

MINUTES

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
December 16, 2020 3:00 P.M.  
22901 Banducci Road, Tehachapi, CA 93561

ANNOUNCEMENT: THIS MEETING IS BEING CONDUCTED VIA TELECONFERENCE AS AUTHORIZED BY GOVERNOR GAVIN NEWSOM'S EXECUTIVE ORDER N-25-20. DIRECTORS AND THE PUBLIC WILL HAVE THE OPTION OF ATTENDING VIA THE ZOOM MEETING APP. THE MEETING ID IS 597-332-8446. THE PASSWORD IS 1216RBM. NO PHYSICAL MEETING IS SCHEDULED AT THE DISTRICT BOARDROOM, 22901 BANDUCCI ROAD, TEHACHAPI, CA 93561.

**Item 1. Call to Order and Roll Call**

**Directors Present:** Cassil (remote), Hall (remote), Pack (remote), Schultz (remote), Zanutto (remote)

**Legal Counsel:** Bernie Barmann (remote), Robert Kuhs (remote)

**Staff in Attendance:** Catherine Adams (in person), Jon Curry (remote), LaMinda Madenwald (remote) and Tom Neisler (in person)

**Item 2. Announcement**

President Pack announced this meeting is being audio recorded, including all Board, Staff, and Public comments.

**Item 3. Flag Salute**

The Pledge of Allegiance was foregone.

**Item 4. Approval of Agenda**

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

**Item 5. Swearing in of Reelected and Reappointed Directors**

Ms. Adams stated she has been in contact with the Kern County Elections Office as there has been delays in receiving the Oath of Office forms. They assured Ms. Adams the forms are coming in the mail and it is sufficient to proceed with administering the oath at this meeting and then have the forms signed when they arrive. She asked Director Hall and Director Zanutto to please stand and the oath was administered. She informed the Directors that once she receives the forms, she will contact them to arrange signing the forms and returning them to the Elections Office.

**Item 6. Election of Officers**

Mr. Neisler thanked President Pack for his service in this role the last two years. The District's standard practice has been to elect officers after each biennial election. The Board has the discretion to perform this function or institute a new policy as they see fit. The seats of Director Hall and Director Zanutto were available in the 2020 General Election. Director Zanutto won the election and was reelected for a four-year term. Director Hall ran unopposed and was reappointed to a four-year term. Directors Cassil, Pack, and Schultz will be subject to reelection at the next General Election in November 2022.

Currently, James Pack, Division 3, serves as Board President and Robert Schultz, Division 5, serves as Vice-President. Catherine Adams serves as Board Secretary and LaMinda Madenwald serves as Board Treasurer. If a new President is elected, the chair will be turned over to them at the conclusion of this item and they will conduct the remainder of today's meeting. The fiscal impact of this item is minimal as the District letterhead and business cards are prepared in house.

Director Hall moved to nominate LaMinda Madenwald as Board Treasurer. The motion was seconded by Director Schultz and was carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None.

Director Cassil moved to nominate Catherine Adams as Board Secretary. The motion was seconded by Director Hall and was carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None.

President Pack thanked the Board and the Public for the opportunity to serve as the Board President and he will not have trouble conceding to or congratulating a new Board President.

Director Cassil moved to nominate Robert Schultz as Board President. The motion was seconded by Director Pack and was carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None.

Director Schultz moved to nominate James Pack as Board Vice-President. The motion was seconded by Director Hall and was carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None.

Mr. Neisler expressed Staff's appreciation of outgoing President Pack for his ready availability outside of normal hours and all the interaction to keep things rolling. He welcomed Director Schultz as the incoming President and the meeting was turned over to President Schultz to chair. President Schultz thanked everyone for their trust in him and he will do the best he can.

