LOST HILLS WATER DISTRICT

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
LOST HILLS WATER DISTRICT

Held: February 8, 2018

CALL TO ORDER:)
)
_____)

The Secretary, Phillip D. Nixon, called the meeting to order and there being no quorum present, the Secretary adjourned the same.

Phillip D. Nixon
Secretary of the Board of Directors

MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
LOST HILLS WATER DISTRICT

Held: March 1, 2018

A special meeting of the Board of Directors of Lost Hills Water District was held at 12:00 p.m. on March 1, 2018 at the Belridge Water Storage District's Administration and Operations Building as a joint meeting with Belridge Water Storage District and Berrenda Mesa Water District.

CALL TO ORDER:)
_____)

President Don Elholm called the meeting to order at 12:00 p.m. and presided thereat.

ROLL CALL:)
_____)

The following Directors were present: Doug Anderson, Don Elholm, and Bernard Pugét.

Director Steve Jackson was not in attendance.

Also present were: Andrew Edstrom; Janie Moehnke; Lucy Alaniz; Kim Brown; Clifton Lollar; Sohan Samran; Robert E. Baker; William D. Phillimore; Christin Faber; Rob Goff; Alan Scroggs; Rob Yraceburu; Monte Mitchell; Steve Bottoms; Kim Constant; Mary King; Greg Hammett; Gnell Babb, Controller; Phil Nixon, Manager; and Joseph D. Hughes, Legal Counsel.

CLOSED SESSION)
_____)

The President directed that the Board move into closed session to evaluate the performance of General Manager. Legal Counsel advised the Board that it has authority to hold a closed session under Government Code section 54957. All persons other than the Directors, the Manager, Greg Hammett and Legal Counsel thereupon retired from the meeting.

Following the closed session, the meeting was again opened to the public. The President announced that no action was taken during closed session.

2018 COMPENSATION)
ADJUSTMENT)
_____)

No actions taken.

Oscar Mello arrived at this point in the meeting.

FINANCIAL REPORTS)
_____)

Approval of Treasurer's Report: Gnell Babb presented the Treasurer's Report for February 2018, in the form attached as **Exhibit "A"**. Following discussion, on motion of Doug Anderson, seconded by Bernard Pugét, and unanimously carried, the reports were approved and ordered filed.

Approval of Warrants: Gnell Babb presented the register of warrants for approval in the form attached as **Exhibit "B" and "C"**. Following discussion, on motion of Bernard Pugét, seconded by Doug Anderson, and unanimously carried, payment of warrants were approved on the following roll call vote:

AYES:	Doug Anderson Don Elholm Bernard Pugét
NOES:	None
ABSENT:	Steve Jackson
ABSTAIN:	None

LEGAL COUNSEL)
_____)

Discuss and Take Appropriate Action re Appointing Director to Fill Vacancy on Board: Legal Counsel reported that as a result of Rob Goff's resignation on January 12, 2018 and in accordance to Gov. Code §1780, a Notice of Vacancy was posted at three locations within the District boundaries to fill the vacancy in the office of director of the District. Legal Counsel reported that Rob Yraceburu from Wonderful Orchards submitted a letter requesting Monte Mitchell be appointed to fill the vacancy on the Board. No other parties expressed interest in the director position. Following discussion, on motion of Doug Anderson, seconded by Bernard Pugét, and unanimously carried, the Board appointed Monte Mitchell to be a Director on the Board. Monte Mitchell was asked to join the other Directors at the table.

Seating of Officers: After discussion, Director Anderson proposed that the current slate of Officers: President, Don Elholm; Vice-President, Treasurer, Bernard Pugét; Secretary, Phil Nixon; Assistant Treasurer, Gnell Babb; and Assistant Secretaries, Kim Constant and Mary King be retained. No actions taken.

