

MINUTES

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
December 14, 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: Cassil, Hall, Pack, 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 Director Cassil.
- Item 4. Approval of Agenda**
Director Hall moved to approve the agenda. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Cassil, Hall, Pack, 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**
Mr. Don Marsh, City of Tehachapi, expressed his thanks for the progress made on the RUWMP over the past few months. He relayed that the City is in support of providing additional funds to continue the consulting efforts.
- Ms. April Biglay, representing homes in Sand Canyon, stated she hopes that going forward, in his new position on this Board, Delbert Jones will be a better trust purveyor and steward of the water and land than he has thus far in Sand Canyon on his project. She went on to describe her concerns.
- Mr. Delbert Jones thanked the District for doing their due diligence with regards to the recent rumors and addressed the claims made by Ms. Biglay.
- Item 6. Approve Minutes of the Regular Board Meeting of November 16, 2022**
Director Pack moved to approve the Minutes of Regular Board Meeting November 16, 2022. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz; Noes: None; Abstain: Zanutto; Absent: None. Motion passed
- Item 7. Seating and Swearing in of New and Re-elected Directors**
President Schultz stated it has been fantastic working alongside Directors Pack and Cassil and he thanked them for their time and community service. The audience gave a round of applause.
- a. Adopt Resolution 14-22 Honoring Director Pack**
b. Adopt Resolution 15-22 Honoring Director Cassil

President Schultz moved to adopt Resolution 14-22 Honoring Director Pack and Resolution 15-22 Honoring Director Cassil. Director Zanutto seconded the motion, and it was carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None. Motion passed

c. Presentation to Outgoing Directors Pack and Cassil

President Schultz read Resolution 14-22 Honoring Director Pack, presented him with a framed copy, and thanked him for 8 years of service. The audience applauded him. President Schultz read Resolution 15-22 Honoring Director Cassil, presented her with a framed copy, and thanked her for 4 years of service. The audience applauded her.

Ms. Cat Adams, Board Secretary, administered the Oath of Office to Robert W. Schultz (Division 5), Joseph B. Sasia (Division 1), and Delbert Jones (Division 3) and they took their seats on the dais.

Item 8. Election of Officers of Board of Directors

Mr. Neisler stated it has been a Board practice to elect officers after each biennial election. Three seats were available at the 2022 General Election and Robert W. Schultz was re-elected to Division 5, Joseph B. Sasia was appointed to Division 1 and Delbert Jones was elected to Division 3. Currently, the officers are Director Schultz – President, Director Pack – Vice President, Catherine Adams – Secretary, and LaMinda Madenwald – Treasurer. He explained the process for a new election of officers.

Director Sasia moved to re-elect Director Schultz as President. Director Hall seconded the motion, and it was carried on the following vote: Ayes: Hall, Jones, Sasia, Schultz; Noes: Zanutto; Abstain: None; Absent: None. Motion passed

Director Hall moved to elect himself as Vice President. Director Sasia seconded the motion, and it was carried on the following vote: Ayes: Hall, Sasia, Schultz, Zanutto; Noes: Jones; Abstain: None; Absent: None. Motion passed

President Schultz moved to elect Catherine Adams as District Secretary and LaMinda Madenwald as District Treasurer. Director Zanutto seconded the motion, and it was carried on the following vote: Ayes: Hall, Jones, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None. Motion passed

Item 9. Approval of Minute Order to Update Signature Card for Bank of the West

Ms. Adams explained that with new Directors on the Board, it is necessary to update the Signature Authority Card with Bank of the West. The attached Minute Order will give Board approval to remove the two outgoing Directors, Cassil and Pack, and add the two new Directors, Sasia and Jones, to the Signature Card as well as the authorized Staff.

President Schultz moved to approve the Minute Order to update signature card authority. Director Zanutto seconded the motion, and it was carried on the following vote: Ayes: Hall, Jones, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None. Motion passed

Item 10. 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 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 Hall moved to approve the Consent Calendar. Director Zanutto seconded the motion, and it was carried on the following vote: Ayes: Hall, Jones, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None. Motion passed.

