

## MINUTES

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

June 19, 2019 3:00 P.M.

22901 Banducci Road, Tehachapi, CA 93561

- Item 1. Call to Order and Roll Call**  
**Directors Present:** Cassil, Hall, Pack, Schultz, Zanutto  
**Legal Counsel:** None  
**Staff in Attendance:** Catherine Adams, Troy DePriest, LaMinda Madenwald and Tom Neisler
- Item 2. Flag Salute**  
The Pledge of Allegiance was led by Director Hall.
- Item 3. Approval of Agenda**  
Director Hall moved to approve the agenda. Director 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 4. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body**  
There were none.
- 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 Board Meeting of May 15, 2019
  - b. Approve Financial Report and Payment of Bills

President Pack asked if there were any items the Board members, public or staff would like to remove for discussion. The President removed Item b. at the request of Director Schultz.

Director Hall moved that the Board approve Consent Calendar Item a. Director Cassil seconded the motion and it was carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None.

Item b. -Director Schultz referenced check #5017 to Pence Petroleum and asked how much gearhead oil this purchased and how often does this purchase have to be made. Mr. Neisler and Mr. DePriest answered the amount was for 790 gallons of oil plus fees and taxes, and this quantity of oil will last for some time as it is kept in stock to perform gearhead oil changes at periodic intervals.

Director Hall moved that the Board approve the Consent Calendar Item b. Director 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 6. General Manager's Report**

Mr. Neisler reported on the following matters:

- Recently, one of the team members lost his home to a fire and thankfully everyone is safe and doing fine. He is back to work and has received great support from the team as well as from the community. There's a GoFundMe account set up for the family for donations.
- There are numerous development projects throughout the area asking for information on where to get water, how to get water, and what it costs.
- The Table A Allocation remains at 70% for 2019. On May 29<sup>th</sup> there was 33 times as much snow in the Sierras as there was on the same date last year. The State Contractors Water Operations Committee held a meeting and their allocation analysis this year shows that the allocation should be higher based on their calculation scenarios, yet they have not changed it.
- He discussed the reservoir conditions chart attached to his report. All reservoirs are almost full and well above their average for this year so there should be good water storage going into 2020.
- The lake has gone from being at maximum capacity, to needing supplemental supply from the wells in two weeks.
- The Delta Conveyance project is slowly moving forward. Curtis Creel is deeply involved, and things are back to a preliminary stage. Mr. Neisler will keep the Board informed as things progress.
- System operations for 2019 are slightly behind on the 10,000 acre feet importation goal with good reasons.
- The building painting project is complete and the landscaping project to put in xeriscape along the two sides of the building is almost complete.
- Work with the City on the IPR project continues. They provided TCCWD a first draft of the Memorandum of Understanding and that will be brought to the Board at a later date. The City and Golden Hills are working to fulfill data requests for the Groundwater Model Update.
- At the last Board meeting, it was requested staff provide more details on the water conservation curriculum. The program serves over 800 children in 32 classes throughout Tehachapi. The materials are on the back table for review. A new process has been implemented to allow teachers to request replenishment of the consumable materials through the school district up to a budget of \$1,000.00.
- The CSDA Conference is coming up in Anaheim from September 25<sup>th</sup>-28<sup>th</sup> so Directors should begin considering if they are interested in attending.
- Mindy attended the GFOA conference from May 19<sup>th</sup>-22<sup>nd</sup> and has brought back a great report on the conference. This District has received the GFOA Award of Excellence for 9 consecutive years.
- He reviewed the details of the charts attached to the staff report.