**Item 7. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body**

Mr. Bernie Barmann announced that Governor Newsom appointed him to the Kern County Superior Court bench. He will be transitioning over the next few weeks from his practice as an attorney at Kuhs & Parker to becoming a Superior Court Judge in the first week of January. He stated it has been a pleasure working with everyone; the District has been an amazing client to work for and he appreciates and has enjoyed working with the Board. With respect to representation of the District, Kuhs & Parker as a firm, has been counsel to the District since 1982 and Robert Kuhs will take over his role. The Board members congratulated Mr. Barmann and complimented his character and work. Mr. Kuhs looks forward to working with the Board and this will be a seamless transition.

Ms. Adams informed Directors that she has mailed them a packet with a blank Performance Evaluation form to be used for the General Manager's Performance Evaluation at the RBM in January. Please let her know if you do not receive it. President Schultz stated there was an issue downloading the form from the SharePoint Drive and Mr. Neisler stated Staff will take care of the problem.

**Item 8. 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 Special Board Meetings of November 13 and 17, 2020 and Regular Board Meeting of November 18, 2020
- 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. Director Cassil requested to remove Item b. and Ms. Adams requested to remove Item a.

For Item a., Ms. Adams requested to amend the Minutes of SBM November 17, 2020. On page 3, Item 8., of the Minutes, midway through the paragraph it states, "this is control that DWR has never seated before" and it should say "ceded before".

For Item b., Director Cassil inquired if there were any Add-On checks as she did not see a register come through. President Schultz informed her it was emailed about 30 minutes prior to the meeting. Mr. Neisler stated there was an issue with the Add-On checks and apologized for the delay in sending out the register. Mr. Neisler commented on check #6385 for the Statement of Charges from the KCWA. The amount is correct, \$1,595,693.00 and the total bill for 2021 Statement of Charges is \$2,755,369.00. We pay 60% in January and 40% in July. This does not include the cost for the Delta Conveyance Project planning that was approved in November. The cost in 2021 for that will be \$300,794.00 bringing the total 2021 Statement of Charges to \$3,056,163.00 and he will provide this documentation on the SharePoint Drive for reference. For the FY 2020-2021 Budget, there was \$3,331,940.00 budgeted for this item as Staff knew these charges were coming and wanted to have a conservative budget so that the proceeds from the Ad-Valorem Tax would be sufficient to cover the expenditures.

Director Hall moved to approve Item a. as amended and Item b. of the Consent Calendar. 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.

#### **Item 9. General Manager's Report**

Mr. Neisler reported on the following matters:

- The District has incurred 3 PSPS so far this year and none have been as lengthy as last year. Nonetheless, they are a significant kink in the team's ability to work.
- Low level water use had continued for irrigating cover crops and things like that however since this was written last Friday, it has diminished. There is adequate water in the reservoir to accommodate fire water needs.
- COVID restrictions are still being enforced. This District is an essential industry so since the Governor's latest shutdown, the office has been closed to the public while staff remains at work with PPE, distancing, and disinfecting orders.
- DWR announced the initial 2021 Table A allocation of 10% on December 1<sup>st</sup>. The information that has been presented to State Water Contractors indicates an optimistic allocation for 2021 of 46-48%. It's not very accurate or predictive at this stage but that's the best information available.
- He displayed a graph of Lake Oroville's historic storage levels and described it. It is not too encouraging for water supply going forward this year. He will continue to monitor and report to the Board as conditions change.
- Metropolitan Water District (MWD) approved participation in the Delta Conveyance Project at 100% of their Table A allocation. They did not absorb the additional capacity in the project as had been expected and as they had reported consistently since the project was envisioned. This leaves a 13% shortfall in project funding and participation. DWR has indicated, in writing, that they intend to pick up that shortfall for the time being. Jeff Kightlinger, the General Manager of MWD, will be retiring at the end of this month, and has indicated that his Board took that action to ensure that they could have near unanimous support from their Board for the project. He anticipates that in the future, they will assume the unallocated participation in the project. That will be action taken by the board with a new General Manager. At this point, all of the debts are covered.
- The KCWA signed the funding agreement that the Board authorized Mr. Neisler to sign on behalf of the District. The final participation percentage for the Agency overall is slightly more than 47%.