Item 11. General Manager's Report

Mr. Neisler reported on the following:

- The ACWA Conference was a success. Information on the Quench CA campaign was presented, and we have been sharing content on our various social media feeds.
- DWR released the initial Table A allocation of 5% on December 1, 2022, with an additional Health and Human Safety (HHS) allocation. Agencies who request an HHS allocation must provide justification for their request; must demonstrate an immediate surface water need. Any water that is received from this request must be repaid and he explained those terms.
- Precipitation levels look good so far this year as we are above average statewide.
- KCWA has provided an updated draft of the comments they intend to provide DWR on the DCP Draft EIR. They are still Privileged and Confidential so they will be discussed in Closed Session.
- On December 2nd, the District suffered an email outage as our service provider Rackspace suffered a ransomware attack and their services are still offline. We were forced to migrate all our email service to Microsoft.
- Interviews for the Operations Assistant begin tomorrow and will finish up on Friday and are looking forward to getting this position filled.
- He welcomed the new Directors, and the new Board in its entirety; we look forward to working with you.
- He reviewed the precipitation charts statewide showing above 100% of average rainfall for this date and as of yesterday, snowfall is up to 185% of average. The reservoir conditions do not show much improvement.

He offered to answer any questions the Board or Public may have and there were none.

Item 12. Operation Manager's Report

Mr. Curry reported on the following:

- The CalOES Emergency Generator Project is currently under the design drawing phase. The photo shows the contractor, P&J Electric, doing a load check at the office and they will do this at the other sites as well. Currently, Electrical Technology Systems is working to get the design drawings completed so we can go to bid on the electrical site improvements.
- The ACWA Fall Conference was good; he was able to attend good sessions and network with people.
- On December 7th and 8th, he attended the California Rural Water Association (CRWA) Board of Directors Meeting in Sacramento. He currently serves as the Board Secretary and thanked the District for supporting his role in it.
- Wells in Tehachapi Basin are shut down including the City's Snyder Well.
- Brite Lake data was elevation 4,346.8', volume 717.0 AF, and level 20.8'.
- He described the tasks and projects the Pumping Systems and Pipeline Staff have been working on as detailed in the Staff Report.
- Staff is currently working on the 2022 Annual Report for the California Department of Fish and Wildlife (CDFW) Streambed Alteration Permit. This report will be filed with the State in the next couple of weeks.

President Schultz asked if it was regular maintenance to replace the 14 meters and Mr. Curry confirmed they were pulled to have either a new register installed or the internals reworked, and this is done annually.

Item 13. Receive and File June 30, 2022, Audited Comprehensive Financial Report

Ms. Madenwald stated the purpose of this item is for the Board to receive and file the Audited Comprehensive Financial Report (ACFR). Van Lant & Fankhanel, LLP, District's auditing firm, has completed the annual audit and Mr. Brett Van Lant is here to make a presentation. Copies of the report are available at the front counter and on the website. The Ad-Hoc Audit Committee, Directors Pack and Zanutto, met with Mr. Van Lant via Zoom on December 2nd to discuss and review the ACFR. Staff was available for questions during the meeting. The Committee and Staff were pleased and satisfied with the results of the audit.

Mr. Van Lant stated they issued the audit report on the financial statements for FY June 30, 2022, and the District received an unmodified (clean) opinion meaning there were no departures from Generally Accepted Accounting Principles. The most significant item in the report this year is the reduction in the pension liability. He noted the reduction in the current year was due to the interest amounts that CalPERS received as part of their year in 2021. The District did make a contribution towards that unfunded liability in 2022, but that will not be reflected until 2023 financial statements. They had three employees spend three days at the District doing field work for the audit. Everything went smoothly and Ms. Madenwald provided all the documentation requested. He offered to answer any questions.