ITEMS OF COMMON)
INTEREST)
_____)

RESOLUTION 926:)
AUTHORIZING AGREEMENT TO RECEIVE)
A GRANT FOR THE BRACKISH)
GROUNDWATER FEASIBILITY PROGRAM)

Thereupon, on motion of Bernard Pugét, seconded by Doug Anderson, Resolution 926 entitled "RESOLUTION AUTHORIZING AGREEMENT TO RECEIVE A GRANT FOR THE BRACKISH GROUNDWATER FEASIBILITY PROGRAM" was adopted on the following roll call vote:

AYES:	Doug Anderson Don Elholm Monte Mitchell Bernard Pugét
NOES:	None
ABSENT:	Steve Jackson
ABSTAIN:	None

Resolution 926 is set forth in the Book of Resolutions.

Discuss and Take Appropriate Action Regarding Special Activity Agreement to Assess Potential Water Banking and Water Supply Projects re South Valley Water Resources Authority: The Manager reported South Valley Water Resources Authority (SVWRA) was formed by certain Member Units to explore special projects with water supply benefits. One such project currently under consideration by the SVWRA would assess potential water banking and water supply projects south of the Delta through a Special Activities Agreement. Berrenda Mesa Water District approved participation in Special Activity Agreement contingent upon the District and Belridge Water Storage District's participation. Staff recommended the Board approve the special activity agreement. Following discussion, on motion of Doug Anderson, seconded by Bernard Pugét, and unanimously carried the Board approved participation in Special Activity Agreement.

Discuss and Take Appropriate Action re SB 623: Greg Hammett presented a summary of issues related to SB 623. Following discussion, on motion of Doug Anderson, seconded by Bernard Pugét, and unanimously carried, the Board authorized staff to send a letter from the District in support of SB 623 to Senate and Assembly Budget Committee members.

Discuss and Take Appropriate Action re California Water Fix: The Manager reported on matters regarding the CWF. Among those include, 1) background information; 2) participation decisions by other Member Units: All in, partial opt out, or total opt out options; 3) unresolved items; 4) 6,000 cfs funded in phase 1; 5) additional factors; 6) landowner participation feedback; 7) update KCWA regarding level of interest; 8) key recent developments; and 9) CWF benefits. No actions taken.

PUBLIC COMMENT)
_____)

No public comment.

ADJOURNMENT)
_____)

There being no further business to come before the meeting, it was, on motion of Bernard Pugét, seconded by Doug Anderson, and unanimously carried, said meeting was adjourned at 2:25 p.m.

Phillip D. Nixon, Secretary

Donald W. Elholm, President

Lost Hills Water District
Statements of Net Position
As of February 28, 2018

ASSETS	
Current Assets	
Checking/Savings	
1100 · Bank Accounts	139,125.07
1200 · Investments	8,639,389.56
Total Checking/Savings	8,778,514.63
Accounts Receivable	
1310 · Accounts Receivable	2,977,553.33
Total Accounts Receivable	2,977,553.33
Other Current Assets	
1400 · Inventory Asset	18,561.18
1510 · Misc Receivables	643,500.00
1530 · Prepaid Landowner Expenses	-308,125.74
1540 · Due from JES	29,792.67
1550 · Due from Other	237,324.49
1560 · Deposits Paid	100.00
Total Other Current Assets	621,152.60
Total Current Assets	12,377,220.56
Fixed Assets	
1600 · Fixed Assets	11,947,930.96
Total Fixed Assets	11,947,930.96
Other Assets	
1700 · Cash Equivalents	-10,549.00
Total Other Assets	-10,549.00
TOTAL ASSETS	**24,314,602.52**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110 · Accounts Payable	52,134.29
Total Accounts Payable	52,134.29
Other Current Liabilities	
2200 · Other Current Liabilities	-97.48
2210 · Due to Others	493,765.84
2220 · Other Accounts Payable	44,693.18
2250 · Interest Payable	9,784.56
2270 · Accrued Vacation	98,769.69
2280 · Other Accrued Expenses	5,143.75
Total Other Current Liabilities	652,059.54
Total Current Liabilities	704,193.83
Long Term Liabilities	
2310 · Long Term Debt	386,480.11
2830 · Deferred Interest Payable	6,284.00
Total Long Term Liabilities	392,764.11
Total Liabilities	1,096,957.94
Equity	
3060 · Reserves	1,247,641.91
3100 · Fund Balances	16,799,285.51
Net Income	5,170,717.16
Total Equity	23,217,644.58
TOTAL LIABILITIES & EQUITY	**24,314,602.52**

