

MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
March 21, 2018 3:00 P.M.
22901 Banducci Road, Tehachapi, CA 93561**

Item 1. Call to Order and Roll Call

Directors Present: Hall, Pack, Prel, Worden and Zanutto

Staff in Attendance: Lori Bunn, Troy DePriest, LaMinda Madenwald, Tom Neisler and Chris Vigil

Item 2. Flag Salute

The Pledge of Allegiance was led by Director Pack.

Item 3. Approval of Agenda

The agenda was approved as presented on motion made by Director Hall, seconded by Director Pack and carried on the following vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 4. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body

Michelle Vance, District Manager of the Tehachapi Valley Recreation and Parks District (TVRPD), addressed the Board regarding a recreation bond the TVRPD plans to put on the ballot at the next general election. Ms. Vance reviewed the plans TVRPD has to revitalize their facilities.

Mr. Neisler introduced Chris Vigil, the new Pumping Systems Supervisor for TCCWD, to the Board of Directors. Chris Vigil thanked the Board for the opportunity to serve in this position.

Item 5. 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 Meeting of February 21, 2018
- b. Approve Financial Report and Payment of Bills
- c. Approve Requests for Temporary Assignment of Water Rights

President Zanutto asked if there were any items the Board members, public or staff would like to remove for discussion. No items were pulled for discussion.

President Zanutto stated that if there were no objections, Item 5a Minutes of the Regular Meeting of February 21, 2018, Item 5b Approve Financial Report and Payment of Bills and Item 5c Approve Requests for Temporary Assignment of Water Rights will be adopted. There being no objections, Items 5a, 5b and 5c were adopted.

Item 6. General Manager's Report

Mr. Neisler reported on the following matters:

- He thanked the Board for attending the Kern County Water Summit. He reported details of this event;

- The District received an inquiry regarding possible expansion of the recharge capacity in Cummings Basin. Staff will follow up on this and bring the matter back to the Board at a future meeting;
- The Prop. 84 Grant Project for the Steuber well connection into the City of Tehachapi and Golden Hills CSD pipeline systems has fallen behind. Staff is monitoring the situation;
- Mr. Neisler reported on a meeting held at the District regarding extending water service to Keene;
- The Table A allocation remains at 20%. Staff is hopeful that it will increase based on recent changes in conditions;
- There was a State Water Contractors operational call this morning. Mr. Neisler said he was not able to participate, but the Kern County Water Agency will provide a summary of what took place on the call;
- A copy of the letter written to the Kern County Water Agency regarding the California WaterFix was provided to the Board;
- A catastrophic failure occurred on an engine at Pump Plant 4. It had to be taken out of service, removed from the pump plant and sent out for repair. Troy DePriest will provide a detailed report. Mr. Neisler said that the response of District staff was exemplary. Due to their efforts, this engine will be returned to service;
- The Strategic Planning Workshop is planned for March 26, 2018 from 1:00 to 5:00 p.m.;
- The Pump Plant tour is scheduled for April 19. Lunch will be provided and after lunch, an Open House will be held from 1:00 to 4:00 p.m.;
- The natural gas purchases were reviewed;
- The charts included in the written General Manager's Report were reviewed;
- The Oroville reservoir operations were reviewed;

Director Hall made comments regarding the Oroville failure and partial repairs. He asked if operations at Oroville would return to normal after repairs are made. Mr. Neisler provided information and said operations should return to normal.

Ted Wyman made supportive comments regarding Mr. Neisler's ability to estimate the amount of natural gas needed to operate the imported water system. President Zanutto thanked Mr. Wyman for his comment. Mr. Neisler also thanked Mr. Wyman for his comment and reviewed the steps taken with regard to the purchase of natural gas.

Director Worden asked when the State Water Project allocation update would be announced. Mr. Neisler said the final allocation should be announced approximately May 1 through May 15.