Director Zanutto added that the District's net positions, restricted and unrestricted, have increased so that shows the District is doing very well. He pointed out that the District has received Certificates for Excellence in Financial Reporting for 13 consecutive years. He mentioned at the meeting with Mr. Van Lant, he asked if this certificate was something that after you get one the first time, the following years come easy and Mr. Van Lant stated it was the contrary, it gets more difficult. Director Zanutto thanked Ms. Madenwald and all those who contributed to the audit process. He asked the status of the funds that were used to pay off the pension liability and Ms. Madenwald stated they have been replenished back to the general funds that the revenues were borrowed from. President Schultz thanked Ms. Madenwald for everything she does and stated her reporting is always very comprehensive which is good for the Board. She thanked Mr. Van Lant and the staff that assist her with this process every year.

President Schultz moved that the Board receive and file the June 30, 2022, Audited Comprehensive Financial Report. Director Zanutto seconded the motion, and it was carried on the following vote: Ayes: Hall, Jones, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None. Motion passed.

Item 14. Request for Reconsideration of Extinguishment of Water Rights

Mr. Neisler stated this item is on the agenda at the request of past Director, Kathy Cassil, and was tabled from last month's meeting. He reviewed the prior Staff Report stating that the assertion is that TCCWD took action to extinguish 10 AF of Base Water Rights claimed to be owned by the Golden Hills CSD. Mr. Neisler stated he met with Ms. Cassil and GHCSO General Manager, Susan Wells, to discuss this issue. Staff has responded to numerous public records requests, emails and phone calls on this topic. Mr. Neisler maintains that TCCWD took no such action and simply responded to the information that was provided to the District at the time the information was received. Ms. Cassil prepared displays on the wall and Mr. Neisler displayed electronic documents for her on the screens during her presentation.

Ms. Cassil read a letter from TCCWD to GHCSO in 2016 stating that it has come to the District's attention that Mr. and Mrs. Iriart made an additional transfer of 10.000 AF of water rights to Paul and Catherine

Gable on November 23, 1979, and because the District had no permanent transfer record of this, it was not reflected in the Watermaster. Therefore, the Permanent Transfer of Water Rights from Jack. C. Iriart and Terry Iriart to GHCS D dated December 2, 1995, for 140 AF of Base Water Rights was in excess of the balance of their remaining Base Water Rights. In order to balance the Watermaster records, it is necessary to adjust the final transfer made to GHCS D to 130.500 AF of Base Water Rights. She presented information she has retrieved from the Hall of Records and TCCWD, displaying Watermaster Report pages and Grant Deeds. She made claims of Iriart acquiring fraudulent water rights during a property transaction and noted he did not submit water rights transactions to TCCWD.

She referred to a notice in the 2011 Watermaster Report that stated, "The Watermaster recommends that a person or entity contemplating the purchase of Base Water Rights from a person or entity listed on this table as an owner should retain a title company or a qualified title searcher to conduct an independent title search of Kern County Official Records to determine if such person in fact is the owner of record of such rights." She feels that this advice should have been taken by TCCWD when the Grant Deed finally appeared in 2015 stating the Gables owned water rights. She moved on to a section of the Amendment to Judgment referencing abandonment and extinguishment of water rights. She stated that whether this Board caused this problem or not, she feels they have the responsibility to deal with it. She feels there has been harm done to GHCS D by revoking these rights and recommends the Board take action to authorize the General Manager to compensate GHCS D based on one; GHCS D receipts from 2016 to present, for the cost of 10 AF of leased water per year, and two; that the General Manager of GHCS D produce a receipt for the cost of 10 AF of base water rights for the replacement of the 10 AF of base water rights taken or extinguished in 2016.

Mr. Ted Wyman made comments on the history of water rights in the area and how property sales and Grant Deeds used to be done. Ms. Cassil concluded with her previously mentioned recommendation to the Board. Director Hall commented that in the past, they had to deal with a water right issue with Enron and during that, he discovered that the District is not responsible for who owns what, the County is, and asked for Legal Counsel's input.

