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

Held: February 6, 2020

A regular meeting of the Board of Directors of Lost Hills Water District was held at 12:00 p.m. on February 6, 2020 at the O&M office at 800 Aqueduct St., Lost Hills, California.

CALL TO ORDER:

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

ROLL CALL:

The following Directors were present: Doug Anderson, Bernard Pugét, Don Elholm, Monte Mitchell and Mike Nordstrom.

Also present were: Janie Moehnke; Cody Tolbert; Oscar Mello; Kris Lawrence; Steve Bottoms; Kim Constant; Mary King; Gnell Babb, Controller; Phil Nixon, Manager; Joe Hughes, Legal Counsel.

APPROVAL OF MINUTES REGULAR MEETING OF JANUARY 2, 2020 AND ADJOUNED MEETING OF JANUARY 9, 2020

On motion of Mike Nordstrom, seconded by Doug Anderson, and unanimously carried, the minutes from the regular meeting of January 2, 2020 and adjourned meeting of January 9, 2020, were approved.

FINANCIAL REPORTS

**Approval of Treasurer's Report:** Gnell Babb presented the Treasurer's Report for January 2020, in the form attached as **Exhibit "A"**. Following discussion, on motion of Doug Anderson, seconded by Monte Mitchell, and unanimously carried, the reports were approved.

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

| | |
|---|---|
| AYES: | Doug Anderson<br>Don Elholm<br>Monte Mitchell<br>Mike Nordstrom<br>Bernard Pugét |
| NOES: | None |
| ABSENT: | None |
| ABSTAIN: | None |

**Quarterly Investment Report:** This matter was tabled until more information is available.

**Statement of Investment Policy:** Staff reported that upon review, the District's current Statement of Investment Policy is in compliance with State law an there are no recommended changes thereto. On motion of Doug Anderson, seconded by Mike Nordstrom, and unanimously carried, the Directors concurred with staff's recommendations.

MANAGER'S REPORT: )
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The Manager updated the Board on the following topics.

**2020 SWP Allocation:**

On January 24, 2020, DWR increased the 2020 SWP allocation to 15 percent. DWR's January 1, 2020, 50 percent exceedance studies show a potential allocation of 45 percent with the most restrictive actions, 49 percent with moderate restrictions, and 62 percent with the least restrictive actions. DWR's February 1, 2020 studies should be available the third week of February.

The State share of San Luis Reservoir (SLR) was about .950 MAF and Oroville storage was about 2.22 MAF as of February 2, 2020.

**2020 Supplemental Water:**

District staff continues to work with other members of the Westside 5 group and Agency staff to secure supplemental supplies.

State Water Contractors are developing a 2020 Dry Year Transfer Program. The preliminary schedule indicates initial buyer requests including a $5/AF deposit will be due late February. Price negotiations will continue through March with buyers' final requests due mid-April. Water purchase payments are expected to be split half due in mid-April and half due in late May. DWR's February studies will estimate the potential transfer capacity availability.

**2020 Water Supplies:**

The District's 2020 water supply is currently estimated to be 49,976 acre feet including the following sources:

| | |
|---|---|
| ➢ Contract Water (15%) | 17,866 AF |
| ➢ Est. 2019 Carryover | 32,110 AF |
| ➢ **Total** | **49,976 AF** |

**District Water Deliveries:**

A summary of the District's deliveries through January 31, 2020 was provided for review. No actions taken.

**Operations & Maintenance:**

District staff continues repair and maintenance activities including, system repairs, general maintenance, and weed control throughout the District. No actions taken.

**Evaporation Basin:** The Manager had no report.

Kris Lawrence reported North West Kern Resource Conservation District requested a contribution of $5,000.00 from the District to assist in continued operation of the Mobile Irrigation Lab (Mobile Lab). The District included Mobile Lab participation in the budget. The Mobile Lab conducted multiple individual tests in the Westside Districts, the results of which provide growers valuable information regarding their irrigation systems and the management and application of water.

LEGAL COUNSEL )
_____)

**Form 700 Filing:** Legal Counsel reported the Form 700's are available for review by the Directors. Legal Counsel reminded the Directors that the Form 700's are due April 1, 2020.