**Item 7. Operations Manager's Report**

Mr. DePriest reported on the following matters:

- The DWR, Division of Safety of Dams conducted an inspection of JC Jacobsen, Blackburn, and Antelope Dams of May 13, 2019. No additional work is anticipated beyond standard maintenance.
- Paul Dutcher, Controls and Emissions Technician, attended Waukesha Gas Engine Technology class in Texas. He reported back that the class was challenging and significantly increased his knowledge of Waukesha engines and engine technology.
- Mr. DePriest attended the Kern Multi-Jurisdiction Hazard Mitigation Planning Committee Meeting which is a requirement for the District to qualify for future FEMA grants as well as maintain relationships with the fire department, OES staff and other agencies in the event of an emergency.
- After reviewing several candidates, two new summer interns have been selected and he discussed some of their job duties.
- On June 13<sup>th</sup> Brite Lake elevation was 4306.2 feet, the lake elevation was 1541.1 acre feet, and the lake depth was 34.2 feet.

- There were significant engine problems on engine one of Pump Plant 3 and an inspection revealed corrosion on the cylinder 1 connecting rod bearing, scoring on the piston and liner, and other cylinder damage. The decision was made to do a top and bottom end rebuild of this engine to avoid catastrophic crankshaft damage or failure. This engine was scheduled to be rebuilt in the upcoming off-season. Work commenced on May 20<sup>th</sup> and by June 10<sup>th</sup>, the engine was placed back in service. Staff did an awesome job, and this was the fourth engine re-build completed this year.
- Staff has continued to build the vibration monitoring program.
- Recruiting is underway for two positions, Heavy Duty Mechanic and Pipeline Supervisor.
- He discussed the pictures attached to the staff report.

Director Zanutto inquired as to whether the parts to do the rebuild were in stock. Mr. DePriest stated most of the parts were in stock and the heads had to be sent down to Bakersfield to get machined. Director Zanutto commented this was a job well done. Mr. Neisler commented that usually in an off season, staff can rebuild two engines and this year they have completed four. During this last rebuild, staff was down two mechanics so that left only three mechanics and a supervisor to do that work as well as keep the system running. The crew really stepped up and this work was incredible.

**Item 8. Update on Disposition of APN 417-011-14**

Mr. Neisler stated that at the last meeting, he shared a letter from Comprehend & Copy Nature, LLC and the Board asked him to investigate the status of the parcel. In the letter, Mr. Kompani expressed interest in acquiring or utilizing a 1.82 acre parcel that is believed to be owned by TCCWD.

In researching this parcel, Mr. Neisler found that the District had obtained this parcel for easement purposes by condemnation in 1971 during the planning of the Antelope Run drainage facility. At the time, this parcel was incomed by potential flooding, however, now with Antelope Run in place, this parcel is no longer in the flood plain per the Flood Insurance Rate Maps of the area. It appears that the parcel is surplus to the District's needs.

In reviewing the condemnation documents (included in the staff report), Mr. Neisler found that the District did not acquire fee title to the parcel, only an easement. Generally, the fee title would remain with the owner on record at the time of condemnation, however, the Kern County Assessor lists TCCWD as the owner. The District does not pay property tax so there has not been a property tax bill for the parcel. Mr. Neisler stated that he is not in a position to say who the owner of that parcel is, so he has notified Mr. Kompani and his associates, and they are investigating the title of the parcel.

Alex Emdadi, the Operations Manager of Comprehend & Copy Nature, LLC introduced himself to the Board and stated they are very willing to work with the Board on this process and will accept any choices they make. The company would use this parcel as part of their residential development project.

Staff will work with Comprehend & Copy Nature, LLC to obtain the needed information and bring this topic back to the Board.

**Item 9. Update on Operation of Imported Water System**

Mr. Neisler stated that 2019 has been an outlier in terms of operations for the District so far this year. He recounted the course of events from the beginning of the year, referencing changes in allocation, pumping schedule, reservoir levels, and natural gas costs. At the beginning of May, things looked to be on schedule and demand was picking up. Then, beginning on May 10<sup>th</sup>, the temperature dropped, irrigation demand stopped, and TCCWD had to reduce the flow into the lake as the reservoir was getting



too full. By May 20<sup>th</sup>, the system was shut down as the lake was very close to its maximum with still no demand and there was 7 days of rain in the forecast. Pumping was resumed 8 days later. He discussed the attachments and charts to reference levels in the lake on previous years and explained the drastic changes with this year's conditions. He noted that prior to 2017, the most was the District had ever imported was around 7,800 acre feet.