Lost Hills Water District
Profit & Loss Budget Performance
February 2018

	Feb 18	Jan - Feb 18	Annual Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 · Water Revenues	0.00	9,866,969.21	19,733,642.00	50.0%
Total Income	0.00	9,866,969.21	19,733,642.00	50.0%
Gross Profit	0.00	9,866,969.21	19,733,642.00	50.0%
Expense				
5100 · Contract Water	0.00	4,144,992.00	16,407,437.00	25.26%
5200 · Energy	26,181.47	37,182.01	1,858,998.00	2.0%
5300 · Water Banking	0.00	133,773.21	297,749.00	44.93%
5400 · Operations & Maintenance				
5410 · Pump Stations	0.00	29.28	213,000.00	0.01%
5420 · Structures/System				
5421 · Canal Maintenance	319.51	37,045.65	43,000.00	86.15%
5422 · Weed Control	6,137.20	6,137.20	161,000.00	3.81%
5423 · Meters	0.00	0.00	13,000.00	0.0%
5424 · Telemetry	402.19	402.19	15,000.00	2.68%
5425 · JES Services	0.00	0.00	20,000.00	0.0%
5426 · Tools & Equipment	0.00	0.00	4,000.00	0.0%
5427 · Travelling Screens	0.00	17,537.55	67,500.00	25.98%
Total 5420 · Structures/System	6,858.90	61,122.59	323,500.00	18.89%
5430 · Vehicles	-353.62	2,836.35	44,500.00	6.37%
5440 · Personnel				
5441 · Salary / Wages	38,241.05	76,529.98	590,000.00	12.97%
5441.1 · Personnel Reimbursement	0.00	0.00	-195,000.00	0.0%
5442 · Payroll Taxes	3,078.00	6,469.68	46,280.00	13.98%
5443 · Health Benefits	10,641.02	26,355.24	199,700.00	13.2%
5444 · Retirement	3,820.25	6,993.87	50,000.00	13.99%
5445 · Workers Compensation	1,626.59	3,253.53	23,000.00	14.15%
5447 · Training & Education	230.00	1,980.00	2,500.00	79.2%
5448 · Travel	0.00	0.00	1,000.00	0.0%
5449 · Uniforms	1,022.08	1,521.99	4,500.00	33.82%
Total 5440 · Personnel	58,658.99	123,104.29	721,980.00	17.05%
5450 · Office	2,039.47	7,663.86	35,800.00	21.41%
5460 · Shop	1,710.44	2,046.59	17,000.00	12.04%
5470 · Miscellaneous Expenses	27.02	18,471.92	136,811.00	13.5%
Total 5400 · Operations & Maintenance	68,941.20	215,274.88	1,456,791.00	14.78%
5500 · Evaporation Pond	1,945.43	4,447.25	86,400.00	5.15%
5600 · Administrative				
5610 · Personnel				
5611 · Salary / Wages	39,142.62	74,418.56	460,000.00	16.18%
5612 · Payroll Taxes	3,033.05	6,119.92	35,800.00	17.1%
5613 · Health Benefits	5,275.77	10,553.73	66,100.00	15.97%
5614 · Retirement	3,987.06	7,301.74	46,000.00	15.87%
5615 · Workers Compensation	236.67	447.68	3,000.00	14.92%
5619 · Uniforms	0.00	42.00		
Total 5610 · Personnel	51,675.17	98,883.63	610,900.00	16.19%