- The District's potable water system serves the office, campground and one customer. Under the permit, the system is sampled routinely. In November, there were several positive tests for coliform. Through the entire time, all tests were negative for e coli. A "Do Not Drink" order was issued, and Mr. Curry will discuss this in more detail.
- The lake level is slightly lower than normal due to the ongoing demand. There is adequate supply to get through the winter. Hopefully there will be enough allocation next year to bring the lake level up higher than what it operated at this year.
- Annually we ask customers to provide us with an estimate of the amount of water they plan to use in the upcoming year. The 2021 customer estimates are about 500 acre feet more than our customers estimated in 2020. That comes as a surprise because we lost our second largest agricultural customer for 2021 as they have withdrawn their operations from Tehachapi. Last year, we sold between 600-700 acre feet more water than the customers estimated so he is hopeful that by being more thorough in getting accurate feedback this year it will help.
- Increase demand with decrease supply may result in some water restrictions next year.
- The initial kick off meeting for the 2020 Urban Regional Water Management Plan update was held with the consultant, AECOM. All of the partners were involved and the consultant disclosed the required information from each partner. It is significantly more involved and exhaustive than the 2015 update. He envisions everyone getting all the information turned in to the consultant in early February and having the next meeting mid-February.
- There was a dip in Natural Gas future prices so he purchased about 50% of the demand for 2023 at \$2.76/mmbtu. The 2021 purchases were at \$2.78/mmbtu and so far the Kern River blended cost for 2020 has been \$2.57/mmbtu.
- There has been no feedback on the CalOES grant yet.
- There will be no Christmas celebration of any sort this year in accordance with COVID restrictions. There is a gift that will be distributed but no gathering of Staff or families.
- He described the attached charts. Lake Oroville is 59% of average YTD, and San Luis Reservoir is 72% of average YTD and will continue to drop for the next month or two. As of Tuesday, which is more up-to-date than these graphs, statewide average precipitation is 11% of normal YTD.

Director Hall commented that the District website states the office is closed to the public and he suggested that be changed to clarify it is only closed for the duration of COVID restrictions. Mr. Neisler thanked him for the suggestion and stated they will make that change. Director Cassil asked if sod demands more water than vegetable crops. Mr. Neisler confirmed it does, however there is only one sod entity functioning at this time, Valley Sod, and they use primarily recycled water and if needed, imported water, so they do not use ground water. Director Zanutto asked if the additional water demand this year was from Ag customers and Mr. Neisler stated that is probably accurate but he will have a full report once they close out their 2020 operations. Director Zanutto also asked that if once the Cummings Basin Amended and Restated Judgment is in place, if that will help the problem since they will have to put an order in. Mr. Neisler answered that they do not anticipate the Amended and Restated Judgment going into place until 2022, but yes, that will help to better forecast and regulate the use of imported water.

**Item 10. Operation Manager's Report**

Mr. Curry reported on the following matters:

- We have received approval from the insurance carrier to move forward with the removal and repair work for P3E3. Sinor in Texas is going to be working on the remanufactured engine and once that is delivered back to us after the first of the year, we will be sending back the damaged engine plus an additional block with a crank so that both of these can be used for core credit.
- The Brite Lake data is elevation 4,343.3', volume was 548.3 AF, and the level was 17.3'. Groundwater sources except for Snyder Well have been shut down.
- Operations is working through CIP tasks and scheduled maintenance. He reviewed the completed CIP projects described in the Staff Report. Ongoing projects include CMMS/Maintenance Inventory,

replacement of 30" Lake Magnetic Meter, the New Service Truck/Bed have been ordered, Well Motor Protection (Dennison Well/Booster) and Superior Tank has begun work at the scheduled sites for this season. The Pumping Systems Department has performed a major overhaul on Engine 2 Plant 3, new 12" heat exchanger insulation valves (4) were installed at PP1 and piping inspection/repair at the pumping plants was completed. The Pipeline Department replaced 4 Air Relief Valves from the aqueduct to PP1, 13 high usage turnout meters were replaced and the master meter outside PP1 was removed. PLC shelters were installed and trenching was done for the Dennison Well and Lake Meter projects.