OLD BUSINESS )
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**Westside District Water Authority:** The Manager reported that no meeting was held in February 2020.

**Kern Groundwater Authority:** Kris Lawrence reported on the following matters pertaining to the KGA: 1) during the board meeting on January 15, 2020, the KGA board approved the final GSP for submission to DWR and all Kern GSP's have been submitted; 2) Buena Vista GSA has voted to sign the Coordination Agreement; 3) a meeting with DWR to discuss Subsidence along the Aqueduct has been scheduled for February 7, 2020; and 4) the first round of well level testing will take place by the end of March 2020.

**Delta Conveyance Project:** The Manager reported on the following matters pertaining to the Delta Conveyance Project (DCF): 1) the Agreement in Principle process has been stalled; 2) DWR released a Notice of Preparation of the Environmental Impact Report; 3) the estimated cost for the environmental and planning process is $350 million over three years; 4) the draft Water Resilience Portfolio has been released; 5) voluntary settle agreements; 6) Agreement in Principle process has stalled: State Water Contractors (SWC) are not in agreement and have stated issues with Article 21 water and San Luis storage; 7) DWR prepared a counter offer on December 20, 2019 proposing an opt-out provision and credit non-participants for costs associated with planning, construction, and operation of DCF; 8) SWC are not happy with DWR's proposal; 9) SWC are evaluating previous MWD 85/15 agreement; 10) updating modeling for one tunnel project; and 11) continue to work with other Member Units to influence the Agency.

**Agency/Member Unit Policy Meetings:** The Manager reported on the following matters pertaining to the Agency and Member Unit Policy Meetings: 1) Royce Fast was elected Board President; 2) Delta Conveyance Project Updates; 3) reviewed and approved transfers; and 4) authorized a temporary 2020 Contract for Section 215 water.

**Review WWA Status:** The Manager reported that John Rossi of Ralph Anderson and Associates, distributed brochures and advertised the Executive Director position on multiple websites. The closing date for applicants is February 28, 2020. Mr. Rossi will process applications and bring the most qualified applicants to the working group tasked with the General Manager search.

NEW BUSINESS )
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**First Amendment to Berrenda Mesa Water Banking Project:** The Manager presented the first amendment to the Berrenda Mesa Baking Project agreement. The amendment includes the following changes: 1) recharge operation priorities; and 2) term of the agreement is extended 20 years through 2039. Berrenda Mesa Water District Board approved the amendment on November 7, 2019. Staff recommended the Board approve execution of the amendment. Following discussion, on motion of Monte Mitchell, seconded by Don Elholm, and unanimously carried, the Board approved the first amendment to join the water banking project agreement on the Berrenda Mesa property.

PUBLIC COMMENT )
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No public comment.

CLOSED SESSION )
_____)

No closed session.

ADJOURNMENT )
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There being no further business to come before the meeting, it was, on motion of Monte Mitchell, seconded by Don Elholm, and unanimously carried, said meeting was adjourned at 12:49 p.m.