Mr. Neisler described in detail, the events that took place during the unexpected rain event in May including the lake levels, rainfall amounts, the spillway, the dam permit allowances, natural gas costs, and important decisions that were made. (outline and details contained in staff report)

He discussed changes in customers and demand projections for 2019. He anticipates importing almost 9,900 acre feet of water this year. The lower Kern Water that was available to the District was purchased and he hopes to bank between 4,000 and 5,000 acre feet of water this year in the San Joaquin Valley. He has approached a banking partner and there is a draft agreement developed with the same terms as the 2017 agreement (leave half of the water behind, enhanced priority pumping).

Team TCCWD has continued to operate the system and exceed expectations. Mr. Neisler is very proud of the way staff and the facilities have performed.

Director Schultz stated that he visited the dam during the rain event and felt that Mr. Neisler did a fantastic job of taking care of the situation. Director Schultz commented that he thinks consideration should be made for using something other than an earthen plug in future events.

Director Cassil stated that this District has creative staff and leadership, and she would appreciate staff coming up with a list of possibilities to resolve this concern. She acknowledged that there is no rush to get this done.

Mr. DePriest responded to address both Directors' comments. He stated the engineered design of the dam is to use weir boards. (It was discussed earlier that the District's weir boards were dilapidated and unusable) He had spoken to the Southern Region 7 engineer, and he told Mr. DePriest that it's common practice to use an earthen dam plug and it is preferred over weir boards. Nonetheless, new weir boards are currently being constructed for future use. Mr. Neisler added that spillways are also used for other purposes so whatever plug is utilized, it has to be removable which is why things such as concrete cannot be used.

Director Zanutto asked for clarification on the route of the spillway if in fact water was released. Mr. Neisler stated it is designed to flow down Chanac Creek. Then discussion began on the storage capacity of the lake. Mr. Neisler pointed out that if the system failed, there isn't enough storage in the lake to cover even one month's supply for customers. Director Schultz commented that he feels the need for more storage is a very important issue. Director Zanutto asked if there was still low priority water stored in ID4. Mr. Neisler confirmed there was, however, the agreement under which the water was banked, expired in 2016. There is 2,520 acre feet of water in question and he is currently working with the WKWD Water Resources Manager to try to determine the status of this water.

Mr. Wyman asked questions regarding the new groundwater studies and Mr. Neisler provided answers. Director Hall asked what the surface area of the lake is, and Mr. Neisler confirmed it is between 65 and 75 acres depending on the lake level.

**Item 10. Approve Fiscal Year 2019-20 Cost-of-Living Adjustment for all Employees**

Mr. Neisler stated that last year the Board approved a 2.7% COLA for all employees. The Board's standard practice has been to consider the COLA in conjunction with the adoption of the upcoming fiscal year budget. The Board has directed staff to use the April CPI-West index, which is attached to the staff report, to determine the COLA. The math calculates out to a 2.6% COLA for this year. The Budget Committee met on June 6<sup>th</sup> and the proposed preliminary budget includes the COLA.

In addition to the COLA, Mr. Neisler proposed updating the title of Pipeline Superintendent once the current employee retires. He would like to rename that position to Pipeline Supervisor as it will align better with the other departments. If this is approved, the Authorized Positions List will need to be revised and a draft is attached to the staff report. There is no change to the salary or duties. A Minute Order has been prepared to document this action.

The fiscal impact of the 2.6% COLA will be approximately \$55,000 in FY 2019-20. Many employees are at the top end of their salary range because they have been with the District so long, and this COLA serves as a salary increase to many of them since they are not eligible for merit increases or bonuses.

