

**PACHECO WATER DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
MEETING MINUTES**

**January 21, 2021**

A regular meeting of the Board of Directors was held on January 21, 2021, at 9 am, via web and teleconference per Governor Newsom's Executive Order N-29-20. Those present via Zoom at the meeting were:

Directors Present: Aaron Barcellos, President  
David Parreira, Vice-President  
George Delgado, Director  
Lance LeVake, Director  
Alec Smith, Director

Others Present: Tom Boardman, Westlands Water District  
Michael Gardner, Water & Land Solutions, LLC  
Chase Hurley, Water & Land Solutions, LLC  
Dana Hurley, Water & Land Solutions, LLC  
Lauren Layne, General Counsel  
Palmer McCoy, Grassland Basin Authority

**CALL TO ORDER:** President Barcellos called the meeting to order at 9 am

**ROLL CALL:** A quorum of the Board of Directors was present, as were its officers.

**REVIEW OF THE AGENDA:** Mr. Hurley stated that there were no proposed changes to the agenda

**POTENTIAL CONFLICTS OF INTEREST:** There were no conflicts of interest.

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MINUTES**

On a motion by Director Parreira and seconded by Director LeVake, the minutes of the Special Board Meetings of September 17, 2020, December 23, 2020 and January 15, 2021, and the Special Adjourned Meeting of December 28, 2020, were approved. It was duly noted in the motion that Director Pareira was abstaining from the vote pertaining only to the January 15, 2021 meeting. The roll call vote on the matter was as follows:

|         |                                   |          |  |
|---------|-----------------------------------|----------|--|
| Ayes:   | Barcellos, Delgado, LeVake, Smith | Nays:    | None                                     |
| Absent: | None                              | Abstain: | Parreira (Jan. 15 <sup>th</sup> meeting) |

**THE BOARD TO REVIEW AND APPROVE THE 2021 DISTRICT BOARD MEETING CALENDAR**

Upon a motion by Director Smith and seconded by Director Parreira, the 2021 Board Meeting Calendar was unanimously approved as submitted by Mr. Hurley. The roll call vote on the matter was as follows:

|         |   |          |      |
|---------|---|----------|------|
| Ayes:   | Barcellos, Parreira, Delgado, LeVake, Smith | Nays:    | None |
| Absent: | None  | Abstain: | None |

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE DISTRICT'S INVESTMENT POLICY**

Upon a motion by Director LeVake and seconded by Director Delgado, the District's investment policy was unanimously approved as presented with no changes by Mr. Hurley. The roll call vote on the matter was as follows:

|       |   |       |      |
|-------|---|-------|------|
| Ayes: | Barcellos, Parreira, Delgado, LeVake, Smith | Nays: | None |
|-------|---|-------|------|

Absent: None Abstain: None

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE TREASURER'S REPORTS FOR THE QUARTERS ENDING SEPTEMBER 30, 2020 AND DECEMBER 31, 2020.**

Upon a motion by Director Parreira and seconded by Director Smith, the Treasurer's reports for the quarters ending September 30, 2020 and December 31, 2020 were unanimously approved as presented by District treasurer Mrs. Hurley. The roll call vote on the matter was as follows:

Ayes: Barcellos, Parreira, Delgado, LeVake, Smith Nays: None  
Absent: None Abstain: None

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE JANUARY 2021 FINANCIAL REPORT**

Upon a motion by Director LeVake and seconded by Director Parreira, the Board unanimously approved the financial report and the payable list totaling \$81,706.72 as presented by Mrs. Hurley. The roll call vote on the matter was as follows:

Ayes: Barcellos, Parreira, Delgado, LeVake, Smith Nays: None  
Absent: None Abstain: None

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE DEPRECIATION SCHEDULE AND LIQUIDATION LIST**

Mr. Hurley stated that the depreciation schedule has been thoroughly reviewed by staff, Panoche Water District and the District's auditor. Staff has highlighted equipment that it recommends keeping in inventory and those items that it should liquidate. If the board agrees, then staff will move all equipment out of the Panoche shop and liquidate the other items. Upon a motion by Director Parreira and seconded by Director Delgado, the board unanimously approved the depreciation schedule and liquidation list. The roll call vote on the matter was as follows:

Ayes: Barcellos, Parreira, Delgado, LeVake, Smith Nays: None  
Absent: None Abstain: None

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF LUMP SUM PAYMENT RELATING TO WIIN ACT SECTION 4011**

Ms. Layne reviewed the latest WIIN Act activities relating to the Court Validation process, the Reclamation Reform Act (RRA) and the Lump Sum Payment that is due prior to March 1, 2021. Mr. Hurley stated that the approximate lump sum payment is \$1,030,958.00; but would need to be verified once again by the Bureau of Reclamation prior to payment. Ms. Layne reminded the board that the lump sum payment must be paid in full prior to the Bureau of Reclamation relieving District landowners and water users of RRA obligations. President Barcellos stated that the District has worked hard to get to this point and it is a relief to know that the fully executed WIIN Act contract is now in our possession. Upon a motion by Director Parreira and seconded by Director LeVake, the board unanimously approved staff moving forward with processing the lump sum payment to the Bureau of Reclamation. Mr. Hurley stated that he would contact the Bureau, verify the payment amount of approximately \$1,030,958.00 and then process the check. The roll call vote on the matter was as follows:

Ayes: Barcellos, Parreira, Delgado, LeVake, Smith Nays: None  
Absent: None Abstain: None

**THE BOARD TO REVIEW DRAFT #1 OF THE FY2021 WATER AND OPERATIONS BUDGETS**

Mr. Hurley reviewed various items relating to the draft 2021 water and operations budgets. He stated that the final O&M budget would be based on two main factors: (1) Estimated deliveries due to the dry

year allocation scenarios and (2) Ultimate conversion of Water and Land Solutions taking over all water operation activities. Staff will continue to work on the draft budgets and answer any questions from directors prior to the March board meeting.

**WATER SUPPLY (Sep 1<sup>st</sup> – Dec 31<sup>st</sup>): Mike Gardner**

- a. Usage to date: 8,779 af
- b. Usage: Sep thru Dec 1,565 af
- c. USBR Water Balance: 71 af
- d. Shasta Reservoir Storage: 46% of Capacity and 70% of Historical Average
- e. San Luis Reservoir Storage: 49% of Capacity and 67% of Historical Average

Mr. Gardner stated that all laterals are still receiving a blended water supply from the District wells and the two groundwater wells that have signed up under the District's well pump in policy. It looks like the 1,700 acre-feet (AF) of developed groundwater might be consumed within the District boundary by year end. Tom Boardman (Water Resources Engineer for Westlands Water District) gave a detailed report on the 2021 water supply forecast.

**OPERATIONS: Mike Gardner**

- a. Routine Maintenance: Staff continues to perform base maintenance on all pump, motors and discharge pipes throughout the boundary. It is also focused on repairing various sluffs along lateral #3.
- b. Master Plan Facilities: Staff is continuing to make progress on future recommendations to the board of directors. Due to the fact that the District is paying their WIIN Act capital debt repayment from cash reserves, Mr. Hurley followed up by stating that any 2021 facility upgrades may involve partnering with a bank for a multi-year loan package.
- c. Ditch Tender Position: Staff is working on the final transition step of replacing the last ditch-tender position by March 1, 2021.

**DRAINAGE MANAGEMENT: Mr. Gardner**

The water quality objectives for the Drainage Group have been met for the months of September, October, November and December. The installation of the real time monitoring hardware on the Pacheco Water District tile sumps is still on track for installation in the spring of 2021.

Mr. Gardner introduced Palmer McCoy and asked him to give the board an update on the Grassland Basin Authority (GBA). Mr. McCoy stated that the GBA is still transitioning all administrative and operations activities from Panoche Water District. The ultimate goal is for the GBA to have a minimum number of full-time employees to handle the core activities and then sub-contract temporary help during the year from a professional labor contractor. The GBA will be formalizing their 2021 budget in February and hope to have board approval prior to March 1, 2021. Pacheco Water Districts share of the 2021 GBA budget will then be part of the District budget process for 2021.

**GENERAL MANAGER'S REPORT: Mr. Hurley**

- a. Sustainable Groundwater Management Act: Mr. Hurley stated that the local Delta Mendota Groundwater Sustainability Agency is focused on a multitude of administrative and modeling activities. Two items that Pacheco is focused on in the next two months are the development and approval of the 2021 budget and finalizing the Groundwater well audit papers. Staff will work closely with the GSA on filling out the paperwork for Pacheco's deep well and the mitigation wells along the San Luis Canal. Mr. Gardner will also work with the three District landowners to assure they fill out their audit paperwork for their groundwater wells.

- b. Management Transition Update: The last step of replacing the final ditch tender should be accomplished by March 1, 2021. The balance of all other activities has already been accomplished. The final two items that need to be accomplished are (1) the electronic copying of all files on the Panoche system and (2) moving the RRA forms out of the Panoche office after the USBR has performed their final RRA audit under the WIIN Act contract conversion process.

**REPORT ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3):** No other items

**CLOSED SESSION:** The Board went into closed session at 10:40 a.m.

- a. Conference with Legal Counsel – Existing Litigation

Closed session pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9.

Name of case: AQUALLIANCE, et al. v. The United States Bureau of Reclamation, et al. (filed May 11, 2020)

- b. Conference with Legal Counsel – Anticipated Litigation

Closed session pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9:  
(1 case)

**RETURN TO OPEN SESSION:** The Board returned to open session at 10:58 a.m. President Barcellos stated that there were no reportable actions.

**FUTURE MEETING DATES**

The next regularly scheduled meeting is scheduled for March 18, 2021.

**ADJOURNMENT**

With no further business on the agenda, President Barcellos adjourned the meeting at 11:03 a.m.



Aaron Barcellos, President



Chase Hurley, Secretary