-On November 19, 2020, a routine sample taken at the District Office tested positive for total coliform (TC) and negative for E. coli bacteria. Coliform is an indicator bacterium. Retesting on November 23, 2020 revealed a positive Total Coliform test at 4 out of 5 repeat sample locations and the State directed us to post a "Do Not Drink" notice at multiple locations. None of the total coliform positive samples showed the presence of E. coli bacteria. Operations Staff performed chlorine disinfection and flushing of the wells, storage tank and distribution system to inactivate the coliform bacteria. On December 4<sup>th</sup> and December 8<sup>th</sup>, samples were taken again and were negative for total coliform. Cancellation of the "Do Not Drink" notices have been posted and will stay posted for 10 days. Throughout the process, Staff worked closely with the SWRCB District 19 Staff to ensure proper notification, testing and regulatory compliance.

-Looking ahead, Operations Staff will keep working on completion of the remaining CIP projects and necessary maintenance tasks. In January, Staff will perform a mainline shutdown from Brite Lake to the east end of the distribution system. This will allow for repairs of several valves, turnout piping repairs, and installation of a new meter at Brite Lake.

Director Cassil commented that Mr. Curry and his crews have been very busy. Mr. Curry replied he works with a great staff and they continue to amaze him with what they accomplish. President Schultz asked if this 30" flow meter is at the base of the dam on the northwest side. Mr. Curry confirmed that is correct and there is a vault next to the PLC shelter that was installed there.

**Item 11. Receive and File June 30, 2020 Audited Comprehensive Annual Financial Report**

Ms. Madenwald stated this item gives the Board the opportunity to receive and file the Audited Comprehensive Annual Financial Report (CAFR). The Board's auditing firm, Van Lant & Fankhanel, LLP, has completed their audit and issued an unmodified opinion. The District has, for eight consecutive years, received a Certificate of Achievement from the Government Finance Officers Association. After this meeting we will submit an application for next year's award.

Brett Van Lant is the auditor who conducted the audit this year. He met with the Ad-hoc Audit Committee on December 8, 2020. Staff was available during that meeting to answer any questions the committee might have. After the meeting, the committee recommended that the Board receive and file the CAFR.

Mr. Van Lant introduced himself and stated his firm conducted the field work of the audit in late August. They inquired with District Staff, reviewed transactions, and evaluated the amounts and disclosures in the financial statements. He stated Ms. Madenwald was very helpful through the process, providing all the documentation in order to complete the audit. He said that the audit report is the most important part of the audit. This is where we state our opinion on the audit and responsibilities. Financial Statements are the responsibility of management and the responsibility of auditors is to express an opinion on those statements to determine that they are fairly reported in accordance with Generally Accepted Accounting Principles and that they are free of material misstatements. We have issued a report on controls over financial reporting as it is required for government auditing standards and if there were any material weaknesses, significant deficiencies, or material non-compliance with contract grant agreements, it would

have been reported in this report. However, the report issued is a standard (“clean”) report as we did not identify any of those deficiencies. We have also issued a report on the District’s Appropriations Limit calculation and it is an agreed upon procedure where auditors are testing the calculation done by the District to ensure it was done in accordance with the Constitution requirement. There were no exceptions to the calculation, meaning it was done accurately. There is also a required report on communication with the Board of Directors which discusses different aspects of the audit, the audit process, and identifies any sensitive disclosures in the financial statements which refer to the fair value of investments, capital assets depreciation, and the actuarial valuation for Pension Liability and OPEB Liability. If there had been any concerns in the auditor’s dealing with management, that would have been reported here as well. He was happy to report none of that took place and it was a very smooth audit.

President Schultz pointed out that Directors Cassil and Zanutto were on the Audit Committee and asked for their comments. Director Zanutto thanked Mr. Van Lant for walking through the audit report and for his patience in answering all their questions at the meeting. He is thankful we have a clean report and thanked Staff for all the hard work they do. He feels that the Pension Liability is something we need to keep an eye on. The Net Financial Position looks very good. Director Cassil appreciated the work the Mr. Van Lant and Ms. Madenwald have done. Ms. Madenwald stated that the spiral bound, hard copy of the CAFR has been received and will be mailed out to the Directors tomorrow.