Director Schultz asked why the Mountain index isn't used. Mr. Neisler answered that the definition of Mountain does not apply to this area, it was for other states. Director Schultz also asked if the new Pipeline Supervisor will start at salary range 134. Mr. Neisler explained it would and that the range is for the position and then there are 5 steps within that range. The prior employee has been at the District for 41 years, so he has been topped out at the 5<sup>th</sup> step for a very long time. The new employee will start at whatever step seems appropriate for that person based on their experience and skills. That being said, the idea is to start someone out lower and then give them a raise for good performance at evaluation time.

Director Schultz mentioned he thinks that making it possible for employees to advance to other ranges through education incentives would provide more opportunity.

Director Zanutto moved that the Board approve the pay schedule as presented effective July 8, 2019 (2.6% increase) and rename the "Pipeline Superintendent" position to "Pipeline Supervisor" in the Authorized Positions List. The motion was seconded by Director Cassil and carried on the following vote: Ayes: Cassil, Hall, Schultz, Zanutto; Noes: Pack; Abstain: None; Absent: None

**Item 11. Adopt Resolution 4-19 Approving the Fiscal Year 2019-20 Preliminary Budget, Investment Policy, Appropriations Limit and Reserves Policy**

Ms. Madenwald explained this item is to approve a preliminary budget prior to starting the new fiscal year and this will be replaced by a final budget prior to September. She reviewed the background information contained in the staff report.

The District-wide budget shows expenditures exceeding revenues by \$(465,500) and this number comes from a difference in Fund 82 which is the restricted fund where the State Water Project expenses are tracked as well as Ad-Valorem Tax revenues. The reason this is showing a loss is directly caused by the fact that the District is paying down that reserve. The costs of the State Water Project will be covered by the Ad-Valorem Tax in part and the other portion will come from the restricted reserve fund. The long-term financial position of Fund 82 remains sound and there will be sufficient reserves at the end of the next fiscal year.



The general fund budget will have an operating gain of \$2,300 for FY 2019-20. This is coming from a budget that forecasts an increase of 3% in total revenues compared to an equivalent 3% increase in total expenditures which results in a balanced budget. She reviewed the assumptions that were used in developing the budget from the list in the staff report.

Mr. Neisler discussed the Capital Expenditure section of the budget. He began with the General/Administration section. The shop needs work stations, better organization, and storage. The supervisors have worked together and come to \$15,000 as the amount needed to purchase cabinets and items to accomplish this. There is no restroom in the shop, currently a portable toilet is used, so the Warehouse Restroom item is to hire a contractor to build a restroom facility in the shop. The Maintenance/Inventory Phase 1 item is for a Maintenance Management System. Staff is looking for a software option that works with the current GIS system. This item is for the first step in the process of creating an inventory control system. The item for SOP and O&M Manuals is for bringing a consultant in to develop these documents and a program which will help with training employees and ensure all employees are doing things the same way. There is a \$100,000 carryover item for the Tehachapi Basin Groundwater Model Update. This is incorporated with the City of Tehachapi's IPR project and there will be some additional options to their groundwater model to look at the natural safe yield as well as a nitrate study. Both Golden Hills and the City will be sharing in the cost.

Mr. Neisler continued on to explain the General/Pipeline section discussing the need for security gates in the flood control dam roads, repairs to facilities, repaving the parking lot, fencing around wells, sample stations, and well motor electrical surge protection for an overall total of \$338,500. For the General/Pumping section, he discussed many repairs, equipment upgrades, increase in bandwidth and other proactive maintenance tasks needed for the next fiscal year totaling \$836,000.

Mr. Wyman asked about the mapping equipment that has been discussed over the years and was wondering why that was not in the capital expenditures. Mr. Neisler explained that is a budgeted expense, not a capital, because there is no equipment being purchased. There are two sets of data collection equipment and there is an employee trained in its use and the data is actively being collected and incorporated into the GIS. Mr. Neisler opened the GIS and showed some demonstrations of its capabilities and uses. Mr. Wyman thanked Mr. Neisler and commented that it was very interesting.

