehachapi as it relates to this assessment. Their study shows the City parcels are contributing 15.9% of the overall taxable value of the District's boundaries, so in this cases that represents about \$464,000 that City parcel owners are contributing. Similarly, their determination is that Golden Hills is producing just under 15% of the taxable value of the District's boundaries. He stated the fact that these two large agencies are telling the Board they are unsatisfied with how that water is utilized and distributed should matter.

President Schultz moved that the Board adopt Resolution 08-22 setting the fiscal year 2022-23 tax rate for State Water Project payments. Director Zanutto seconded the motion, and it was carried on the following vote: Ayes: Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Cassil. Motion passed.

Item 12. Provide Report on Status of TCCWD Banked Water Reserve Accounts

Mr. Neisler stated the Board has asked Staff to analyze the District's current Banked Water Reserve supplies and develop guidelines to ensure that adequate minimum balances are maintained. The District holds supplies in the Tehachapi and Cummings Basins that are tracked and reported annually. The minimum supplies will be maintained to meet health and human safety requirements in the event of a catastrophic event. These reserve supplies are provided by return flows as well as imported water the District has recharged into the basins. During the recent, unprecedented drought, the Board has authorized some of these banked supplies to be extracted and used to meet some of the current year customer demands. Given there is no end in sight to the drought, and the amounts that have been withdrawn, the Board has requested Staff to analyze the current situation and what can be done to maintain an adequate balance for emergency use.

Each basin is administered under a different judgment with rules and regulations. He provided a summary of each as written in the Staff Report. He explained that under Term M&I Agreements, customers are required to bank a 5-year supply of their imported water demand to use in the event of a shortage. The District's role in the agreement is to assume the burden of providing the required supplemental water to meet those needs. Ideally that water would be delivered in the year it is required; however, if surface supplies are insufficient, the delivery may be delayed and one method of fulfilling this obligation is to transfer banked water from TCCWD's banked supplies, to the account of the partner agency. Attachment A shows storage amounts in Tehachapi Basin over the last 10 years and he reviewed those. Attachment B shows storage amounts in Cummings Basin. The court has not assigned management of Brite Basin through a Physical Solution because the basin is considered full; however, given the demand on water and the increasing regulatory and litigious environment, Staff intends to develop a Physical Solution.

He presented three options for establishing a minimum balance for the TCCWD Banked Water Reserve Account as detailed in the Staff report. 1) Do not establish a minimum balance and continue to monitor, 2) Set a fixed minimum balance, 3) Set a minimum balance based on an average over a given period of time. He clarified that this item is intended to provide the Board with information for consideration, provide direction to Staff as desired, and Staff can return at a later date with a resolution memorializing the decision the Board makes.

Director Zanutto asked if this includes the District's obligation to CCI and Mr. Neisler clarified that CCI is not required to nor do they, maintain a banked supply. The District's operating agreement with them states that they are entitled to 565 acre feet per year of extraction from the (Cummings) basin. Anything in addition to that will be supplied by the District from surface water supplies. Their average use has

decreased dramatically over the years. President Schultz asked about how this would carry out in a year where the District only receives a 5% allocation and Mr. Neisler confirmed that the Board would decide whether to withdraw any amount from the District's supplies to meet demands in that year and with a minimum in place, the District would only have the amount above that minimum to consider utilizing for demands. It was discussed that customers with their own banked supplies have the option to use those supplies or make cutbacks at their own discretion.

There was discussion on the fact that the District's supplies have been the last priority as when water is available, it goes to the customer demand and recharge needs first. It takes the District a long time to build up its banked supplies so establishing a minimum is important and Director Zanutto thinks the District should maintain a 5-year supply as is required of customers.

President Schultz assigned Director Zanutto and Director Hall to an Ad-Hoc TCCWD BWRA Committee to meet with Staff to further discuss this topic and provide a recommendation to the Board at the next RBM.

Item 13. Accept Bids and Award Contract for Jacobsen Reservoir Fence Repair Project

Mr. Curry stated this item is for the Board to consider awarding a contract for the JC Jacobsen Reservoir Fence Repair project. This project is to replace the perimeter fence around this property and is split into four options for the bid process as described in the Staff Report (Condition Index Repair, Bid Alternate "A", Bid Alternate "B", New 5-strand Perimeter). A job walk was held on June 30, 2022, and two contractors attended. Bids were received from Mike's Fencing, Conlin Fencing, and San Joaquin Fence and he reviewed the bid amounts submitted for each option. For the two bid alternates, the District would only pay the cost of what the 5-strand option would be, and the respective customers would pay the additional cost for the upgraded fence option, and he reviewed those costs. He stated they have a tentative commitment from Grimmway Farms regarding Bid Alternate "B" and have not received a confirmation from Schultz Enterprises on Bid Alternate "A".

There was discussion on the Bid Alternates and the respective customers' commitment status, and the work to be performed. Director Zanutto expressed that he is not comfortable with the Bid Alternates and prefers the District replace all the existing fence with new 5-strand wire.

Director Zanutto moved that the Board accept the bid from Mike's Fencing for 5-strand perimeter fencing for \$94,151.98 and authorize the General Manager to execute the contract for JC Jacobsen Reservoir Fence Repair project. Director Pack seconded the motion, and it was carried on the following vote: Ayes: Hall, Pack, Zanutto; Noes: Schultz; Abstain: None; Absent: Cassil. Motion passed.

Item 14. Authorize Staff to Issue a Request for Bids for Replacement of Dennison Well Pump, Motor and Appurtenances

Mr. Curry stated this project carried over from the 2021-2022 CIP and this project will entail putting in a new motor, and re-bowling the Dennison Well to a new pressurized bowl design which will eliminate the need for the booster assembly at the well. This will also allow for the start up process to be completed by one employee rather than two. Staff has been working with Southern California Edison to do a feasibility study to obtain a credit for moving to a premium, efficient motor on this well. This improvement will upgrade the 100 HP electric motor to a 200 HP electric motor so there will also be upgrades to the meter main and control panel and the discharge head. The FY 2022-23 CIP Budget includes \$100,000 for this project. Staff would like to move forward with soliciting bids to get this project underway as long lead times are anticipated.

President Schultz moved that the Board authorize Staff to issue a Request for Bids for Dennison Well Replacement project. Director Zanutto seconded the motion, and it was carried on the following vote: Ayes: Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Cassil. Motion passed.

Item 15. Board of Directors Comments

Director Zanutto let the public know that the statement President Schultz made on the Water Priority Ordinance does not speak for him; although the squeaky wheel may not always get the grease, it certainly gets his attention.

Director Hall stated there was an assertion made that the amount of property tax paid should somehow weigh into the amount of water a property is entitled to. He feels this District delivers two things: the availability of water and the water itself. The taxes pay for the availability of the water; the maintenance of the aqueduct. He stated his goal is to determine the most beneficial use of the water for everyone and that these long term planning issues can be resolved through the RUWMP process.

Item 16. 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; 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.*

The Board went into Closed Session at 4:39 p.m.

Item 17. Return to Open Session

The Board returned to Open Session at 5:01 p.m.

Report Action Taken in Closed Session:

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

Item 18. Adjournment

The meeting was adjourned at 5:02 p.m. on a motion made by Director Hall, seconded by Director Pack, and carried on the following vote: Ayes: Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Cassil. 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: KCSC No. BCV-21-102184 KCT
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: _____