Mr. Robert Kuhs, TCCWD Legal Counsel, stated that in responding to this question, he wants to address some of the points that have been made. He stated that when dealing with overlying groundwater rights, those are part of the package you get with the land. However, in a groundwater adjudication, those water rights are severed from the land and courts refer to them as a species of real property which is why we require transfers be recorded at the County recorder. In the Tehachapi Adjudication, there were a specific set of parcels that were considered de minimis users and in this case, the rights of only those parcels were not severed from the land. He stated Director Hall is correct; as Watermaster, we are performing an administrative function to generally keep track of those water rights, but ultimately the responsibility for ensuring title is not on TCCWD. With regards to GHCS D, whether they purchased fraudulent water rights is an issue between GHCS D and the seller, not TCCWD. Mr. Kuhs recommended the Board not open the determination that was made in 2016, and that if the water rights holders want to do their own title work, hire their own experts, and litigate that issue, they are free to do so. It is not the obligation of the District.

President Schultz concluded that there will not be a resolution to this issue today, and this issue has been looked at many times over the last couple of years. He referred to Mr. Kuhs to see what, if any, further consideration the Board needs to take on this issue. Mr. Kuhs asked Ms. Cassil if GHCS D has hired a title examiner to write a report or examine this issue. Ms. Susan Wells, GHCS D, stated they have not and was not comfortable giving further comments as she has not discussed this with her Board or Counsel. Mr. Kuhs commented that GHCS D is an important customer of the District, and we take our obligation of Watermaster seriously, on the other hand, we are not in the business of doing title work for all our customers. If there is a report that needs to be prepared or title that needs examined, he feels that

expense should fall on the party asserting the claim. There has also been the suggestion that the District owes damages which brings to mind a legal claim. Either GHCSO directly, or through the statements of Ms. Cassil, are asserting a legal claim against either the District or the Watermaster and Ms. Wells stopped him there to clarify that Ms. Cassil bought this item before the Board and GHCSO is not apart of this item. GHCSO did not coordinate any action with Ms. Cassil on being here today. President Schultz asked for any other comments from the Board and as there were none, he stated there is no action on this item. He commented that he appreciates the history and understands there could be a problem, but he feels the District Counsel has the correct opinion on this.

Item 15. Update on 2022 Water Operations and 2023 Forecast

Mr. Neisler began with noting that while this year is not yet complete, this item was placed on the agenda at the request of a Director and a future report will be provided summarizing operations when 2022 reporting is complete. The intent of this report is to provide a baseline of where things are now and what we can work from going forward. This is not a Staff recommendation as to how 2023 is going to look.

The 2022 Table A allocation was 5% that came on the heels of 5% for 2021 and 20% in 2020. He shared Attachment A, Summary of Calendar Years 2016-2022 (through November 2022) and reviewed the details. The withdraw of 190 AF from the San Joaquin Valley (SJV) exhausts our banked supplies there. The total In-District Supply for the year was 3506 AF (Imported 1165 AF and Pumped 2341 AF). The total water delivered was 2692 AF. He shared Attachment B, Cummings Basin Irrigators, pointing out this is groundwater, not surface water, and the total allocation was 2028 AF, and 1974 AF were pumped. Ms. Wells asked for clarification on the math in the total APA column as it does not add up. Mr. Neisler explained he wanted to show the 335.88 AF for BVCSO, but it is part of the listed Grimmway total so it is not counted, or it would cause a duplicate. Mr. Joe Hughes asked a question regarding the Received Allocation Requests column and Mr. Neisler stated the District did receive an allocation request from Milano, so that column needs updated to reflect "Y". Mr. Matt Vickery asked how the extraction estimates were made for customers with no meters and Mr. Neisler provided the details and added these are at the top of the list for getting meters installed. He shared Attachment C, Banked Water Reserve Account Analysis, stating this is his first attempt at the analysis for the year. He described the details of the reporting noting which customers had less usage and should see the goal go down. At the beginning of this year, the total customer banked reserves in Tehachapi Basin were 6462 AF and 3191 AF in Cummings Basin. In addition to those, TCCWD had 7793 AF in Tehachapi Basin and 8570 AF in Cummings Basin. TCCWD withdrew 2341 AF from their account this year leaving 5452 AF in Tehachapi Basin and 8563 AF in Cummings Basin as of 12/01/22. In November, the Board set a minimum threshold for their banked supplies of 3750 AF for Tehachapi Basin and 6750 AF in Cummings Basin. This leaves 3529 AF above the threshold.