Item 7. Operations Manager's Report

Troy DePriest reported on the following matters:

- Pump Plant systems operations. Using a two engine system and pumping at 14 cfs;
- Three proposals were received from three engineering firms to prepare the documentation, mapping and modeling required by the State of California for the District's three high-hazard classification dams;
- The system has been running well, despite challenges including the engine failure, gearhead replacement and weather;
- The 2017 annual emissions report has been submitted, certified and sent to the California Air Resources Board. He reviewed the details of the report;
- On February 20, there was a four-hour system shut down due to a problem with the airline and tank valve at Plant 4;
- On March 1, Engine 2 at Pump Plant 4 suffered a failure. Mr. DePriest gave a detailed report on the

- failure and the actions taken. The engine should be back in service in four to six weeks;
- Brite Lake elevation was 4,354.5 on March 1 and the lake volume was 1,156 acre feet;
 - Pump Plant 2, Engine 1 had to have the gearhead replaced. Details of the repair were provided.
 - The Pipeline crew is grading the road between Pump Plant 2 and 3. Road base is being replaced to improve the road condition;
 - The Pump Plant crew will be busy assembling Engine 2 at Pump Plant 4;
 - Transitioning to a three-engine system on Monday, April 2;
 - Reviewed the projects that the Pipeline Department has on schedule;
 - Reviewed the pictures included in the written Operations Manager's Report.

Director Worden asked a question about testing the engine oil. Mr. Neisler provided information to answer his question and discussion took place.

In regards to the greenhouse gas emissions, Mr. Neisler reviewed the matter of the CARB classification of the District's natural gas pipeline as a "natural gas supplier," which imposed limits on the emissions for 2017. Due to efforts made by Chris Vigil, emissions for 2017 were within 2 ½% of the limit, thereby avoiding costly fees. Staff was able to get the pipeline reclassified for 2018, which increased the limit to 10,000 metric tons. Director Hall asked about the type of measurement used. Mr. Neisler explained it was measured in No_x. Discussion on this matter continued.

Item 8. Provide Direction to Tehachapi Valley Recreation and Parks District on Brite Lake Lease Agreement Modifications

Mr. Neisler explained staff has been discussing the topic of swimming in Brite Lake with the TVRPD staff since October 2017. This matter has been discussed by the Board and staff, with no obvious objections to the proposed use. The two agreements for operating the facility needed to be reviewed, along with State regulations regarding swimming in a reservoir, such as Brite Lake. Mr. Neisler directed Legal Counsel to do a limited assessment of that feasibility. Legal Counsel provided the Board with a privileged and confidential memo regarding the research and findings on this issue. The conclusion is that swimming cannot be permitted under current law due to the "domestic uses of water" from that reservoir. Mr. Neisler explained the definition of "domestic use of water" and he reviewed the details of the findings.

Mr. Neisler offered three options: 1) Advise TVRPD that swimming cannot be allowed in the reservoir; 2) Advise the TVRPD of Legal Counsel's findings and allow them to pursue the issue with their counsel, at their expense; and 3) Direct TCCWD staff and Legal Counsel to determine whether legislation or some other legal remedy to prohibition is feasible, at the District's expense.

Discussion took place at this time with comments made by Director Hall and Director Worden.

Michelle Vance addressed the Board regarding the policy. She said she would like to contact the legislators to see if there is an opportunity to change the policy.

Mr. Neisler suggested if the Board allows the TRRPD to move ahead with this, the confidentiality of the Legal Counsel memo needs to be waived and it should be provided to the Legal Counsel for TVRPD.

President Zanutto recommended that the Board go with Option 2, Advise TVRPD of Legal Counsel's findings and allow them to pursue the issue with their counsel at their expense. Questions were taken from Tina Forde and Robert Schultz. Mr. Neisler provided answers to their questions.

President Zanutto made a motion to approve Option 2 as included in the staff report. Director Worden seconded the motion. Mr. Neisler requested that the motion be modified to direct the General Manager to discuss the confidentiality of the memo and take action accordingly, based on Legal Counsel's recommendation.

Director Hall made a revised motion to advise the TVRPD of Legal Counsel's findings and allow them to pursue the issue with their counsel, at their expense and to direct the General Manager to discuss the confidentiality of the memo and take action accordingly; based on Legal Counsel's recommendation. The motion was seconded by Director Pack and carried on the following vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 9. Adopt Resolution 6-18 Transferring Funds from the General Fund to the Prop. 84 Grant Fund

LaMinda Madenwald reviewed the staff report for the transfer of funds from the General Fund to the Prop. 84 Grant Fund, in the amount of \$190,000. She said this will fund the expense of implementing the direct install project, as amended, while awaiting reimbursement from the Department of Water Resources. The Proposition 84 Round 2 Implementation Grant, Amendment 2 for the Grant Agreement #4600010582 was provided to the Board.