Phillip D. Nixon, Secretary

Bernard Puget, President

# Lost Hills Water District
## Statements of Net Position
As of January 31, 2020

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| **Checking/Savings** | |
| 1100 · Bank Accounts | 26,816.29 |
| 1200 · Investments | 4,882,648.36 |
| Total Checking/Savings | 4,909,464.65 |
| Accounts Receivable | |
| 1310 · Accounts Receivable | 5,885,328.93 |
| Total Accounts Receivable | 5,885,328.93 |
| Other Current Assets | |
| 1400 · Inventory Asset | 18,561.18 |
| 1510 · Misc Receivables | 643,172.75 |
| 1530 · Prepaid Landowner Expenses | -1,301,140.35 |
| 1540 · Due from JES | 14,847.32 |
| 1550 · Due from Other | 236,260.56 |
| 1560 · Deposits Paid | 100.00 |
| 1570 · Interest Receivable | 71,649.07 |
| Total Other Current Assets | -316,549.47 |
| Total Current Assets | 10,478,244.11 |
| Fixed Assets | |
| 1600 · Fixed Assets | 10,325,881.09 |
| Total Fixed Assets | 10,325,881.09 |
| Other Assets | |
| 1700 · Cash Equivalents | 659.50 |
| Total Other Assets | 659.50 |
| **TOTAL ASSETS** | **20,804,784.70** |
| **LIABILITIES & EQUITY** | |
| **Liabilities** | |
| **Current Liabilities** | |
| Accounts Payable | |
| 2110 · Accounts Payable | 371,453.47 |
| Total Accounts Payable | 371,453.47 |
| Other Current Liabilities | |
| 2210 · Due to Others | 1,064,358.79 |
| 2220 · Other Accounts Payable | 34,668.18 |
| 2250 · Interest Payable | 2,475.61 |
| 2270 · Accrued Vacation | 109,801.21 |
| 2280 · Other Accrued Expenses | 3,154.57 |
| Total Other Current Liabilities | 1,214,458.36 |
| Total Current Liabilities | 1,585,911.83 |
| Long Term Liabilities | |
| 2310 · Long Term Debt | 114,272.39 |
| Total Long Term Liabilities | 114,272.39 |
| Total Liabilities | 1,700,184.22 |
| Equity | |
| 3060 · Reserves | 1,247,641.91 |
| 3100 · Fund Balances | 13,352,200.25 |
| Net Income | 4,504,758.32 |
| Total Equity | 19,104,600.48 |
| TOTAL LIABILITIES & EQUITY | **20,804,784.70** |

# Lost Hills Water District
## Profit & Loss Budget Performance
January 2020

| | Jan 20 | Annual Budget | % of Budget |
|---|---|---|---|
| Ordinary Income/Expense | | | |
| Income | | | |
| 4100 · Water Revenues | 9,160,852.92 | 18,321,126.00 | 50.0% |
| Total Income | 9,160,852.92 | 18,321,126.00 | 50.0% |
| Gross Profit | 9,160,852.92 | 18,321,126.00 | 50.0% |
| Expense | | | |
| 5100 · Contract Water | 3,829,014.00 | 15,058,332.00 | 25.43% |
| 5200 · Energy | 1,130.96 | 2,023,257.00 | 0.06% |
| 5300 · Water Banking | 167,741.91 | 479,646.00 | 34.97% |
| 5400 · Operations & Maintenance | | | |
| 5410 · Pump Stations | 17,394.26 | 146,500.00 | 11.87% |
| 5420 · Structures/System | | | |
| 5421 · Canal Maintenance | 2,065.06 | 52,900.00 | 3.9% |
| 5422 · Weed Control | 140.00 | 149,500.00 | 0.09% |
| 5423 · Meters | 0.00 | 17,000.00 | 0.0% |
| 5424 · Telemetry | 405.94 | 11,400.00 | 3.56% |
| 5425 · JES Services | 0.00 | 36,000.00 | 0.0% |
| 5426 · Tools & Equipment | 0.00 | 10,000.00 | 0.0% |
| 5427 · Travelling Screens | 37,959.61 | 52,500.00 | 72.3% |
| Total 5420 · Structures/System | 40,570.61 | 329,300.00 | 12.32% |
| 5430 · Vehicles | 3,086.78 | 59,200.00 | 5.21% |
| 5440 · Personnel | | | |
| 5441 · Salary / Wages | 48,882.15 | 625,000.00 | 7.82% |
| 5441.1 · Personnel Reimbursement | 0.00 | -250,000.00 | 0.0% |
| 5442 · Payroll Taxes | 4,416.79 | 48,850.00 | 9.04% |
| 5443 · Health Benefits | 15,352.03 | 204,900.00 | 7.49% |
| 5444 · Retirement | 3,813.32 | 55,000.00 | 6.93% |
| 5445 · Workers Compensation | 2,037.33 | 25,000.00 | 8.15% |
| 5446 · Safety | 0.00 | | |
| 5447 · Training & Education | 0.00 | 2,500.00 | 0.0% |
| 5448 · Travel | 0.00 | 1,000.00 | 0.0% |
| 5449 · Uniforms | 0.00 | 7,500.00 | 0.0% |
| Total 5440 · Personnel | 74,501.62 | 719,750.00 | 10.35% |
| 5450 · Office | 2,059.07 | 41,500.00 | 4.96% |
| 5460 · Shop | 105.07 | 19,000.00 | 0.55% |
| 5470 · Miscellaneous Expenses | 23,769.52 | 141,811.00 | 16.76% |
| Total 5400 · Operations & Maintenance | 161,486.93 | 1,457,061.00 | 11.08% |
| 5500 · Evaporation Pond | 9,387.06 | 67,550.00 | 13.9% |
| 5600 · Administrative | | | |
| 5610 · Personnel | | | |
| 5611 · Salary / Wages | 53,574.52 | 810,000.00 | 6.61% |
| 5612 · Payroll Taxes | 4,639.62 | 62,765.00 | 7.39% |
| 5613 · Health Benefits | 6,285.64 | 83,850.00 | 7.5% |
| 5614 · Retirement | 5,130.47 | 81,000.00 | 6.33% |
| 5615 · Workers Compensation | 305.30 | 5,050.00 | 6.05% |