Lost Hills Water District
Profit & Loss Budget Performance
February 2018

	Feb 18	Jan - Feb 18	Annual Budget	% of Budget
5620 · Office				
5621 · Supplies	709.11	966.40	11,000.00	8.79%
5622 · Lease	0.00	0.00	10,400.00	0.0%
5623 · Communications	811.54	1,622.75	9,000.00	18.03%
5624 · Books & Subscriptions	0.00	0.00	500.00	0.0%
5625 · Memberships / Dues	0.00	13,172.50	31,000.00	42.49%
5626 · Travel	45.78	233.78	3,200.00	7.31%
5627 · Utilities	0.00	150.00	2,000.00	7.5%
5628 · Ofc Equip Maint & Repair	0.00	1,859.97	3,000.00	62.0%
5629 · Ofc Equip Rental & Lease	0.00	193.05	1,500.00	12.87%
Total 5620 · Office	1,566.43	18,198.45	71,600.00	25.42%
5630 · Professional Services				
5631 · Legal	4,604.14	9,497.64	70,000.00	13.57%
5632 · Audit	0.00	0.00	18,000.00	0.0%
5633 · Engineering	3,018.23	3,632.33	12,000.00	30.27%
5634 · Computer Consultants	1,286.20	1,471.45	16,000.00	9.2%
5635 · Payroll Processing	211.74	417.80	2,500.00	16.71%
5636 · Consulting	0.00	0.00	260,000.00	0.0%
Total 5630 · Professional Services	9,120.31	15,019.22	378,500.00	3.97%
5640 · Directors Fees and Travel	448.55	1,296.60	10,000.00	12.97%
5650 · Misc Administrative Expenses				
5653 · Insurance & Bonds	0.00	7,547.07	9,000.00	83.86%
5654 · Special District Costs	0.00	0.00	3,000.00	0.0%
5655 · Management Costs	0.00	0.00	3,500.00	0.0%
5657 · Publications & Legal Notices	0.00	2,991.20	1,500.00	199.41%
Total 5650 · Misc Administrative Expenses	0.00	10,538.27	17,000.00	61.99%
Total 5600 · Administrative	62,810.46	143,936.17	1,088,000.00	13.23%
5700 · Interest	438.40	1,157.88	6,000.00	19.3%
Total Expense	160,316.96	4,680,763.40	21,201,375.00	22.08%
Net Ordinary Income	-160,316.96	5,186,205.81	-1,467,733.00	-353.35%
Other Income/Expense				
Other Income				
6200 · Interest & Penalties	0.00	11,980.22	50,055.00	23.93%
6300 · Miscellaneous Revenues	10,678.71	105,134.48	1,371,167.00	7.67%
6400 · Permanent Entitlement Transfer	0.00	0.00	261,151.00	0.0%
Total Other Income	10,678.71	117,114.70	1,682,373.00	6.96%
Other Expense				
8100 · Capital Expenditures	0.00	0.00	31,000.00	0.0%
8200 · Debt Service	0.00	132,603.35	147,840.00	89.69%
Total Other Expense	0.00	132,603.35	178,840.00	74.15%
Net Other Income	10,678.71	-15,488.65	1,503,533.00	-1.03%
Net Income	**-149,638.25**	**5,170,717.16**	**35,800.00**	**14,443.34%**

Lost Hills Water District
Exhibit B - Warrant List for Ratification
January 12 through February 28, 2018

