

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

SEPTEMBER 15, 2020

Pursuant to Governor Newsom’s Executive Orders N-29-20 this meeting was conducted by teleconference. The meeting was accessible via telephone, computer, smartphone, or tablet.

DIRECTOR MEMBERS PRESENT

- X Mike Vereschagin
- X Ernie Pieper
- 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 Marty Bailey, Assessor/Treasurer/Tax Collector
- X Brant Smith, Backstrom McCarley Berry & Co. LLC
- X Jennifer Buckman, Attorney (Bartkiewicz, Kronick & Shanahan)
- X Chase Hurley, Water and Land Solutions
- X Josh Horowitz, Attorney (Bartkiewicz, Kronick & Shanahan)

CALL TO ORDER

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

ROLL CALL

Roll was taken and is indicated above.

PUBLIC HEARING AT 1:30 P.M.; Public hearing pursuant to Proposition 218 (Cal. Const., art. XIII D) to receive and consider all protests to, and public comments on the proposed Operations Charge, Loan Conversion Charge, and Volumetric Charge for water beginning in 2021.

President Vereschagin opened the public hearing at 1:30 p.m. to receive and consider all protests to, and public comments on the proposed Operations Charge, Loan Conversion Charge, and Volumetric Charge for water beginning in 2021. The District received one protest which included 1 parcel. President Vereschagin asked if there were any members of the public present that had any comments. No comments were made. After Board discussion, it was m/s/c (Jones/Pieper) to close the public hearing. The vote was as follows:

Roll Call Vote

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

MINUTES APPROVAL:

The minutes of the August 18th Board meeting were reviewed. Director Pieper pointed out that Marcie Skelton, Glenn County Ag Commissioner's, name was not listed under "Others in Attendance". After Board discussion, it was m/s/c (Jones/Pieper) to approve the August 18th Board meeting minutes with the above correction by the following vote:

Roll Call Vote

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

MINUTES APPROVAL:

The minutes of the August 19th special Board meeting were reviewed. Director Jones pointed out that on page 3 of the minutes, under "OAWD Area Groundwater Presentation" Manager was misspelled. After Board discussion, it was m/s/c (Pieper/Schonauer) to approve the August 19th special Board meeting minutes with the above correction by the following vote:

Roll Call Vote

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

PUBLIC FORUM:

President Vereschagin thanked the Board for the donation made to the Glenn County Farm Bureau Scholarship Fund in memory of his father, John Vereschagin, to recognize and honor

him for his many years of service as a Director and as President of the Orland-Artois Water District Board of Directors.

FINANCIAL TRANSACTIONS AND APPROVAL OF CHECKS:

The Directors reviewed the financial transaction summary for August and the check register. Manager Cavagnolo answered any questions the Board had regarding the financials and check register. After Board discussion, it was m/s/c (Schonauer/Jones) to approve the August Financial Report and checks #12551 thru #12598 by the following vote:

Roll Call Vote

Mike Vereschagin: AYE
Ernie Pieper: AYE
John Erickson: ABSENT
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 Cavagnolo answered any questions the Board had.

MANAGER'S REPORT

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 Consider Adopting Resolution 2020-07, to Approve and Impose the 2021-2025 Operations and Volumetric Charges, and new Loan Conversion Charge.

After Board discussion, it was m/s/c (Jones /Pieper) to adopt an amended Resolution 2020-07, which would include suggested changes and additional wording to the Resolution, to approve and impose the 2021-2025 Operations and Volumetric Charges, and new Loan Conversion Charge by the following vote:

Roll Call Vote

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

Attorney Josh Horowitz will make the suggested changes and add the additional wording to the resolution.

B. 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 meeting he participated in on 9/02/2020.

C. 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 9/08/2020 and 9/14/2020. Director Schonauer advised the Board the main topic at the meeting was the County moving the Water Resources out of the Ag Department and into the Planning Department.

D. The Board will consider adopting Resolution 2020-08, Adopting the Northern Sacramento Valley Integrated Regional Management Plan Update.

After Board discussion it was m/s/c (Schonauer/Pieper) to adopt Resolution 2020-08, adopting the Northern Sacramento Valley Integrated Regional Management Plan update. The vote was as follows:

Roll Call Vote

Mike Vereschagin: AYE

Ernie Pieper: AYE

John Erickson: ABSENT

Jim Jones: ABSTAIN

Chuck Schonauer: AYE

E. The Board to receive an update for CVP Loan Conversions.

Manager Cavagnolo updated the Board on the CVP Loan Conversions.

The District is in the process of amending our contract with the United States for CVP water supplies. Attorney Jennifer Buckman stated the amendment will convert the District's water service contract into a permanent repayment contract. Federal reclamation law requires that districts entering into these types of water contracts obtain a court judgement validating the contract. Jennifer informed the Board the process of initiating the validation action is to: 1) file a complaint and summons with the Court; 2) file an application asking the Court to allow the summons to be served by way of publication; 3) after receiving permission from the Court, publish the summons in the newspaper(s); and 4) wait 30 days to see if anyone responds by filing an answer on or before the date identified in the summons. Assuming no one answers the complaint, the District should move quickly to file a default judgement with the additional evidence. Once entered, the judgement will be binding and conclusive as to all persons and entities. Jennifer advised that once the District authorizes execution of the contract and the validation action, their office can move forward with the filing within a week.

The Board reviewed Resolution 2020-09. After a lengthy Board discussion, it was m/s/c (Schonauer/Jones) to adopt Resolution 2020-09, giving the president of the Board authority to sign the 2020 Contract Amendment for the pre-payment of the District's CVP Construction Loan with the United States Bureau of Reclamation, with the discussed changes Attorney Buckman will make to the resolution after the meeting. The vote was as follows:

Roll Call Vote

Mike Vereschagin: AYE

Ernie Pieper: AYE

John Erickson: ABSENT
Jim Jones: AYE
Chuck Schonauer: AYE

Brant Smith, Backstrom McCarley Berry & Co. LLC, updated the Board on the CVP Loan Conversion. The Board had questions and asked Brant to check options for possible interest and principle payment schedules and length of time for rate locks, etc.

After Board discussion, it was m/s/c (Jones/Pieper) to commence circulation of a request for proposals to lending institutions for 20-year loans for the refinancing of the District's 9(d) and CVP Construction loans with the United State Bureau of Reclamation. The vote was as follows:

Roll Call Vote

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

Brant will send them out towards the end of the month. Everything is going according to schedule.

Jones Hall Bond Counseling will prepare two resolutions for our next Board meeting.

Attorney Jennifer Buckman departed the meeting at 3:06p.m.

Director Schonauer departed the meeting at 3:08p.m.

F. The Board to receive an update on current and future annexations.

Manager Cavagnolo updated the Board on the Tuscan Land and Worthington Trust Annexations.

Chase Hurley, Water and Land Solutions, updated the Board on a future improvement district and annexations. Chase sent an updated map to Manager Cavagnolo showing the future improvement district and annexations. Chase stated he wants to bring more surface supply into our District. President Vereschagin stated we are in support of this and can see the benefits it would bring.

Being there was no further business, President Vereschagin adjourned the meeting at 3:13p.m.

Respectfully Submitted,



Emil Cavagnolo
Manager

Approved at the October 20, 2020 Board Meeting