

BOARD OF DIRECTORS

Mike Vereschagin, President
Ernest Pieper, Vice President
James A. Jones
John Erickson
Charles Schonauer

SECRETARY-MANAGER

Emil Cavagnolo

ORLAND-ARTOIS WATER DISTRICT

(A UNIT OF THE SACRAMENTO VALLEY CANALS)

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**MEETING
OF THE
BOARD OF DIRECTORS**

MINUTES

JUNE 16, 2020

Pursuant to Governor Newsom's Executive Orders N-29-20 this meeting was conducted by teleconference. The meeting was accessible via telephone conference call.

DIRECTOR MEMBERS PRESENT

- X Mike Vereschagin
- X Ernie Pieper (verified at 1:36p.m.)
- X John Erickson
- X Jim Jones
- X Chuck Schonauer

OTHERS IN ATTENDANCE

- X Emil Cavagnolo, Manager
- X Andrea Jones, Administrative Assistant
- X Karen Osborn, Office Secretary
- X Brant Smith, Backstrom McCarley Berry & Co. LLC
- X James Wawrzyniak, Jones Hall (Bond Counseling)
- X Josh Horowitz, Attorney (verified at 2:26p.m.)

CALL TO ORDER

President of the Board Mike Vereschagin called the meeting to order at 1:30 p.m.

ROLL CALL

Roll was taken and is indicated above.

MINUTES APPROVAL:

The minutes of the May 19th Board meeting were reviewed. After Board discussion, it was m/s/c (Jones/Schonauer) to approve the minutes by the following vote:

Roll Call Vote

Mike Vereschagin: AYE
Ernie Pieper: ABSENT
John Erickson: AYE
Jim Jones: AYE
Chuck Schonauer: AYE

PUBLIC FORUM:

Brant Smith, Backstrom McCarley Berry & Co. LLC and James Wawrzyniak with Jones Hall, was present by phone to present information to the Board on Agenda Item #F under “General Business”. Josh Horowitz was also present by phone.

Vice-President Pieper joined the meeting at 1:36p.m.

FINANCIAL TRANSACTIONS:

The Directors reviewed the financial transaction summary for May. Manager Cavagnolo answered any questions the Board had regarding the financials. After Board discussion, it was m/s/c (Erickson/Jones) to approve the May Financial Report by the following vote:

Roll Call Vote

Mike Vereschagin: AYE
Ernie Pieper: AYE
John Erickson: AYE
Jim Jones: AYE
Chuck Schonauer: AYE

APPROVE PAYMENT OF CHECKS:

The Board reviewed the check register. After Board discussion, it was m/s/c (Erickson/Jones) to approve checks #12392 thru #12447 by the following vote:

Roll Call Vote

Mike Vereschagin: AYE
Ernie Pieper: AYE
John Erickson: AYE
Jim Jones: AYE
Chuck Schonauer: AYE

WATER SUPERINTENDENT’S REPORT:

The Board reviewed the Water Superintendent’s report, which was included in the Board Packet. The report updated the Board on District Operations, Water Use, Deep Wells, Vehicles, and Water Quality.

MANAGER'S REPORT

- A. Manager Cavagnolo reviewed with the Board his Manager's Report, which was included in the Board packet, and answered any questions the Board had.

Manager Cavagnolo discussed with the Board the email he received from Jeff Sutton manager of the Tehama-Colusa Canal Authority, which was included in the Board packet. The subject of the email was regarding OAWD District meters that have mistakenly been charged to the TCCA since sometime in the 1980's. Jeff asked that the District contact PG&E and have the account changed from the TCCA to OAWD.

GENERAL BUSINESS

- A. **The Board to receive an update on the Tehama-Colusa Canal Authority Activities.**

Director Jones updated the Board on the Tehama-Colusa Canal Authority activities and the meetings he participated in on 6/03/2020. Director Jones also advised the Board Manager Sutton reported on the TCCA's annual audit conducted by Bob Johnson, CPA.