Mr. Jay Schlosser, City of Tehachapi, thanked Mr. Neisler for this helpful data and suggested that maybe the District should see if CCI has any well capacity that could be used for TCCWD extractions from the Cummings Basin. He also asked how the annual Banked Water Reserve requirement is set for BVCSO and SSCSO. Mr. Neisler explained that they have the same condition as the City, it's a rolling 5-year average that they have 10 years to accomplish. Their goals will decrease as we get more years into the Amended and Restated Judgment because they now receive an allocation.

Mr. Neisler shared Attachment D, Estimated Supply & Demand Forecast – 2023, and noted that these are placeholder numbers, and he is not proposing they are accurate. He reviewed the Table A allocation at each percentage, added the carryover amount of 65 AF and stated there is no remaining banked water in the San Joaquin Valley. The two columns on the right show 2023 requests from customers and then the 2023 recommendation is based on what was delivered last year. He described the calculations for each of the categories as detailed on the forecast. The idea of providing increased allocations at this stage seems fairly remote so he has assumed carrying 2022 allocations forward for the 2023 recommendations which

total 2635 AF. He went through the various amounts of Banked Withdrawal Required at each percentage of Table A allocation noting that even if it were the Board's desire to withdraw 3000 AF of banked water, it would be difficult to physically extract. Again, the numbers in this forecast are to start working from and are somewhat speculative as it is too early to make some of these determinations.

Referring back to the Staff Report, Mr. Neisler stated that other things have to take place before these numbers can be finalized, one being the Water Sales Priority Ordinance. He presented the action steps he anticipates going forward as detailed in the Staff Report. Mr. Marsh stated the City requested 500 AF of Banked Water and he does not see that in the Requests column. Mr. Neisler stated he had not included any recharge requests (as they cannot be met), but this is a good point, and he could add those to this analysis. Ms. Wells commented that she appreciates the statements Mr. Neisler made in the Staff Report with regards to public meetings and customer input. She understands that this data is not yet complete, and the Table A allocation is fluid, but these numbers are not as dire as she thought they would be and coupled with the RUWMP data just received and the discussion happening next month, she feels there is a real path forward to come to a mutually agreeable solution. Mr. Joe Hughes, Attorney for GHCS and the City, commented this information is very helpful and productive. He stated they will participate at the full extent they can during these public discussions. Mr. Matt Vickery, Grimmway, commented this is great to know where things are and the open dialog. He wanted to reiterate from an agricultural standpoint, the sooner they can know the better as they have contracts in place and asked the Board to be as aggressive as possible in making decisions on how much water will be available in 2023. He appreciates all the work that's been put into this and looks forward to participating further.

President Schultz stated he asked Mr. Neisler for a lot of this data because he felt that in 2022, the information came far too late for everyone. He stated we cannot change what happens within our state, but we can change what happens within our own planning; we know how much water we have banked and by November we know the demand requests from the customers. From that point we can start making plans based on our banked amount and what we can see happening on a 0%, 5%, 10%, etc. allocation. Attachment D (Estimated Supply & Demand Forecast) is a helpful tool. He made comments regarding the adoption of Ordinance 2021-1, its affects on customers, and how it should not interfere with the planning ahead and having TCCWD give customers foresight into how the District would use banked water. He suggests adding an amendment to the Ordinance that requires the District to create a water demand and fulfillment budget based on low SWP Allocations that would require banked water to be used. The budget should be done in 5% increments and utilize the amount of banked water the District finds necessary to provide stability to the local economy through confidence in the water supply for the upcoming year and feels the deadline for this should be the January Regular Board Meeting. Director Zanutto commented he thinks the further we can plan ahead is a great idea, but he has concerns about using up all the TCCWD available (amount above minimum) banked supply in one year. Ms. Wells commented she agrees with the idea to make these determinations early and have a sliding scale, and if there is anyway they can help, they are on board. Director Jones provided any analogy comparing the banked water reserve situation to checking accounts and savings account, and in times of drought it's necessary to dip into the savings and if the drought continues it becomes amatter of finding a balance between drawing on savings and making cutbacks.

