

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

JULY 21, 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

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 Marty Bailey, Assessor/Treasurer/Tax Collector

X Brant Smith, Backstrom McCarley Berry & Co. LLC

X Josh Horowitz, Attorney

CALL TO ORDER

President of the Board Mike Vereschagin called the meeting to order at 1:38 p.m.

ROLL CALL

Roll was taken and is indicated above.

MINUTES APPROVAL:

The minutes of the June 16th Board meeting were reviewed. Director Pieper advised the Board he did not join the June meeting until 1:36p.m. which was after the minutes were approved. The roll call vote for the minutes should have shown Director Pieper as absent. After Board discussion, it was m/s/c (Erickson/Jones) to approve the minutes with the above correction by the following vote:

Roll Call Vote

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

PUBLIC FORUM:

There were members of the public in attendance but they did not identify themselves.

FINANCIAL TRANSACTIONS:

The Directors reviewed the financial transaction summary for June. Manager Cavagnolo answered any questions the Board had regarding the financials. The Board requested Manager Cavagnolo to add a note on the Financials under “Other Income” each month, explaining what source the income was from. After Board discussion, it was m/s/c (Jones/Pieper) to approve the June 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 (Jones/Pieper) to approve checks #12448 thru #12499 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. The well levels in the area are dropping.

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 the Tehama-Colusa Canal Authority Activities.**

Director Jones advised the Board there was no Tehama-Colusa Canal Authority meeting for July so no report was given.

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

Director Schonauer updated the Board on the Glenn Groundwater Authority activities and meeting he participated in on 7/13/2020. Director Schonauer also advised the groundwater levels are dropping.

Manager Cavagnolo updated the Board on the Glenn Groundwater Authority Joint TAC meeting he participated in.

- C. **The Board to review and consider revision of Conflict of Interest Code for 2020.**

Manager Cavagnolo reviewed with the Board the District’s Conflict of Interest Code for 2020. Manager Cavagnolo advised the Board Attorney Josh Horowitz reviewed the District’s current Conflict of Interest Code and stated no changes or revisions were needed.

After Board discussion, it was m/s/c (Jones/Schonauer) to approve the District’s Conflict of Interest Code for 2020. The vote was as follows:

Roll Call Vote

Mike Vereschagin: AYE

Ernie Pieper: AYE

John Erickson: AYE

Jim Jones: AYE

Chuck Schonauer: AYE

- D. **The Board to receive an update on current and future annexations.**

Manager Cavagnolo updated the Board on the status of the current and future annexations. Manager Cavagnolo advised the Board we are waiting on the final soil map on the Tuscan Land Annexation and we are still working our way through the Cal Worthington Trust Annexation.

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

Manager Cavagnolo updated the Board on the CVP Loan Conversion.

Manager Cavagnolo is still waiting on the Bureau to give us the amount we owe on the CVP Loan Construction. Manager Cavagnolo advised we are supposed to get the Contract from the Bureau in August which should show an amount owing. We should sign the Contract the 1st or 2nd week in November. Attorney Josh Horowitz advised the District to definitely pay the loan off in December.

Director Vereschagin suggested the District send a letter to Ernest Conant, USBR Region Director, requesting his help on getting the correct loan amount the District owes. Josh offered to look into this and see if he could get an adequate answer. If he cannot, he and Manager Cavagnolo will draft a letter from the Board addressing this issue.

F. **The Board to review proposed District 2021-2025 Water Charges and Loan Conversion Charge, and consider motion to authorize and direct staff to:**

Manager Cavagnolo reviewed with the Board the proposed District 2021-2025 Water Charges and Loan Conversion Charge. The Board decided to go with the \$8.1 million loan amount. After Board discussion it was m/s/c (Jones/Erickson) to set the proposed rate for the Loan Conversion Charge at a not to exceed amount of \$28.31. The vote was as follows:

Roll Call Vote

Mike Vereschagin: AYE

Ernie Pieper: AYE

John Erickson: AYE

Jim Jones: AYE

Chuck Schonauer: AYE

After Board discussion , it was m/s/c (Schonauer/Pieper) to direct staff to 1)send each landowner the cover letter and the Prop 218 Notice next week giving over a 45 day review period regarding the proposed District 2021-2025 Operations and Volumetric Charges and the new Loan Conversion Charge, 2) to set a landowner informational meeting for August 19th at 6:00 p.m., and to set the public hearing for September 15th at 1:30p.m. The vote was as follows:

Roll Call Vote

Mike Vereschagin: AYE

Ernie Pieper: AYE

John Erickson: AYE

Jim Jones: AYE

Chuck Schonauer: AYE

Manager Cavagnolo advised the Board we will have the Staff Report and the Policy available on our website at oawd.org and it will also be available at the District office if someone wants a copy.

G. **Drought year planning.**

Manager Cavagnolo reviewed with the Board the letter from Maxwell Irrigation District (MID) proposing an additional 7-year water transfer which would end February 28, 2028. The MID Board requested the following changes to the current long-term transfer agreement:

- 1) Propose an additional 7-year term.
- 2) Propose wet year premium change in 100% supply for both Districts from \$7 to \$10.
- 3) Propose wet year premium change in 100% supply MID allocation & 90-99% OAWD allocation from \$10 to \$13.
- 4) Propose all other pricing columns to remain the same.
- 5) Propose adding committed water in worst case scenario of 75% MID supply from 1,000-acre feet to 1,200-acre feet.

Manager Cavagnolo discussed with the Board the above request. Manager Cavagnolo advised the Board he feels strongly that the MID Water Transfer is very important to our District especially on short water years. After Board discussion, Director Erickson suggested Manager Cavagnolo talk to MID about a counter proposal increasing #5 from 1,200-acre feet to as much as 2,500-acre feet. Manager Cavagnolo will contact MID regarding a counter proposal. No action was taken.

ADJOURNMENT:

Being there was no further business, President Vereschagin adjourned the meeting at 3:07 p.m.

Respectfully Submitted,



Emil Cavagnolo
Manager

APPROVED 08/18/2020