Director Zanutto moved to receive and file the audit report. Director Hall seconded the motion and it was carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None.

**Item 12. Receive and File 2019 Annual Watermaster Reports for Tehachapi Basin and Cummings Basin**

Mr. Neisler stated this is primarily a housekeeping item. This item gives the Board an opportunity to review these reports and by receiving and filing them, it gives the General Manager and the President authorization to sign and file the reports. Please note these are the 2019 Annual Reports, not the reports for 2020. The Tehachapi Basin and the Cummings Basin judgments require that these reports be filed with the court whereas the Brite Basin does not. The filing deadlines were waived for 2019 due to COVID so this is why they are being approved much later in the year. Shortly after the first of next year, we will begin working on the 2020 reports and intend to file those with the court by March 15, 2021.

President Schultz commented that on page 24 of the Tehachapi Basin report, he is not following the math on the cumulative remaining. Mr. Neisler stated he will double check that report and if a correction is necessary, he will report to the Board via email. He thanked President Schultz for checking that.

Mr. Neisler clarified there is no action required, he will look into the correction and contact President Schultz when the reports are ready to be signed.

**Item 13. Update on Cummings Valley Amended and Restated Judgment**

Mr. Neisler stated that since the last meeting, all of the information has been submitted to the court and Counsel has distributed the motion and supporting documentation to each identified party. There were 157 parties, several of which had an interest in a single well, so 109 packets were sent out. He displayed a package for reference; it weighs 9 lbs and cost \$10.95 in US Postage. The hearing is scheduled for January 5, 2021 and on that day, the judge can issue a final ruling or he can take it under advisement.

Mr. Barmann stated he does not anticipate any opposition as no party filed a response to the complaint. The last day for anyone to submit an opposition is next Monday, December 20<sup>th</sup>, afterwards, Counsel will submit to the court there was no opposition. The court issued a general order today, that hearings in the unlimited civil court are now to be conducted by court call, so there will not be a live hearing in front of a judge.

**Item 14. Update on Cummings Basin Westerly Recharge Project**

Mr. Neisler stated this project should be ending soon. Granite provides a schedule update every week; however the completion date continues to get pushed out. The fencing was scheduled to be complete weeks ago and is still not done. Nonetheless, Granite is proceeding, and their contract deadline is December 23, 2020. They have assured us they will be done by then. They have finally accepted the revised earthwork number, 4,932 cubic yards. Prior to the earthwork Change Order, there were two prior Change Orders approved for a total of about \$14,000 and the earthwork Change Order is about \$35,000. There is a small electrical Change Order outstanding.

Pipeline installation and testing in complete. Staff is hopeful that by the next meeting, we will be asking to file the Notice of Completion for the project. Provost & Prichard is the grant administrator and DWR legal department is still reviewing the grant agreement and they hope to have the documents ready to sign before the end of the month. Ms. Madenwald is preparing the initial invoice for submittal. Given the contract Change Orders described and some additional charges from the consultants, we are looking at costs beyond the original estimate (around \$100,000 over budget). Staff will have a better figure for the Board next month in conjunction with the Mid-Year Budget review.

**Item 15. Schedule Ad-Hoc Budget Committee Meeting**

Ms. Madenwald stated the purpose of this item is to schedule an Ad-hoc Budget Committee meeting with Directors Pack and Zanutto. It is time to conduct the mid-year analysis of the budget and prepare an amended budget to be presented at the January RBM. Staff has been working on the budget and would like to send it out to the committee by December 30<sup>th</sup>. We would like to schedule the first meeting the week of January 4<sup>th</sup> so that if necessary, a second meeting can be held the week of January 11<sup>th</sup>. Under Item 17, new committees will be chosen. Those will not be seated until the January RBM.

The Ad-hoc Budget Committee meeting was scheduled January 8, 2021 at 9:00a.m.