- B. **The Board to receive an update on the Glenn Groundwater Authority.**

Director Schonauer updated the Board on the Glenn Groundwater Authority activities and meetings he participated in on 6/15/2020. Director Schonauer reported the GGA is currently working on the Sustainability Plan. Director Schonauer also reported to the Board the Assessment Fee for 2021 was lowered from \$1.61 to \$1.50 per acre.

- C. **The Board to receive an update on current annexations.**

Manager Cavagnolo updated the Board on the status of the current annexations. Manager Cavagnolo advised we are waiting on the soil classifications to be completed. If we pay off our 2 loans with the Bureau the soil classifications would no longer be required.

- D. **The Board will discuss an inquiry from the Sites Project Authority about future interests in the project.**

Manager Cavagnolo discussed with the Board his phone conversation and email from Jerry Brown, with the Sites Project Authority. He was inquiring whether the District might have any future interests in the Sites Project. President Vereschagin advised the Board he was also contacted by phone regarding the Sites Project by Supervisor McDaniel. After Board discussion, Manager Cavagnolo was asked to email Jerry Brown and advise Orland-Artois Water District is in full support of the Sites Project but is not interested in pursuing future interests in the Sites Project at this time. No Board action was taken on this agenda item.

E. **The Board to consider Resolution 2020-06, Resolution Certifying Delinquent Water Service Charges to be collected as part of District Assessments.**

Manager Cavagnolo reviewed with the Board Resolution 2020-06. This resolution would authorize the Glenn County Assessor to add to the County Assessments, on parcels within the District, any unpaid charges which would be collected at the same time and in the same manner as property taxes.

After Board discussion, it was m/s/c (Jones/Pieper) to approve Resolution 2020-06. The vote was as follows:

Roll Call Vote

Mike Vereschagin: AYE

Ernie Pieper: AYE

John Erickson: AYE

Jim Jones: AYE

Chuck Schonauer: AYE

F. **The Board to receive an update for CVP Loan Conversions.**

Manager Cavagnolo updated the Board and reviewed the landowner letter he had prepared regarding the loan conversions. After reviewing the letter, the Board suggested several changes. Manager Cavagnolo will make the suggested changes to the landowner letter.

Attorney Josh Horowitz joined the meeting by phone at 2:26p.m.

Brant Smith from Backstrom McCarley Berry & Co., LLC and James Wawrzyniak from Jones Hall Bond Counseling updated the Board on the refinancing of the District's loans with Reclamation. Brant prepared a funding analysis for the WINN Act repayment, which was included in the Board packet. At the May Board meeting the Board established a not to exceed amount of \$60.00 per acre charge for both 20-year bank loans in total and the \$34.37 CVP Construction Component will be removed from the water rate reducing the cost of the water by that amount per acre-foot.

Manager Cavagnolo advised the Board the District is looking at two bank loans. One loan to pay off the 9d loan and one loan to pay off the 9e loan.

G. **The Board to discuss Prop 218 process for 2021 budget.**

Manager Cavagnolo discussed and reviewed with the Board the Prop 218 Process for the 2021 Budget. Manager Cavagnolo advised the Board he is hoping the Prop 218 will be ready to go at the next Board meeting. Director Vereschagin asked Attorney Josh Horowitz if we are on track with the 218 process. Attorney Horowitz advised the Board yes, we are on track.

H. **Drought year planning.**

Manager Cavagnolo updated the Board on drought planning for Water Year 2020. Manager Cavagnolo stated since the Bureau has announced that it is now a non-Shasta Critical year our water price for Irrigation Water went back down to \$85.50 per acre-foot. Water users no longer have to commit to a certain amount of water and no longer have to pay all of the water upfront.

Manager Cavagnolo advised the Board the District has 39,500 acre-feet of water available, which includes 1,000 acre-feet of well water. He also advised the Board if more water is needed Clear Creek Water District has water available.

ADJOURNMENT:

Being there was no further business, President Vereschagin adjourned the meeting at 2:59 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'E. Cavagnolo', written in a cursive style.

Emil Cavagnolo
Manager

Approved at the July 21st Board of Directors Meeting.