Director Schultz asked about the automated public water system and he feels that \$35,000 seems high. Mr. Neisler and Mr. DePriest explained the high costs of the electrician and electrical panel. They have detailed costs estimates for the work and this will be brought to the Board for approval.

In summary, Ms. Madenwald stated it is a balanced budget and the Ad-Hoc Budget Committee met and recommends that the Board approve the preliminary budget.

Director Hall moved for adoption of Resolution 4-19 approving fiscal year 2019-20 preliminary budget, appropriations limit, investment policy and reserves policy. The motion was seconded by Director Zanutto and carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None

**Item 12. Adopt Resolution 5-19 Renaming and Changing Purpose of Certain Funds**

Ms. Madenwald explained that staff is proposing changing the name of the Prop 84 Grant fund to the Prop 1 Grant fund. The Prop 84 Grant is complete and when closed out, the fund will be renamed to the Prop 1 Grant fund for next years budget. It is also proposed that an old fund, Fund 60183 be changed from the Emissions Controls Debt Service to the new name, Equipment/Infrastructure Replacement and

Upgrade. This name change can be found on page 2-6 of the preliminary budget document. This change will be accomplished by adoption of Resolution 5-19. There is no fiscal impact and this renaming and changing of funds was recommended by the Ad-Hoc Budget Committee.

Director Schultz moved for adoption of Resolution 5-19 changing the name and purpose of certain funds. The motion was seconded by Director Hall and carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None

**Item 13. Adopt Resolution 6-19 Transferring funds from the General Fund to Certain Reserve Funds**

Ms. Madenwald explained that this item is to take the remaining funds from the Prop 84 Grant fund and transfer them back to the General fund. This will bring the balance to zero and close out that fund. If the Prop 1 Grant is successfully awarded to the District, there will be a need to establish funds in that reserve account to have funds ready to get the grant rolling and to meet matching funds. Some of those costs would eventually be reimbursed. She also discussed the other proposed transfers to reserve funds contained in the staff report and referred everyone to page 2-6 of the preliminary budget to see a spreadsheet with these changes. Page 3-2 contains the results for the restricted funds at the end of next fiscal year.

Staff recommends adoption of Resolution 6-19 that will approve, authorize and direct the Treasurer to make the transfers that were discussed. The first transfers discussed are to be made by June 30, 2019 and will bring the reserve targets to the fully funded amount as well as close out all funds to the General fund from the previous 60184, Prop 84 IRWM Grant fund. The second set of transfers are to be made on or after July 1, 2019 and they are necessary to meet the transfer requirements in the upcoming proposed budget. These transfers move some of the designated reserves from the Water Banking fund to the General fund and then some amounts from the Tax Revenue Liability fund to the General fund. This set would move \$2,000,000 from the General fund to 60183 Equipment/Infrastructure Replacement and Upgrade fund. The third transfer will only be made upon successful award of the Prop 1 IRWM Grant. If that happens, staff anticipates moving \$1,000,000 from the General fund to Fund 60184 Prop 1 IRWM Grant.

The fiscal impact is net transfers of \$(2,510,200) from the General fund and this was recommended by the Ad-Hoc Budget Committee.

Director Hall asked if any of the transfers involved restricted funds. Ms. Madenwald clarified that the Prop 1 IRWM Grant will be a restricted fund and none of these funds are moving from restricted funds, they are moving from the General fund. Director Hall concluded it would be like the IRWM fund getting a loan and Ms. Madenwald confirmed.

Director Schultz moved for adoption of Resolution 6-19 transferring funds. The motion was seconded by Director Hall and carried on by the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None.