**Item 16. Report on Fall 2020 Virtual ACWA Conference**

All Directors, except for Director Zanutto, attended the Fall 2020 Virtual ACWA Conference and reported on their experience.

Director Cassil reported that discussions at the conference went beyond water and went into COVID, weather, drought, melting snowpack, and fire season. There were discussions on politics and projects such as Water Reauthorization Development Act and Economic Stimulus. The politics and requests for money came together on the potential for Federal Earmarks. Daniel Swain, a climate scientist, presented on a project where he envisions a 100-200 year flood in California where the whole Sacramento Valley to the Central Valley will be flooded. He is working on a project to divert that water and store it. Another presentation on water industry trends discussed the need for organizations to work together and cooperate.

Director Pack reported that Claire Lochlin from MRG spoke about a high-performance team and defined it as “a group of goal focused individuals with specialized expertise that compliment each skill to collaborate, innovate, and produce constantly superior results”. He thinks this sounds a lot like TCCWD. High performance teams are essential to the way most organizations carry out their work resulting in superior performance which translates to a competitive advantage. He feels TCCWD should continue with the superior performance and go after that significant competitive advantage. He hopes all the employees feel connected and energized, that they are engaged and adaptable, and can see the impact in that. He also liked this definition of leadership; “the art of mobilizing others to want to struggle for shared aspirations”. As a leader you are always working on goals and setting goals restructures your brain

to make it more effective. President Schultz commented that he completely agrees on goals and he thinks Mr. Neisler has done a fantastic job of giving us a clear set of goals.

Director Hall reported on the JPIA Board Meeting and the costs of the Liability and Property Programs are going down. The State of California Division of Worker's Compensation audited 40 companies and JPIA ranked third in compliance. JPIA had 250 positive cases of COVID they are covering which included 12 hospitalizations. The overall medical costs are down due to COVID as people are putting off procedures. They expect claims to go up in the future when everyone is catching up. For the Insurance Captive JPIA formed in Utah, the portfolio of investment earned 7.3% as opposed to the California portfolio that earned 3.3%. By underwriting a piece of liability insurance in Utah, JPIA saved \$400,000. There was a talk called Online Highway Robbery on ransomware and they had 3 companies give pitches on their ransomware. He felt they did not describe what ransomware is, so he provided a short talk on ransomware for the Board. Director Hall asked if the office is occasionally doing a full restore of the back-up data to ensure it will work. Mr. Neisler stated we store incremental back-ups off-site but we do not restore them. We were subject to ransomware years ago and our IT consultant was able to successfully restore our back-up. Director Hall feels it's worth doing a full restore to test the back-up occasionally. For the ACWA Conference, he attended the Supreme Court discussion where the Chamber of Commerce felt Kentucky has the right to regulate its own groundwater and determine where its waste can be dumped. The Supreme Court determined that whether they were dumping it in the river or on the ground, it would percolate into the common groundwater, so it is the functional equivalent. The keynote address that came in later had a theme that compromise, coalition, and working together is the way to get things done as oppose to a warrior approach of going to court.

President Schultz gave a brief overview of the presentations he attended. Dr. Daniel Swain talked about a climate change that will affect how the rainwater will come, not necessarily if it will be more or less. President Schultz thinks this District should always consider how to take high flow water. Dr. Swain discussed reactivating flood plains in Sacramento Valley instead of pushing water out to the Delta. These flood plains used to flood before all the water was diverted and if this water was pushed to the flood plains, there would be an enormous amount of food for the fish and the water could be used to recharge basins and used back into the Delta. It is an interesting concept. There was information on energy trends in California and the State's desire to go away from fossil fuels which would create a big problem for TCCWD since our pumps run on Natural Gas. He does not think now is the time to revamp the whole system, however, he does think it is time to start calculating what it would entail and if it would ever make sense to do. Tim Quinn provided a keynote speech that President Schultz felt was a lesson for California. He talked about the art and science of devising a decision-making process, how to deal with conflict, and that governance is the key. The takeaway is that collaboration is what works, and conflict does not work. You can't escape politics; you must embrace them. He challenges everyone to have this District be a coalition that finds collaboration that works, rather than finding conflict.