Mr. Schlosser commented that this type of plan is precisely what they have been urging, his only concern with what President Schultz is stating is that this approach suggests urgently creating this policy in one month, with Christmas in the middle, and how will there be a meaningful discussion about creating this policy as he has a lot of questions and now is not the time to ask them. President Schultz clarified that his intention is not necessarily to make long-term formulas as much as supplying, from a manager perspective, this type of data annually, by January at the latest and committing to the amount of banked water TCCWD will withdraw from its supplies for that year.

In conclusion, an Ad-Hoc Water Priority Committee meeting was scheduled for January 4, 2023, at 11:00 a.m. to discuss this topic. Then a Special Board Meeting was scheduled for January 9, 2023, at 3:00 p.m. to discuss this topic with the public and customers.

Item 16. Authorize Solicitation of Bids for 10 Wheel Dump Truck

Mr. Curry stated the purpose of this item is to get authorization to go to bid on a 10-wheel dump truck. Currently, the Pipeline Department has been utilizing a 2012 International 4400 dump truck and it has acquired substantial repair costs and has profound reliability issues. This dump truck was purchased used in 2015 with 72,261 miles on it. It currently has 92,519 miles and to date, the District has spent \$40,171.24 on repair and maintenance items which are outlined in Attachment B. Bid specifications have been developed and are Attachment A. The goal of this purchase is to increase efficiency and reliability by purchasing equipment with a higher Gross Vehicle Weight Rating (GCWR) and a larger dump bed capacity. Purchasing a new dump truck will extend our deadline for electric vehicle compliance as well. It was not originally planned this way in the Strategic Plan a number of years ago, but it has worked out that way with the compliance schedule that CARB has put forward. The Capital Expenditure Budget includes \$200,000 for this purchase.

Director Sasia asked if the \$200,000 is in addition to a trade-in value and Mr. Curry concurred it is. He also asked if they were looking for another used truck and Mr. Curry responded the specifications dictate that they will consider a 2020 or 2021 model year with less than 10,000 miles. President Schultz asked if they foresee any limitations with having a larger vehicle that would require renting something smaller. Mr. Curry stated they have not run into that problem in the past and explained that they generally do not have the space confines like you would find operating in a municipal area.

President Schultz moved that the Board authorize Staff to solicit bids for the purchase of the 10-Wheel Dump Truck. Director Sasia seconded the motion, and it was carried on the following vote: Ayes: Hall, Jones, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None. Motion passed.

Item 17. Authorize Filing of Notice of Completion for J.C. Jacobsen Reservoir Fence Repair Project

Mr. Curry stated the punch list for the Fence Repair Project was complete last week so this item will certify project completion by the General Manager for the JC Jacobsen Reservoir Fence Repair Project and to authorize the General Manager to execute and record the Notice of Completion. This project consisted of installing 9,172 feet of five-strand barbed wire and necessary post replacements along with 3,152 feet of 69" game-fencing, posts, gates, and bracing. Per the contract, the District will retain 5% of the final invoice amount (\$6,321.79) until 35 days after the recording of the Notice of Completion with Kern County.

This project was included in the FY 22-23 CIP Budget at \$100,000. There were two change orders totaling \$56,050 and the District received a credit for barbed wire fencing replacement cost for Bid Alternate B of \$23,766.08 and the District was reimbursed from Grimmway Farms for the additional cost of Bid Alternate B in the amount of \$26,153.92. The total project cost to the District is \$100,281.98.