**Item 14. Update Capital Improvement Component of the Strategic Plan**

Mr. Neisler stated this item relates back to Item 11 and is intended to update the Capital Improvements Plan which is in the Strategic Plan. The Strategic Plan, and particularly the Capital Improvements, are intended to be dynamic documents to be changed as warranted. This is the first year that the Strategic Plan is in place, so staff included the update of the Capital Improvement Plan (CIP) with consideration of the next fiscal year's preliminary budget. The items in the 10-year CIP will not match the budget exactly because the 10-year is general in nature and the budget is more specific in nature with the backbone



items being included in both. Staff has updated the 10-year CIP to reflect items that are completed in year one and items anticipated to be completed in year two. Additionally, some items have moved between short-term, mid-term, and long-term as conditions warrant.

This is a planning document so there is no fiscal impact. Expenditures are considered in the fiscal year in which they are anticipated. The staff report contains the original plan as Attachment A and the proposed document as Attachment B. There are two new columns in the updated document; one for whether the project is complete or not, and the other column is for when it will be complete if not in the current fiscal year. The original short-term CIP total was \$2,015,000 and the new short-term total is \$2,009,500. The mid-term CIP went from \$6,080,000 to \$24,935,000. The reason is that the engine replacement project is now 5 years out, so it moved over from the long-term budget. Conversely, the long-term budget went from \$22,515,000 to \$4,919,000. This document allows for there to be a log of changes and completions.

Discussion took place about a good way to track the changes between the documents. Mr. Neisler stated he started with having all the changes in red but as items moved to and from documents, that became more confusing. Director Schultz suggested that perhaps putting an asterisk in the Priority column of any additions would help. Director Hall suggested utilizing the Priority column to note the year the change was first made. Mr. Neisler thanked the Board for their good suggestions.

President Pack moved to approve the updated Capital Improvement Plan component titled Revision 13 and dated June 13, 2019 of the Strategic Plan. The motion was seconded by Director Cassil and carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None

**Item 15. Approve Second Amendment to Antelope Run Public Bike and Pedestrian Path Master Agreement, Granting Additional Easements to City of Tehachapi**

Mr. Neisler stated that in 2013, the Board entered into a Master Agreement with the City of Tehachapi to grant the City easements to construct, operate, maintain, repair and replace the bike path that the District had constructed under the Antelope Run Restoration and Renewal Project. In 2014, the agreement was amended to grant additional easements. The City has obtained grants to further improve the Bike and Pedestrian Path network. The City is asking the Board to grant an easement to build an extension to the existing path at the easterly boundary of the ID3 Retention Basin and extend to Highline Road. A three-rail fence would be installed along the channel for protection. They also proposed an easement to improve a parking area on the east side of Tucker. Mr. Neisler used the GIS system to display the areas and the plan that is being proposed.

Mr. Wyman asked if these easements would interfere with the turnouts in the area and Mr. Neisler answered that they would not.

Director Schultz suggested that a chain-link fence be installed on the area near the channel to provide better protection and keep the public from having access to the channel for safety reasons. Mr. Neisler agreed that would be beneficial and stated they can require the City to put up a chain-link fence. Director Cassil asked if the recommended motion needed to be amended to include the chain-link fence and Mr. Neisler clarified that the Master Agreement gives the District the right to approval of construction plans so the fence can be discussed with them at a management level.

Director Hall moved to approve the Second Amendment to the Antelope Run Public Bike and Pedestrian Path Master Agreement. The motion was seconded by Director Schultz and carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None



**Item 16. Update on Cummings Basin Westerly Recharge Project**

Mr. Neisler has received the final Geotechnical Investigation of the boring that was conducted on June 11, 2019. The results are favorable to the proposed recharge project. A contract has been signed for an appraisal for the cost of \$4,300, due by July 13<sup>th</sup>. The next step of the project is pursuing the Prop 1 Grant Application process and staff had a conference call regarding a pre-application workshop that will be held in Fresno next Tuesday. Jeff Echlin will be making the presentation and he is the engineer who the District uses for most of the contract engineering. Mr. Neisler has a scheduling conflict, so Ms. Madenwald will be attending as the District representative.