Date	Num	Name	Memo	Amount
Jan 12 - Feb 28, 18				
02/08/2018	EC	WELLS FARGO BUSINESS CARD	Account #8687	-1,872.42
02/08/2018	31787	AccuGeo Liner, Inc.	Lost Hills Water	-557.70
02/08/2018	31788	Agricultural Energy Consumers Assn	Member # 30410 - 2018 Membership	-3,500.00
02/08/2018	31789	American Tire Depot	Vehicle #122 - Front End Alignment	-89.95
02/08/2018	31790	Anderson, Doug	Board / Committee Meetings for Jan 2018	-174.95
02/08/2018	31791	Aquilogic, Inc.	Feasability Evaluation	-1,580.80
02/08/2018	31792	Associated Builders and Contractors, Inc		-350.00
02/08/2018	31793	AT&T (CELL PHONES) 871084038	871084038	-91.53
02/08/2018	31794	AutomationDirect.Com Inc	Account 960006 - BMWD Lat 10 Screen	-60.50
02/08/2018	31795	Avadine	Software License / Support	-1,100.00
02/08/2018	31796	B&B Surplus Inc.	Structures / Systems - Poly Pipe	-1,383.53
02/08/2018	31797	Babb, Gnell	Jan 2018 Board Meetings	-59.95
02/08/2018	31798	Belridge Water Storage District	2017 Christmas Dinner	-928.50
02/08/2018	31799	BERRENDA MESA WATER DISTRICT	BMWD Sale of Old Motors - Cash Deposited to LH...	-1,000.00
02/08/2018	31800	BOOT BARN INC		-541.91
02/08/2018	31801	Bright House Networks	0057005-01	-194.97
02/08/2018	31802	Chevron & Texaco Card Service	7898193243	-260.81
02/08/2018	31803	Core & Main, LP	10" Butterfly	-43.28
02/08/2018	31804	Country Auto & Truck Inc	Shop Grease, Tire Repair	-107.45
02/08/2018	31805	Elholm, Don	Board / Committee Meetings for Jan 2018	-481.80
02/08/2018	31806	FactoryMation, LLC	Acct #2091584 BWSD A-6 & B-5 Rewire Project	-31.25
02/08/2018	31807	Frontier Communications	Acct # 661-797-2311-070268-5 Office 1/13/18-02/1...	-216.72
02/08/2018	31808	Grainger		-129.15
02/08/2018	31809	Herc Rentals Inc		-2,592.24
02/08/2018	31810	HOME DEPOT	Account #0934	-42.84
02/08/2018	31811	HT Harvey Associates	Evaporation Basin Monitoring for Dec 31, 2017	-1,622.73
02/08/2018	31812	Jackson, Steven	Board / Committee Meetings for Jan 2018	-191.30
02/08/2018	31813	Jani-Tech	Janitorial 1/18	-150.00
02/08/2018	31814	Jim Burke Ford	10905	-423.32
02/08/2018	31815	JR's Gardening Services	Gardening Service for Jan 2018	-275.00
02/08/2018	31816	Kern County Water Agency		-70,384.00
02/08/2018	31817	King, Mary	Jan 2018 Board Meetings	-104.30
02/08/2018	31818	Klein, DeNatale, Goldner, Cooper, LLP		-4,911.70
02/08/2018	31819	NJG CORPORATION		-51,070.47
02/08/2018	31820	OFFICE DEPOT	Account #2029	-189.28
02/08/2018	31821	Pacific Gas & Electric-3064253240-9	Monthly Service 3064253240-9 Sarad Pump 12/1/1...	-4,089.69
02/08/2018	31822	PACIFIC GAS & ELECTRIC-5715722343-9	Mitigation Site for 12/4/17 - 1/2/18	-39.43
02/08/2018	31823	Pacific Gas & Electric -2553845993-1	Account #: 2553845993-1, Service Dates from 12/4...	-1,235.63
02/08/2018	31824	Pacific Gas & Electric -7303842560-6	Service for Account 7303842560-6 (#2153 T O PS ...	-978.13
02/08/2018	31825	Pacific Gas & Electric 8262198778-1	Energy Charges for Acct #8262198778-12/07/17-1/...	-950.43
02/08/2018	31826	PITNEY BOWES-PURCHASE POWER	8000-9000-1096-2201	-36.42
02/08/2018	31827	PROVOST & PRITCHARD	General Water Supply Through December 31, 2017	-614.10
02/08/2018	31828	RMC	Acct. #: LH03, Contract #: CN1794-02, Copy Machi...	-971.13
02/08/2018	31829	SPARKLETTS & SIERRA SPRINGS	5120348	-50.76
02/08/2018	31830	STATE of CA DEPT. of WATER RESOURCES		-15,360.76
02/08/2018	31831	THE GAS COMPANY	189 215 9600 5	-252.37
02/08/2018	31832	VERIZON WIRELESS	GPS Oct 2017	-57.00
02/08/2018	31833	VERIZON WIRELESS #Y2635956	571342150-00001	-582.28
02/08/2018	31834	WALL STREET IMPRINTABLES		-814.04
02/08/2018	31835	WHOLESALE FUELS INC	Unleaded 800 @ 2.2852 / Diesel 180 @ 2.5772	-2,934.18
Jan 12 - Feb 28, 18				**-175,680.70**

