

MINUTES

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT REGULAR MEETING OF THE BOARD OF DIRECTORS

May 16, 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: Catherine Adams, Lori Bunn, Troy DePriest, LaMinda Madenwald and Tom Neisler
- Item 2. Flag Salute**
The Pledge of Allegiance was led by Director Worden.
- 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**
Mr. Neisler introduced Catherine Adams to the Board. The Board members welcomed her to her new position.

Mr. Wyman made comments regarding the quality of the water being recharged into the groundwater basins.
- 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 April 18, 2018
 - b. Minutes of the Special Meeting of April 30, 2018
 - c. Approve Quarterly Investment Report, Financial Report and Payment of Bills
 - d. Approve Date for Benefit Assessment Hearing
- President Zanutto asked if there were any items the Board members, public or staff would like to remove for discussion. Director Worden asked to pull Item 5d Approve Date for Benefit Assessment Hearing.
- President Zanutto stated that if there were no objections, Item 5a Minutes of the Regular Meeting of April 18, 2018; Item 5b Minutes of the Special Meeting of April 30, 2018; and Item 5c Approve Investment Report, Financial Report and Payment of Bills will be adopted. There being no objections, Items 5a, 5b and 5c were adopted.
- Director Worden had questions regarding scheduling the date for the annual Benefit Assessment Hearing. In response, staff reviewed information provided in the written staff report. After discussion, Director Hall made a motion to approve Item 5d. The motion was seconded by Director Worden and carried on the following vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 6. General Manager's Report

Mr. Neisler reported on his meeting with Tim Quinn, Executive Director of ACWA, and Michael Cervantes, Regional Affairs Representative for ACWA, that recently took place in the District office. ACWA issues were discussed and Mr. Neisler apprised Mr. Quinn of the District's work with groundwater management. Mr. Quinn was interested in Mr. Neisler's presentation at the Water Summit. Mr. Neisler said this was a very good meeting.

In addition, Mr. Neisler reported on the following matters:

- The SWP Table A allocation has been increased to 30%;
- A request was submitted to I.D. 4 to withdraw between 1,000-3,000 acre feet of banked water in the fall of this year. Mr. Neisler explained that a 3,000 AF withdrawal would equate to a 30% allocation and a 1,000 AF withdrawal would equate to a 40% allocation. Withdrawing the banked water will allow the District to pump 10,000+ AF this year;
- The status of the California WaterFix was reviewed;
- The Oroville Spillway work will be prior to winter precipitation this year. The emergency spillway will continue into 2019;
- Mr. Neisler reported on the new Pumping Systems Supervisor and changes in the Pumping Systems Department. The Operations Assistant was hired with a start date of May 21, 2018;
- The reservoir level peaked on May 2 at an elevation of 1,764 AF, within 200 AF of the maximum capacity. The District is in good shape in terms of the forecast and in terms of pumping 10,000 AF;
- Work is beginning on Amendment No. 3 to the Proposition 84 Grant for the rehabilitation of the TVRPD restroom facilities at Brite Lake, Dye Natatorium and Central Park. Work is scheduled to be complete by the end of June;
- Mr. Neisler said he was appointed to the steering committee for the proposed TVRPD bond. He said he is not a member of the TVRPD, because he lives in Bear Valley. He said he will continue to provide guidance where asked.
- Mr. Neisler attended the GHCSO Board meeting where they approved participation in the Tehachapi Basin Groundwater Model. Mr. Neisler said he is waiting to hear back from the City of Tehachapi;
- Mindy Madenwald has been pursuing the Bank of the West with regard to fees being assessed and services provided. As a result of her efforts, the District will net approximately \$600 a month in savings;
- The charts and graphs included in the General Manager's Report were reviewed;

Mr. Neisler offered to answer questions.

Director Pack asked about the District's share of the Oroville repair costs. Mr. Neisler said FEMA will cover approximately 75% of the costs and FERC should pick up some of the costs. The remaining costs will be divided among the State Water Project contractors. These costs will not show up on the 2019 statement of charges. They are expected to be included in the 2020 Statement of Charges.

Director Hall made comments about the water bond for the Oroville repairs. Mr. Neisler responded that this would be on the November ballot. Proposition 68, a bond for the parks, is on the June ballot. Director Pack asked if Tim Quinn was in support of Proposition 68. Mr. Neisler said that ACWA is endorsing the bond.