If the District's application makes it through this round, there will be another, more detailed application that will be submitted to DWR at which point there will be another workshop where the District will get to present the project. Then, there will potentially be one-on-one facetime with the DWR panel where staff can defend the project. Mr. Neisler will continue to keep the Board informed as this project progresses.

Director Zanutto asked if this report summary would be given to DWR and Mr. Neisler assured him it would not. Mr. Neisler agreed that the report was not written very well and added that he took the boring logs from this and compared them to the boring logs from the 19 Acre Recharge, and the soil characteristics are almost identical. Director Zanutto also asked about some steel vaults and things included in the report and Mr. Neisler explained that he had specifically told the inspector those areas would not be part of the project and he included them anyway (there was no additional charge). So unfortunately, all those things are just clutter in the report.

**Item 17. Update on Cummings Valley Amended and Restated Judgement**

Mr. Neisler discussed the course of events that have taken place since the last meeting, all of which are in the staff report. An updated version of the Amended and Restated Judgement incorporating most of the comments received is being developed and there are still discussions with SunSelect on their comments. Once all discussions are complete, the latest version of the Amended and Restated Judgement will be distributed and another stakeholder meeting will be scheduled.

**Item 18. Approve District Support of SWP Contract Amendments**

Mr. Neisler stated that the KCWA has conditionally approved Amendment 40, which is the contract extension to the Water Supply Contract. This will allow DWR to obtain permanent financing for both the Oroville improvements as well as another \$2 billion worth of State Water Project system improvements programed for the next 10 years. The proposed contract amendment extends the project for 50 years to December 31, 2085. The KCWA approved the contract amendment with the condition that all the member units also approve it. There is no reason why any members should not approve it.

Mr. Neisler has attached a proposed letter to KCWA indicating support of KCWA in approval of Amendment 40 should the Board grant that approval.

Director Hall asked for clarification on the contract exclusion regarding the cost of the conveyance. Mr. Neisler explained that the contract specifically excludes any inclusion for cost of conveyance with the contract extension. There is no implicit or explicit approval to include those. It would require a separate action.

Director Zanutto moved that the Board approve TCCWD support as a Member Unit of Kern County Water Agency for KCWA to sign Amendment 40 to the Water Supply Contract between DWR and KCWA and authorize the General Manager to execute letter to KCWA expressing this support. The motion was

seconded by Director Hall and carried on the following vote: Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None

**Item 19. Board of Directors Comments**

Director Schultz asked the Board to consider talking to staff about taking the range that is under each current position and decreasing each one by 3 ranges (3%) for new hires (all current employees would stay the same). Then develop an incentive plan to allow an employee to increase their own range up to 5 levels (5%) with a structure for extended education to accomplish that. Education can be in the form of learning more to improve their position or learn other positions to allow them to be more useful to the District. Director Zanutto suggested maybe a special meeting can be scheduled to explain more detail on these ideas.

Director Hall commented that he thinks it would be helpful to analyze where the employees' rates stand in comparison to other local agencies and similar positions in the private sector. This could be done once every decade just to give some point of reference periodically and evaluate how hard it is to attract people to these positions.

Director Cassil asked if there is a way the Board can give a letter of commendation to the staff members who worked so hard to rebuild the engine during the May 20<sup>th</sup> period. Mr. Neisler stated he can put an item on the agenda for next month for ideas. Director Zanutto commented that when he was President at a few of the entities, in situations like this, he used to write a letter and send it to the General Manager to pass on to the employees.

**Item 20. 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, 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 6:27 p.m.

**Item 21. Return to Open Session**

The Board returned to Open Session at 7:00 p.m.

**Report Action Taken in Closed Session:**

- a. No actions to report

**Item 22. Adjournment**

The meeting was adjourned at 7:00 p.m. on a motion made by Director Hall, seconded by Director Cassil and unanimously carried. Ayes: Cassil, Hall, Pack, Schultz, Zanutto; Noes: None; Abstain: None; Absent: None.

  
James Pack, Board President

  
Catherine Adams, Board 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: 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: \_\_\_\_\_

Exhibit A