After discussion Director Hall made a motion to adopt Resolution 6-18 transferring funds from the General Fund to the Prop 84 Grant Fund in the amount of \$190,000. Director Worden seconded the motion and roll call was taken on the vote:

Ayes: Hall, Prel, Worden and Zanutto
Noes: None
Abstain: Pack
Absent: None

Item 10. Authorize General Manager to Execute Contract for Consulting Engineering Services for Dam Inundation Mapping and Emergency Action Plans

Troy DePriest reviewed this staff report regarding the high-hazard dams owned by the District and the State requirements for inundation maps and emergency action plans for each dam. Mr. DePriest said that three proposals were received for the project. The proposals were reviewed and the District's purchasing policy was considered. Staff recommended Mead & Hunt for this engineering project at the estimated cost of \$48,362.

Mr. Neisler and Mr. DePriest responded to questions and comments from the Board and audience.

After discussion, Director Hall made a motion for the Board to authorize the General Manager to execute the contract for engineering services with Mead & Hunt. Director Pack seconded the motion and it was carried on the following vote: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 11. Solicit Directors' Interest in Special District Representative Seat on Local Agency Formation Commission Board of Directors

Mr. Neisler explained that there is an open seat on the Local Agency Formation Commission Board of Directors. He reviewed the requirements of the position and the meeting schedule. He said if any of the Board members were interested in filling the position, staff will assist them in pursuing the application process. Director Hall and Director Worden both expressed interest in filling the position. After discussion, Director Worden decided against pursuing the application.

Director Pack made a motion that the Board Support Director Hall's nomination to the LAFCo Special District Board of Directors seat and further moved that the Board direct the General Manager to support Director Hall's candidacy as required. The motion was seconded by Director Hall and carried on the following vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes; None; Abstain; None; Absent: None.

Item 12. Update on Strategic Planning Workshops

Mr. Neisler reported that the Strategic Planning Workshop is scheduled for March 26, 2018 from 1:00-5:00 p.m. He explained that he prepared a press release and there was an article in the Tehachapi News to promote the Strategic Planning Workshop. He added that the notice is also posted on the District's website. He said this will be a Special Board Meeting and the District Secretary will notice the meeting as required.

Item 13. Approve Director's Attendance at Special District Leadership Academy in Seaside, California

Director Worden said he would not be able to attend this conference and he withdrew his request.

Item 14. Adjourn to Closed Session

Closed Session items were referenced by President Zanutto.

- a. In Accordance with Exhibit A Attached Hereto, DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds et al.
- b. In Accordance with Exhibit B Attached Hereto, Kern County Superior Court Case 97209, Tehachapi-Cummings County Water District, a Body Corporate and politic vs. Frank Armstrong et al.

The Board went into Closed Session at 4:53 p.m.

Item 15. Return to Open Session

The Board returned to Open Session at 5:41 p.m.

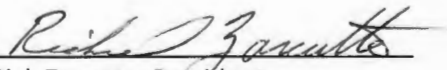
a. Report Action Taken in Closed Session:

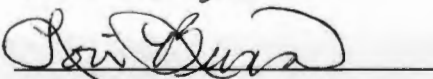
1. In Accordance with Exhibit A Attached Hereto, DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds et al.
President Zanutto reported that there was no reportable action taken.
2. In Accordance with Exhibit B Attached Hereto, Kern County Superior Court Case 97209, Tehachapi-Cummings County Water District, a Body Corporate and politic vs. Frank Armstrong et al.

President Zanutto reported that the General Manager was directed to send a letter to the Cummings Basin Stakeholders and Kuhs & Parker was directed to work with Chicago Title on a metro scan to develop ownership information for parcels located in the adjudicated Cummings Basin.

Item 16. Adjournment

The meeting was adjourned at 5:43 p.m. on a motion made by Director Hall, seconded by Director Pack and unanimously carried. Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.


Rick Zanutto, President


Lori Bunn, Secretary

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

CLOSED SESSION ITEM DESCRIPTIONS
(Gov. Code § 54954.5)

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

Description of Property: _____

Negotiating Parties: _____

Subject of Conference: _____

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

1. Existing Litigation: _____
Name of Case: DWR v. All Persons Interested in Authorization of WaterFix
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: _____

Unrepresented Employee: _____

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a Body Corporate and politic, vs. Frank Armstrong et. al.

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Title: _____

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D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code, § 54957.6.)

Agency Negotiator: _____

Employee Organization: Not applicable

Unrepresented Employee: _____