Lost Hills Water District
Exhibit C - Warrant List
March 1, 2018

Num	Name	Memo	Amount
31836	Aquilogic, Inc.	Feasability Evaluation	-1,419.20
31837	Aramark	233390000	-1,450.29
31838	Associated Builders and Contractors, Inc	Craft Training Jan2018, Admin Fee - 2018 Spring Semester	-230.00
31839	AT&T (CELL PHONES) 871084038	871084038	-91.28
31840	AT&T (LHWD OFFC PHONES) 661 633 9022 6006	661 633 9022 600 6	-616.57
31841	AutomationDirect.Com Inc	Account 960006 - BWSD A and B5 Rewire	-111.00
31842	Avadine	Software License / Support	-1,100.00
31843	Babb, Gnell	Feb 2018 Board Meetings / Supplies	-72.91
31844	BOOT BARN INC		-1,022.08
31845	Bright House Networks	0057005-01	-194.97
31846	Communication Enterprises	Acct: 11903 - Ethernet - Canopy Rent	-402.19
31847	Elholm, Don	Board / Committee Meetings for Feb 2018	-240.90
31848	Farm Pump & Irrigation	Quick Plug	-40.23
31849	Frontier Communications	Acct # 661-797-2311-070268-5 Office 2/13/18-03/12/18	-216.81
31850	HOME DEPOT	6035 3225 0117 0934	-329.49
31851	HT Harvey Associates	Evaporation Basin Monitoring for Jan 2018	-1,043.15
31852	Jackson, Steven	Board / Committee Meetings for Feb 2018	-207.65
31853	Jeffries Bros., Inc	3002	-281.83
31854	JR's Gardening Services	Gardening Service for Feb 2018	-275.00
31855	Klein, DeNatale, Goldner, Cooper, LLP		-4,604.14
31856	Newport Group, Inc.		-1,000.00
31857	O'Brien Technologies	February hosted email	-186.20
31858	OFFICE DEPOT	Account #2029	-175.26
31859	Pacific Gas & Electric-3064253240-9	Monthly Service 3064253240-9 Sarad Pump 1 1/1/18-1/31/18	-22,938.31
31860	PACIFIC GAS & ELECTRIC-5715722343-9	Mitigation Site for 1/3/18-1/31/18	-34.64
31861	Pacific Gas & Electric -2553845993-1	Account #: 2553845993-1, Service Dates from 1/3/18-1/31/18	-1,422.35
31862	Pacific Gas & Electric -2734859628-2	Service for Account 2734859628-2 1/2/18-1/30/18 SA 5 GA...	-34.64
31863	Pacific Gas & Electric -7303842560-6	Service for Account 7303842560-6 (#2153 T O PS #5) for 1...	-661.17
31864	Pacific Gas & Electric 8262198778-1	Energy Charges for Acct #8262198778-1/06/18-2/05/17	-1,299.51
31865	PROVOST & PRITCHARD	General Water Supply Through January 1, 2018	-1,599.03
31866	SAWTELLE & ROSPRIM, INC		-459.40
31867	SPARKLETTS & SIERRA SPRINGS	5120348	-238.69
31868	TARGET SPECIALTY PRODUCTS	Weed Control Supplies: Account #: 01/0000059153 RoundUp	-6,056.25
31869	THE GAS COMPANY	189 215 9600 5	-177.26
31870	VERIZON WIRELESS	GPS Nov 2017	-57.00
31871	WELLS FARGO BUSINESS CARD	Account #8687	-1,531.36
31872	WESTERN EXTERMINATOR COMPANY	Monthly Service Account 7617-2 for Jan 2018	-52.00
31873	WESTSIDE WASTE MANAGEMENT	614422	-261.53
TOTAL			**-52,134.29**

LOST HILLS WATER DISTRICT

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
LOST HILLS WATER DISTRICT

Held: March 8, 2018

CALL TO ORDER:)
)
_____)

The Secretary, Phillip D. Nixon, called the meeting to order and there being no quorum present, the Secretary adjourned the same.

Phillip D. Nixon
Secretary of the Board of Directors