President Schultz expressed concern that the game fencing portion of the project does not meet the manufacturer specifications for tension. Mr. Curry stated Staff will look into this and that there is a 1-year warranty on the fence.

Director Zanutto moved that the Board accept the certification of project completion from the General Manager for the JC Jacobsen Reservoir Fence Repair Project and authorize the General Manager to execute and record the Notice of Completion per the approved contract. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Hall, Jones, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None. Motion passed.

Item 18. Schedule Ad-hoc Budget Committee Meeting

Ms. Madenwald stated we are halfway through the fiscal year so now is the time we look at our Budget and compare it to our actuals and take into consideration any additional information that we have become aware of that may have an effect on what was projected for the Budget. In order to have an Amended Budget ready to be considered at the January Regular Board Meeting, we need to have an Ad-Hoc Budget Committee meeting. The current Committee members are Directors Hall and Zanutto. The meeting was scheduled for January 10, 2023, at 10:00 a.m.

Item 19. Report on Fall 2022 ACWA JPIA Conference

Director Hall attended the JPIA Board Meeting and Conference on behalf of the TCCWD. He reported that the Property Insurance program is looking at a rate increase. He gave an overview of what JPIA does for those who are not familiar with this. There will be rate decreases for Worker's Compensation and Health Insurance premiums, but there was the warning that Health Insurance will go back up. The insurance captive they created in Utah a few years ago was doing very well, however this year was the first time they lost money, \$25 million, because the market tanked. For reference, the company still has \$159 million. ACWA JPIA has started a Podcast that is available on Apple and Spotify. One seminar he attended was Corporate Water Stewardship: How Companies are Addressing Water Risk. Google gave a presentation on creating self-contained buildings that will take in water to be used as the sole water source for the building, so they do not have to rely on the unstable water supply. Google is also helping to rehabilitate watersheds in several of the communities they participate in. In California, they are working to get more beavers because beaver activities help restrict the flow of sediment and ash from fires and they also cut down the willow trees which helps get a better channel in the rivers and aids in flood management.

Mr. Neisler stated that he and Mr. Curry's reports are attached to the Staff Report. Director Zanutto asked about Cyber Security. Director Hall stated they are still providing Cyber Security, but they are requiring certain behavior from the insured; they will begin to require agencies undergo testing and training. Part of the testing is a Penetration Attack where they will attempt to get into our system and if they are successful, they will tell us where we failed. They will only insure you if you meet their requirements.

Item 20. Board of Directors Comments

Director Sasia commented it is an honor to be on this Board and serve with everyone here. This is one of the seats his grandfather held so he is happy to be here.

Director Jones stated it comes with a heavy heart, but he is resigning from this position. He does not feel he has the available time needed for this position as it seems deeply involved. He hopes the Board can find someone that has more time to devote to this. President Schultz said he is disappointed to hear that and asked if he would consider a few more meetings, but Director Jones respectfully declined.

Director Hall mentioned that during the JPIA Executive Committee Meeting, he pitched the range voting concept to them and pointed out the polarization is spreading because its profitable. Their Counsel came and talked to him at lunch and Director Hall is going to compose a letter to send him.

President Schultz stated he is looking forward to working with Director Sasia and he wishes Mr. Jones would reconsider as he feels he would have a good place here.

Item 21. 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.*

Mr. Neisler requested the Board's permission to release Ms. Adams at this time and he will assume her role upon return to Open Session. President Schultz granted the request. The Board went into Closed Session at 6:41 p.m.

Item 22. Return to Open Session

The Board returned to Open Session at 7:10 p.m.

Report Action Taken in Closed Session:

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

Item 23. Adjournment

The meeting was adjourned at 7:11 p.m. on a motion made by Director Hall, seconded by Director Sasia, and carried on the following vote: Ayes: Hall, Sasia, Schultz, Zanutto; Noes: None; Abstain: None; Absent: Jones. 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: _____