Item 7. Operations Manager's Report

Mr. DePriest reported on the following matters:

- The pump plant tour, which took place on April 19;
- Staff has scheduled an asbestos cement pipe safety training class with ACWA/JPIA on June 27, 2018;
- The District entered into a professional services agreement with Mead & Hunt, for the preparation

- of the inundation mapping and emergency action plans for the three high-hazard classification dams. A kick-off meeting was held and staff is in the process of providing the needed documentation;
- The demand for water has increased and the system has been operating at the rate of 19.7 to 20.5 cfs. The System has experienced decreased suction pressure at Plant 1;
 - As previously reported, a mechanical failure occurred on Engine 2, Pump Plant 4. The mechanics have assembled and installed that engine on April 23;
 - Alex Steele, Chris Vigil and Troy DePriest attended a CARB training event in Bakersfield. The purpose of the event was to learn about the on-line reporting system (DOORS) and to clarify the status of the current emissions regulations and reporting requirements relating to the off-road diesel fuel fleet.
 - In regards to the low suction pressure at Plant 1, Mr. DePriest reported that staff has begun working to rectify the problem;
 - A controlled shut down was conducted on May 9 to collect data, test and inspect the air leak valves for proper operation. There was no evident air in the line and the air leak valves did operate correctly;
 - On May 11, the Brite Lake elevation was 4,362.6 with a volume of 1,718.6 AF;
 - The Pipeline Department has responded to several reports of leaks on the distribution lines in both Tehachapi and Cummings Valley. Repairs have been completed with minimal service interruptions;
 - The Pipeline crew completed the installation of two new turnouts for agricultural use;
 - A seven-stage pump was sent to Evans Hydro and is due to be complete by May 31;
 - On May 4, a pump failure was experienced at Plant 2, Engine3, which affected the pump seal sleeve. Mr. DePriest described the action taken to address the failure. The pump was removed and sent to Evans Hydro for repair;
 - The "Look Ahead" portion of the written Operations Report was reviewed, as well as the photos contained in the report.

In regards to replacing the valve, President Zanutto asked if the gate valve would close. Mr. DePriest said it would not and explained that a section of the mainline had to be shut down to replace the valve. He added that staff is actively trying to replace any valves that are not operational.

Item 8. Receive and File Actuarial Report for Other Post-Employment Benefits (Retiree Medical)

Ms. Madenwald explained that this actuarial report for other post-employment benefits is required every two years as an element of participating in the California Employer's Retiree Benefit Trust. She reviewed the background of the matter and reviewed the actuarial valuation, which shows the District's determined contribution for two fiscal years (2018-19 and 2019-20) is \$13,210.

George Cappello asked if this contribution allowed the District to break even. Ms. Madenwald said it is a 100% funded cost with no distributions and we are at 57.12% funded after seven years of participation in the plan. She reviewed the retiree benefit plan and the qualifications to participate in the plan. Mr. Neisler provided additional comments in this regard.

Director Hall made a motion for the Board to receive and file the actuarial valuation report for other post-employment benefits. Director Pack seconded the motion and it was carried on the following vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 9. Approve Contract with JS Strategic Consulting for Water Conservation Curriculum and Authorize General Manager to Execute

Ms. Madenwald reviewed the staff report and the differences between the water conservation program in 2017 and the proposed new program for this year. She said the District will only be participating in the materials distribution component of the program. The program consists of ordering and distributing Tehachapi area specific curriculum materials at a total cost of \$10,000. Funding for this program was included in the FY 2017-18 Water Conservation Budget , General Fund. If approved, this amount will be included in the FY 2018-19 Water Conservation Budget, General Fund.

Director Worden made a motion to authorize the General Manager to execute the contract with J.S. Strategic Consulting for the ordering and distribution of two education units in accordance with their proposal dated March 13, 2018. Director Hall seconded the motion and it was carried on the following vote: Ayes: Hall, Prel, Worden and Zanutto; Noes: Pack; Abstain: None; Absent: None.

Item 10. Approve Contract with California CAD Solutions for Consulting Engineering/GIS Services and Authorize General Manager to Execute

Mr. Neisler reviewed this staff report. He explained the GIS will be the primary database where we capture the as-built drawings, maintenance records, facilities data, property data, service connection data, etc. He said the item on the agenda today is for the conversion phase of this project and it will be a time and materials contract. Mr. Neisler provided additional details on the project. Cost of this phase of the project will be \$15,000. The on-going subscription cost will be \$495 per month. Funds are available in the FY 2017-18 budget for Consulting. Additional funds will need to be included in the 2018-19 FY budget.