# Lost Hills Water District
## Profit & Loss Budget Performance
January 2020

| | Jan 20 | Annual Budget | % of Budget |
|---|---|---|---|
| 5617 · Training & Education | 0.00 | 3,000.00 | 0.0% |
| 5619 · Uniforms | 0.00 | 200.00 | 0.0% |
| Total 5610 · Personnel | 69,935.55 | 1,045,865.00 | 6.69% |
| 5620 · Office | | | |
| 5621 · Supplies | 929.93 | 10,000.00 | 9.3% |
| 5622 · Lease | 0.00 | 14,000.00 | 0.0% |
| 5623 · Communications | 388.44 | 10,000.00 | 3.88% |
| 5624 · Books & Subscriptions | 0.00 | 100.00 | 0.0% |
| 5625 · Memberships / Dues | 14,740.00 | 31,000.00 | 47.55% |
| 5626 · Travel | 228.85 | 3,000.00 | 7.63% |
| 5627 · Utilities | 150.00 | 1,800.00 | 8.33% |
| 5628 · Ofc Equip Maint & Repair | 1,210.06 | 2,300.00 | 52.61% |
| 5629 · Ofc Equip Rental & Lease | 0.00 | 500.00 | 0.0% |
| Total 5620 · Office | 17,647.28 | 72,700.00 | 24.27% |
| 5630 · Professional Services | | | |
| 5631 · Legal | 4,750.00 | 62,000.00 | 7.66% |
| 5632 · Audit | 0.00 | 19,500.00 | 0.0% |
| 5633 · Engineering | 0.00 | 19,000.00 | 0.0% |
| 5634 · Computer Consultants | 2,644.50 | 21,000.00 | 12.59% |
| 5635 · Payroll Processing | 279.84 | 3,500.00 | 8.0% |
| 5636 · Consulting | 0.00 | 260,000.00 | 0.0% |
| Total 5630 · Professional Services | 7,674.34 | 385,000.00 | 1.99% |
| 5640 · Directors Fees and Travel | 1,363.90 | 9,300.00 | 14.67% |
| 5650 · Misc Administrative Expenses | | | |
| 5653 · Insurance & Bonds | 6,371.11 | 10,000.00 | 63.71% |
| 5654 · Special District Costs | 0.00 | 1,800.00 | 0.0% |
| 5655 · Management Costs | 0.00 | 1,000.00 | 0.0% |
| 5657 · Publications & Legal Notices | 0.00 | 1,000.00 | 0.0% |
| Total 5650 · Misc Administrative Expenses | 6,371.11 | 13,800.00 | 46.17% |
| Total 5600 · Administrative | 102,992.18 | 1,526,665.00 | 6.75% |
| 5700 · Interest | 210.00 | 2,500.00 | 8.4% |
| Total Expense | 4,271,963.04 | 20,615,011.00 | 20.72% |
| Net Ordinary Income | 4,888,889.88 | -2,293,885.00 | -213.13% |
| Other Income/Expense | | | |
| Other Income | | | |
| 6200 · Interest & Penalties | 0.00 | 195,019.00 | 0.0% |
| 6300 · Miscellaneous Revenues | 10,261.75 | 2,223,807.00 | 0.46% |
| 6400 · Permanent Entitlement Transfer | 0.00 | 261,151.00 | 0.0% |
| Total Other Income | 10,261.75 | 2,679,977.00 | 0.38% |
| Other Expense | | | |
| 7100 · Un-budgeted Expenses | 135,122.89 | | |
| 8100 · Capital Expenditures | 259,270.42 | 386,092.00 | 67.15% |
| Total Other Expense | 394,393.31 | 386,092.00 | 102.15% |
| Net Other Income | -384,131.56 | 2,293,885.00 | -16.75% |
| Net Income | **4,504,758.32** | **0.00** | **100.0%** |