Director Hall asked if an electric system can be a future topic of Board discussion. President Schultz asked Mr. Neisler if he had a recommendation on how they should start a discussion on this. Mr. Neisler stated the appropriate time to discuss this would probably be when the Board considers the engine upgrade project which is tentatively scheduled for the 2022-23 budget year. Staff has gone into the thinking phase of having at least one electric motor at Plant 4 where the demand is more variable and the infrastructure exists to provide electricity there. This can be discussed further but Mr. Neisler commented that the District would be looking at probably \$100 million plus in infrastructure cost to provide the amount of electricity needed to operate the plants across that system. That would just be the infrastructure, not the cost of replacing the engines with motors. Several years ago, Director Hall asked Mr. Neisler to look into renewables and he did a real thumbnail analysis of what it would take in terms of electrical demand and solar fields to meet the systems needs. He stated he will try to find the document and add it to SharePoint Drive.

Mr. Neisler commented on the SB 100 renewable energy discussion from the conference and stated its goal is 100% renewable energy by 2040. Andrew McCallister, Commissioner on the California Energy Commission, made it clear that there is not an energy portfolio going forward that doesn't have a natural gas and fossil fuel component to it. He dismissed the idea that we could do away with those, directly contradicting what the Governor has said.

Director Zanutto asked if transitioning from natural gas to electricity is something that can be discussed in a Strategic Plan update. Mr. Neisler stated the Strategic Plan update is usually done in June with consideration of the Budget. President Schultz stated he will work with Mr. Neisler to plan which Board meeting in the coming months will be best to discuss this when things aren't so busy.

**Item 17. Appoint Directors to Serve on 2021 Ad-Hoc Committees**

President Schultz stated the current Ad-hoc Budget Committee will remain in place until the January meetings are complete. The following Ad-hoc Committee appointments were made:

Audit Committee: Director Hall, Director Zanutto

Budget Committee: Director Pack, Director Zanutto

Water Priority Committee: Director Cassil, President Schultz

Water Rate Committee: Director Hall, Director Cassil, Alternate: President Schultz

Delta Conveyance Facility Committee: Dissolved

Cummings Basin Adjudication Committee: Director Zanutto, President Schultz Alternate: Director Hall

South Valley Water Resources Authority Board of Directors: Member: Tom Neisler

Alternate: Director Hall

Joint Agencies Agreement Technical Advisory Committee: Members: Tom Neisler, Jon Curry

**Item 18. Board of Directors Comments**

A few Directors had issues with their screens going black and Mr. Neisler stated he will investigate it with the IT Consultant.

Director Zanutto thanked former President Pack for a job well done and foresees being able to make the same comment to President Schultz in two years. He congratulated Mr. Barmann on his appointment to the Superior Court and thanked him for his hard work and dedication to the District, especially on the Amended and Restated Judgment. Mr. Barmann appreciated his comments. Director Zanutto also requested to get a copy of the Strategic Plan. Mr. Neisler stated we will add it to the SharePoint Drive.

Director Hall inquired if there will be a gathering or ceremony celebrating Mr. Barmann's appointment. Mr. Barmann stated there will not be one anytime soon under current conditions, but he will let Mr. Neisler know when there is, and everyone is welcome to come. He would be honored to have them.

Director Pack congratulated President Schultz and stated he knows he will do great. He congratulated Mr. Barmann on his appointment.

President Schultz thanked everyone for their trust and stated it is an honor to be the President of this Board.

**Item 19. Adjourn to Closed Session**

Closed Session was foregone as there was no information to discuss.

**Item 20. Return to Open Session**

Closed Session was foregone.

**Item 21. Adjournment**

The meeting was adjourned at 5:21 p.m. on a motion made by Director Pack, seconded by Director Hall and carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None.



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Robert W. Schultz, Board President



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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: Case No. 97209  
Name of Case: Tehachapi-Cummings County Water District  
a Body Corporate and Politic, vs. Frank Armstrong 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: 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: \_\_\_\_\_