

**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)  
P. O. BOX 218 ORLAND, CALIFORNIA 95963  
Telephone (530) 865-4304 • Fax (530) 865-8497

**SPECIAL MEETING  
OF THE  
BOARD OF DIRECTORS**

**MINUTES**

**FEBRUARY 18, 2020**

**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  
Brant Smith, Backstrom McCarley Berry & Co., LLC  
Jennifer Buckman, Bartkiewicz/Kronick & Shanahan

**MINUTES APPROVAL:**

The minutes of the January 21<sup>st</sup> Board meeting were reviewed. After Board discussion, it was m/s/c (Erickson/Jones) to approve the minutes as mailed. The vote was as follows:

AYES: E. Pieper, J. Erickson, J. Jones  
ABSENT: C. Schonauer  
ABSTAIN: M. Vereschagin

**PUBLIC FORUM:**

No one from the public was present to address the Board.

**FINANCIAL TRANSACTIONS:**

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

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones,  
ABSENT: C. Schonauer

**APPROVE PAYMENT OF CHECKS:**

The Board reviewed the check register. After Board discussion, it was m/s/c (Pieper/Jones) to approve checks #12184 thru #12236 by the following vote:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones,  
ABSENT: C. Schonauer

**WATER SUPERINTENDENT’S REPORT:**

**A. Operations Report**

Water Superintendent Chris Drouillard updated the Board on District operations. Chris advised the Board Justin has been spraying around the office and the pumping plants and greasing the screens at all of the plants. We are running some water and will be checking all of the pumping plants five days a week.

**B. Water Usage**

Chris stated no water was billed for the month of January. So far this month we have delivered approximately 89 acre-feet of water.

**C. Well Operations & Depths**

Chris advised the Board Deep Well #1 is at 110.4 ft., Deep Well #2 is at 103.1 ft., and the Monitoring well is at 45.2 feet. Chris reported Deep Well #1 is up 3 feet, Deep Well #2 is up 3.1 feet, and the Monitoring Well is up .6 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 all of the District vehicles are good right now.

**E. Update on Water Quality**

Chris informed the Board the canal has been clean.

**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 updated the Board on the Tehama-Colusa Canal Authority activities and the meeting he attended on 2/05/2020 and the special meeting he attended on 2/14/2020.

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

Manager Cavagnolo updated the Board on the Glenn Groundwater Authority activities and the Board meeting he attended on 2/10/2020.

Brant Smith arrived at approximately 12:00p.m.

**C. The Board to consider reallocating General Reserve funds to meet targeted reserve goals.**

Manager Cavagnolo discussed and reviewed with the Board reallocating General Reserve funds to meet targeted reserve goals. After Board discussion, it was m/s/c (Erickson/Jones) to approve reallocating General Reserve funds to meet District targeted reserve goals. The vote was as follows:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones  
ABSENT: C. Schonauer

**D. The Board to review and discuss letter from landowner Bill Clarke.**

Manager Cavagnolo reviewed with the Board the letter the District received from landowner Bill Clarke regarding the District Operations Charge, which was included in the Board packet. Mr. Clarke is asking the Board to reconsider charging the Operations Charge to landowners who do not use water. After Board discussion, it was decided the District will send a letter explaining why the District charges the Operations Charge to all landowners that are able to use District water, which our attorney will review, to landowner Bill Clarke. The letter will be signed by Manager Cavagnolo and President of the Board Mike Vereschagin.

**E. The Board to discuss and consider the draft OAWD Ethics Policy.**

Manager Cavagnolo reviewed with the Board the draft OAWD Ethics Policy which was included in the Board packet which Andrea Jones had prepared and Attorney Josh Horowitz had reviewed and edited. After Board discussion, it was m/s/c (Erickson/Pieper) to approve and adopt the OAWD Ethics Policy by the following vote:

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones  
ABSENT: C. Schonauer

**F. The Board to receive an update on current annexations.**

Manager Cavagnolo updated the Board on the status of the current annexations. Manager Cavagnolo advised the Board the Cal Worthington Trust annexation was approved by Glenn LAFCo, is recorded, and will be sent to the State Board of Equalization. Tuscan Lands will finish its last public posting and should be approved at LAFCo's 3/09/2020 meeting.

**G. The Board to discuss and consider setting 2020 water rates.**

Manager Cavagnolo reviewed with the Board the 2020 Water Rates summary he had prepared and passed out showing water rates based on the different water allocation scenarios. Manager Cavagnolo advised the Board the Bureau is supposed to announce the initial water allocation on February 25<sup>th</sup>. After Board discussion it was m/s/c (Erickson/Jones) to give the manager authority to base the water rates on the water allocation and the water rates summary he prepared for today's Board meeting. The water rate will be rounded up to the nearest .50 cents. After the Bureau makes their water allocation announcement, Manager Cavagnolo will send out a landowner newsletter with the water rates and a water application.

AYES: M. Vereschagin, E. Pieper, J. Erickson, J. Jones  
ABSENT: C. Schonauer

Director Schonauer arrived at approximately 12:30p.m.

**H. The Board to receive a presentation on financial options for USBR loan payoff by Brant Smith of Backstrom McCarley Berry & Co., LLC.**

Brant Smith, Managing Director of Backstrom McCarley & Co., LLC gave a presentation to the Board of Directors on financial options for USBR loan payoff and answered any questions the Board had.

Jennifer Buckman, Bartkiewicz/Kronick & Shanahan, arrived at approximately 1:50p.m.

**I. The Board to consider giving the general manager authority to sign Letter of Engagement to secure the services of Backstrom McCarley Berry & Co., LLC. as financial advisors.**

Manager Cavagnolo reviewed with the Board the draft Engagement Letter from Backstrom McCarley Berry & Co., LLC, which was included in the Board packet, to provide municipal advisory services to Orland-Artois Water District in the refinancing of outstanding USBR loans. After Board discussion, it was m/s/c (Pieper/Jones) to approve securing the services of Backstrom McCarley Berry & Co., LLC. Manager Cavagnolo will sign the Letter of Engagement.

**J. The Board to receive an update for WIIN Act Loan Conversion.**

Jennifer Buckman, Bartkiewicz/Kronick & Shanahan, gave a presentation on the WIIN Act Water Service Contract Amendment and answered any questions the Board had.

Brant Smith departed at approximately 2:20p.m.

**K. CLOSED SESSION: Existing Litigation [Government Code Section 54956.9(d)(1)]:  
A Discussion on the State Water Resources Control Board's Bay-Delta Water  
Quality Control Plan Update Proceedings.**

The Board went into closed session at 2:23p.m. to discuss the State Water Resources Control Board's Bay-Delta Water Quality Control Plan Update Proceedings. Jennifer Buckman, Manager Cavagnolo and all of the Board of Directors were present in closed session. The Board came out of closed session at 3:10p.m. No action was taken.

**ADJOURNMENT:**

Being there was no further business, President Vereschagin adjourned the meeting at 3:15 p.m.

Respectfully Submitted,

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

Emil Cavagnolo  
Manager