President Zanutto asked how this data would be applied. Mr. Neisler explained how staff would use the system.

Director Worden asked if the District received bids from any other vendor. Mr. Neisler responded that he has not found another vendor that provides this service. He said that all the District is committing to is the data conversion. Before moving forward with any other contracting, we will consider the performance on the conversion phase of the project.

Director Pack asked if the District works with a GIS firm. Mr. Neisler responded that the District has had GIS consultants in the past. Director Pack asked how working with California CAD Solutions is better than the District's software. Mr. Neisler explained that it is an operational issue and he described the problems with the current software and the benefits of the new software.

Director Worden made a motion that the Board authorize the General Manager to execute the contract and authorize staff to administer the included scope of work. The motion was seconded by Director Hall and it was carried on the following vote: Ayes: Hall, Prel, Worden and Zanutto; Noes: Pack; Abstain: None; Absent: None.

Item 11. Approve Hold Harmless Agreement with Tehachapi Valley Recreation and Parks District for Proposition 84 Grant Implementation

Mr. DePriest explained the purpose of this item was to approve the Hold Harmless Agreement to indemnify and hold TCCWD harmless in the performance of professional services under an agreement relating to Proposition 84 Grant Implementation. Mr. DePriest reviewed the details of this project.

Director Pack asked why did the District request approval for the State to expand the scope of this project. Ms. Madenwald explained that the scope of the project was not expanded, but there were funds remaining after the direct install program and toilet rebate program were completed. What was expanded was the ability to spend these funds on public facilities and DWR agreed to do that. Mr. Neisler explained that all of the facilities were owned by TVRPD and the intent of the scope of work was to expend the funds that were available. It is considered inefficient to have funds remaining and may affect future grant applications. Both DWR and the grant administrator were in favor of the District expending these funds. He said he came up with the project that would benefit the citizens of Greater Tehachapi, which is how the scope was determined to expend the available funds.

President Zanutto asked if the funding amount was \$190,000. Mr. Neisler said it was and there will be no cost to the District. Mr. Neisler explained further that this agreement ensures that any difference between what the DWR reimburses and the contractor charges will be paid by the TVRPD.

George Cappello made supportive comments about staff taking the action to expend these funds.

Director Hall made a motion that the Board approve a Hold Harmless Agreement with Tehachapi Valley Recreation and Parks District for Proposition 84 Grant Implementation and authorize the General Manager to execute the agreement. Director Worden seconded the motion and it was carried on the following vote: Ayes: Hall, Pack, Prel, Worden and Zanutto; Noes: None; Abstain: None; Absent: None.

Item 12. Schedule Ad-Hoc Budget Committee Meeting

Mr. Neisler said that staff would like to present the first draft of the 2018-19 FY Preliminary Budget to the Ad-Hoc Budget Committee. He explained that the Preliminary Budget needs to be approved by June 30, with the Final Budget being considered at the August Board meeting, prior to the statutory deadline of September 1.

After discussion, the Ad-Hoc Budget Committee meeting was scheduled for June 7, 2018 at 2:30 p.m.

Item 13. Update on Strategic Planning Workshops

Mr. Neisler reviewed the Strategic Planning Workshops to date. He also described the process for the next SP Workshop. He said after the workshops are complete, staff will prepare a Strategic Plan Document which will be presented to the Board. The next Strategic Planning Workshop is scheduled for May 21, 2018 at 1:00-5:00 p.m.

Item 14. Directors' Report on 2018 ACWA Spring Conference and ACWA/JPIA Board Meeting

Mr. Neisler provided a written report regarding the 2018 ACWA Spring Conference and the ACWA/JPIA Board Meeting which took place on May 7-11 in Sacramento. At the meeting Mr. Neisler provided a detailed oral report and said that this conference was very beneficial.

Director Hall reported on the ACWA/JPIA Board meeting and the meetings he attended at the ACWA Conference.

President Zanutto reported on the presentations and forums he attended at the ACWA Conference and topics that were discussed.

Item 15. 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 4:40 p.m.

Item 16. Return to Open Session

The Board returned to Open Session at 5:11 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 there was no reportable action taken

Item 17. Adjournment

The meeting was adjourned at 5:12 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