# Lost Hills Water District
## Exhibit B - Warrant List for Ratification
### January 10 through February 5, 2020

| Date | Num | Name | Memo | Amount |
|---|---|---|---|---|
| Jan 10 - Feb 5, 20 | | | | |
| 01/10/2020 | EC | WEX Bank (Chevron) | December Fuel | -375.95 |
| 01/23/2020 | 1623 | Bottoms, Steve | VOID: 2019 Safety Award | 0.00 |
| 01/23/2020 | 1624 | Bottoms, Steve | 2019 Safety Award | -100.00 |
| 01/23/2020 | EC | Valley Republic Bank | Stop payment on ck# 1511 charge | -10.00 |
| 01/24/2020 | 1625 | PITNEY BOWES-PURCHASE POWER | 8000-9000-1096-2201 | -40.53 |
| 01/28/2020 | 1626 | Bob Vogel / White Lands | SGMA / White Lands - Refund Contract Fee - In Se... | -1,481.76 |
| 01/31/2020 | EC | Valley Republic Bank | VR Bank Charges for January 2020 | -200.00 |
| Jan 10 - Feb 5, 20 | | | | -2,208.24 |

# Lost Hills Water District
## Exhibit C - Warrant List
### February 6, 2020

| Num | Name | Memo | Amount |
|---|---|---|---|
| EC | Valley Republic Bank Card | | -696.53 |
| 1627 | ACWA/JPIA Roseville | 2020 Quarter 2 WC | -9,239.37 |
| 1628 | Airgas USA, LLC | Shop - Supplies | -160.67 |
| 1629 | Anderson, Doug | Board / Committee Meetings for Jan 2020 | -178.25 |
| 1630 | Aquilogic, Inc. | | -19,780.36 |
| 1631 | AT&T (CELL PHONES) 871084038 | 871084038 | -93.09 |
| 1632 | AutomationDirect.Com Inc | | -290.09 |
| 1633 | Avadine | Software License / Support | -1,100.00 |
| 1634 | Belridge Water Storage District | 2019 Admin Expense True Up | -1,209.27 |
| 1635 | BERRENDA MESA WATER DISTRICT | Walmart Gift Cards | -1,100.00 |
| 1636 | Bright House Networks | 0057005-01 | -361.49 |
| 1637 | CA Chamber of Commerce | CID: 19465 - 2019 HR Quick Guide, 3-2019 Employment Po... | -180.18 |
| 1638 | Colbert, Thomas | DOT Physical | -90.00 |
| 1639 | Communication Enterprises | Acct: 11903 - Ethernet - Canopy Rent | -405.94 |
| 1640 | Daniells, Phillips, Vaughn & Bock | Prepare State Controller's Report 12/31/19 | -550.00 |
| 1641 | Downs Equipment Rental Inc. | Burner Pit - 11/7/19-11/27/19 | -6,335.00 |
| 1642 | Elholm, Don | Board / Committee Meetings for January 2020 | -575.00 |
| 1643 | Evans-Hydro, Inc. | Sarad P#7 - Laval Turbine Pump | -28,736.13 |
| 1644 | Fastenal | Supplies Beverage Cooler | -42.66 |
| 1645 | FERGUSON ENTERPRISES INC | Sarad - P#2 | -7,842.31 |
| 1646 | Frontier Communications | Acct # 661-797-2311-070268-5 Office 1/13/20-2/12/20 | -334.53 |
| 1647 | Garcia, Claudia | Mileage 12/5-12/26 144.3 @ .58 | -83.69 |
