

**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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**REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS**

**MINUTES**

**MAY 21, 2019**

**PRESENT:** Mike Vereschagin, Ernie Pieper, John Erickson, Jim Jones, Chuck Schonauer

**ABSENT:** None

**OTHERS:** Emil Cavagnolo, Manager  
Chris Drouillard, Water Superintendent  
Karen Osborn, Office Secretary  
Marty Bailey, Assessor/Treasurer/Tax Collector

**MINUTES APPROVAL:**

The minutes of the April 16<sup>th</sup> Board meeting were reviewed. After Board discussion, it was m/s/c (Schonauer/Pieper) to approve the minutes as mailed. The vote was as follows:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones, C. Schonauer  
ABSENT: None

**PUBLIC FORUM:**

No members from the public were present to address the Board.

**FINANCIAL TRANSACTIONS:**

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

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones, C. Schonauer  
ABSENT: None

**APPROVE PAYMENT OF CHECKS:**

The Board reviewed the check register. After Board discussion, it was m/s/c (Jones/Erickson) to approve checks #11775 thru #11823 by the following vote:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones, C. Schonauer  
ABSENT: None

**WATER SUPERINTENDENT’S REPORT:**

A. **Operations Report**

Water Superintendent Chris Drouillard updated the Board on District operations. Justin has been working on repairing some bad gear boxes out in the District, working in the shop, and doing landscaping around the office. We installed the new meters we received last month.

B. **Water Usage**

Chris stated 1,400 acre-feet of water was billed for the month of April. So far this month we have delivered approximately 2,305 acre-feet of water.

C. **Well Operations & Depths**

Chris reported that Deep Well #1 is at 112.6 feet, Deep Well #2 is at 101 feet, and the monitoring well is at 41.9 feet. Chris reported Deep Well #1 is down 3.6 feet, Deep Well #2 is down .6 feet, and the Monitoring Well is down 3.7 feet from the previous month’s Board meeting report.

D. **Update on District Vehicles**

Chris updated the Board on the District vehicles. Chris advised the Board we took Emil’s truck to Transmatic in Chico to get repaired and it is shifting well now. We found out Ford may be paying for the repair. Corning Ford is going to look at Justin’s truck.

E. **Update on Water Quality**

Chris informed the Board the water quality is clean right now.

**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.

**GENERAL BUSINESS**

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

Director Jones updated the Board on the Tehama-Colusa Canal Authority activities and the Board meeting he attended on 5/01/19.

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

Director Schonauer updated the Board on the Glenn Groundwater Authority activities and the meetings he attended on 5/08/19 and 5/13/19.

The Board reviewed Resolution 2019-03, supporting the Glenn Groundwater Authority's proposed Operations Fee. After Board discussion, it was m/s/c (Erickson/Jones) to adopt Resolution 2019-03, Resolution in support of the Glenn Groundwater Authority Funding Plan. The vote was as follows:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones, C. Schonauer  
ABSENT: None

**C. The Board to receive an update for CVP Construction Loan Conversion.**

Manager Cavagnolo updated the Board on the CVP Construction Loan Conversion meetings he has attended. He stated that things are starting to look good. Manager Cavagnolo advised the Board there will be a 2-day negotiation session on the 29<sup>th</sup> and 30<sup>th</sup> in Sacramento.

**D. The Board to consider the annexing of lands into the District.**

Manager Cavagnolo advised the Board he had received a signed and completed annexation application with a check for the fee and a signed landowner agreement with a check for the deposit from Tuscan Land LLC. After Board discussion, it was m/s/c (Schonauer/Pieper) to approve both the annexation application and the annexation agreement from Tuscan Land LLC. The water that would be available to the land after it is annexed into the District would be excess water or transferred water. The vote was as follows:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones, C. Schonauer  
ABSENT: None

**The Board to consider adopting Resolution 2019-04, Making application to the Glenn County Local Agency Formation Commission to take proceedings for the Annexation of 621 acres into the District.**

The Board discussed adopting Resolution 2019-04, making application to the Glenn County Local Agency Formation Commission to take proceedings for the Annexation of 621 acres into the District. After Board discussion, it was m/s/c (Erickson/Jones) to approve Resolution 2019-04. The vote was as follows:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones, C. Schonauer  
ABSENT: None

The Board gave Manager Cavagnolo direction to submit the appropriate forms and pay deposits and fees, according to the agreement in item F (b) for Tuscan Land LLC's Road 30 Ranch Annexation to the Glenn County LAFCO and the Bureau of Reclamation.

**E. The Board to consider accepting 2018 Audited Financial Statement.**

After Board discussion, it was m/s/c (Jones/Erickson) to accept the 2018 Audited Financial Statement. The vote was as follows:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones, C. Schonauer  
ABSENT: None

**F. The Board to consider a three-year contract with Robert W. Johnson, an Accountancy Corporation, to provide annual services through 2021.**

Manager Cavagnolo reviewed with the Board the letter from Robert W. Johnson regarding a three-year contract to provide annual audit services through 2021. After Board discussion, it was m/s/c (Schonauer/Jones) to approve the above. The vote was as follows:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones, C. Schonauer  
ABSENT: None

**G. The Board to consider Policy for Landowner Credit Balance Reimbursement.**

Manager Cavagnolo reviewed the Orland-Artois Water District Landowner Credit Balance Reimbursement Policy with the Board he had prepared and enclosed in the Board Packet. This policy refers to past landowners who have a credit balance on their account. After Board discussion it was m/s/c (Erickson/Pieper) to approve the Orland-Artois Water District Landowner Credit Balance Reimbursement Policy. The vote was as follows:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones, C. Schonauer  
ABSENT: None

The above motion included the District developing a refund form to have the prior landowner complete before receiving their refund and to report the refund to the Board.

**H. CLOSED SESSION: (Government Code section 54954.5, subdivision (e) Public employee performance evaluation involving the General Manager; Government Code sections 54954.5(e) and 54957.**

The Board went into closed session to discuss public employee performance evaluation involving the General Manager. Director Jones excused himself from closed session.

The Board came out of closed session. The Board requested the General Manager take a training class in Human Resources (HR) to gain more knowledge.

**I. The Board to consider changing employee health care plans and provider.**

Manager Cavagnolo, at the request of Director Pieper, researched health care plans which might cost the District less than the current ACWA-JPIA plans but still provide quality health care benefits for the employees. Manager Cavagnolo presented his proposal to the Board. The proposal included small group insurance plans for medical, dental, and vision. Medicare Part B, supplements, and prescription plans were also included. Manager Cavagnolo explained that because the District has less than 20 employees it is allowed to pay Medicare costs for eligible employees and opt out payments for employees with outside health insurance. Because ACWA-JPIA is an insurance "Pool", for the District to participate it has to abide by rules of the member with the most employees, which is over 200. These rules restrict the options the District has available to provide health care benefits to its employees at an affordable cost.

~~While the costs to the District were less~~ the Directors had many questions and concerns. The Board suggested having an insurance agent attend a Board meeting. The Board asked Manager Cavagnolo to also check with Golden State Risk Management Authority and what they offer.

No action was taken today on this agenda item.

**J. The Board to consider the proposed District policy for health care.**

The Board reviewed the draft policy with Manager Cavagnolo but decided to table this item for a future meeting.

No action was taken on this agenda item.

**ADJOURNMENT:**

Being there was no further business, President Vereschagin adjourned the meeting at 4:32 p.m.

Respectfully Submitted,



Emil Cavagnolo  
Manager