| 1648 | Herc Rentals Inc | | -2,825.76 |
| 1649 | Home Depot Pro | | -612.22 |
| 1650 | Jani-Tech | Janitorial 1/2020 | -150.00 |
| 1651 | Jeffries Bros., Inc | 3002 | -287.60 |
| 1652 | JR's Gardening Services | Gardening Service for Jan 2020 | -275.00 |
| 1653 | King, Mary | Board Meetings / WS 5 Meeting | -117.30 |
| 1654 | Klein, DeNatale, Goldner, Cooper, LLP | General Business through Jan 21, 2020 | -4,750.00 |
| 1655 | NJG CORPORATION | | -267,099.48 |
| 1656 | Nordstrom, Michael | 2020 Board / Committee Meetings for January | -610.65 |
| 1657 | O'Brien Technologies | Jan Hosted Email | -389.65 |
| 1658 | OFFICE DEPOT | 6011 5661 5609 2029 | -648.41 |
| 1659 | Pacific Gas & Electric-3064253240-9 | Monthly Service 3064253240-9 Sarad Pump 1 12/1/19-12/31... | -1,894.83 |
| 1660 | PACIFIC GAS & ELECTRIC-5715722343-9 | Agreement 5717001109 Mitigation Site | -31.04 |
| 1661 | Pacific Gas & Electric -2553845993-1 | Account #: 2553845993-1, Service Dates from 12/5/19-1/3/20 | -795.87 |
| 1662 | Pacific Gas & Electric -2734859628-2 | Service for Account 2734859628-2 SA 5 GATE 12/4/19-1/2/... | -36.39 |
| 1663 | Pacific Gas & Electric -7303842560-6 | Service for Account 7303842560-6 (#2153 T O PS #5) for 1... | -128.06 |
| 1664 | Pacific Gas & Electric 8262198778-1 | Energy Charges for Acct #8262198778-1 12/9/19-1/7/20 | -1,249.76 |
| 1665 | PETERSON AUTO SUPPLY | 5100 | -382.63 |
| 1666 | PROVOST & PRITCHARD | General Water Supply Through Dec 31, 2020 | -894.20 |
| 1667 | RMC | Acct. #: LH03, Contract #: CN1794-04, Copy Machine 1/1/19... | -1,534.41 |
| 1668 | San Joaquin Valley Air Pollution Control | Facility ID: S3077- Annual Permits to Operate for 2020/2021 | -42.00 |
| 1669 | SAWTELLE & ROSPRIM HARDWARE, INC | Acetylene / Oxygen 12/31/19 | -190.65 |
| 1670 | SPARKLETTS & SIERRA SPRINGS | 5120348 | -100.95 |
| 1671 | Sparks, Gnell | Board Meetings | -111.55 |
| 1672 | THE GAS COMPANY | 189 215 9600 5 | -245.37 |
| 1673 | VERIZON WIRELESS | GPS Nov 2019 | -57.00 |
| 1674 | VERIZON WIRELESS #Y2635956 | 571342150-00001 | -643.81 |
| 1675 | WALL STREET IMPRINTABLES | Uniforms | -816.92 |
| 1677 | WESTERN EXTERMINATOR COMPANY | Monthly Service Account 1007617-2 for December | -59.00 |
| 1678 | WESTSIDE WASTE MANAGEMENT | 614422 | -281.67 |
| 1679 | WHOLESALE FUELS INC | Unleaded 800 @ 2.1521; Diesel 300 @ 2.3349 | -3,366.35 |
| 1680 | WSI Internet Consulting, LLC | | -1,440.00 |
| TOTAL | | | **-371,453.09** |