

**PACHECO WATER DISTRICT
MEETING OF THE BOARD OF DIRECTORS
MEETING MINUTES
NOVEMBER 18, 2021**

A regular meeting of the Board of Directors was held on November 18, 2021, at 9 am, via Zoom and teleconference per Governor Newsom's Executive Order N-12-21. Those present at the meeting were:

Directors:	Aaron Barcellos, President
	David Parreira, Vice-President
	George Delgado, Director
	Lance LeVake, Director
Others:	Josh Bunch, Water & Land Solutions, LLC
	Michael Gardner, Water & Land Solutions, LLC
	Chase Hurley, Water & Land Solutions, LLC
	Ryan Jolley, Bryant L. Jolley CPA
	Lauren Layne, General Counsel
	Austin Morelli, Yosemite Farm Credit

CALL TO ORDER President Barcellos called the meeting to order at 9:05 am.

ROLL CALL A quorum of the Board of Directors was present. Director Smith was absent.

REVIEW OF THE AGENDA There were no changes to the agenda.

POTENTIAL CONFLICTS OF INTEREST There were no conflicts of interest.

PUBLIC COMMENT There was no public comment.

THE BOARD TO REVIEW AND CONSIDER APPROVAL OF RESOLUTION # 99-21

Upon a motion by Director Levake and seconded by Director Parreira, the board unanimously approved Resolution # 99-21 related to State Assembly Bill 361 on COVID related activities for public meetings.

The roll call vote on the matter was as follows:

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

APPROVAL OF MINUTES

On a motion by Director Delgado and seconded by Director Parreira, the September 16, 2021, and October 14, 2021, minutes, were unanimously approved. The roll call vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE TREASURER'S QUARTERLY INVESTMENT REPORT ENDING OCTOBER 31, 2021

Upon a motion by Director Parreira and seconded by Director Levake, the Board unanimously approved the quarterly investment report as presented by Mr. Hurley. The roll call vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE OCTOBER 31, 2021, FINANCIAL REPORT

Upon a motion by Director Levake and seconded by Director Parreira, the Board unanimously approved the financial report and payable list as presented by Mr. Hurley. The roll call vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE FEBRUARY 28, 2021, FINANCIAL AUDIT REPORT

Upon a motion by Director Delgado and seconded by Director Parreira, the Board unanimously approved the financial audit report as presented by Mr. Jolley. The roll call vote on the matter was as follows:

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

BOARD TO REVIEW AND CONSIDER A LINE OF CREDIT WITH YOSEMITE FARM CREDIT

Mr. Hurley and Mr. Gardner reviewed a couple of options related to financing with Yosemite Farm Credit for some of the District's capital and deferred maintenance projects. The directors asked a few questions of Mr. Morelli and asked that staff continue to work with Yosemite Farm Credit on a loan package that could be spread over 3-5 years. President Barcellos asked that this item be tabled to the next board meeting.

BOARD TO REVIEW AND CONSIDER APPROVAL OF RESOLUTION #100-21-AUTHORIZING THE PACHECO BOARD PRESIDENT AND SECRETARY TO BORROW MONEY FOR MAINTENANCE PROJECTS ON BEHALF OF PACHECO WATER DISTRICT

This item was tabled to next board meeting by President Barcellos

BOARD TO REVIEW THE FIRST DRAFT OF A DISTRICT FINANCIAL RESERVE POLICY

Mr. Hurley reviewed assorted options for the development of a Financial Reserve Policy that would be used as a guidance document for future annual budgets. The board provided some input on various items and stressed the need to have the policy be as flexible as possible to take into account the variability in water year types. Ms. Lane agreed to take Mr. Hurley's outline and formulate it into a policy document that can be reviewed at a future board meeting.

WIIN ACT CONTRACT CONVERSION UPDATE

Mr. Hurley stated that the District has yet to receive their final RRA Compliance letter.

WATER SUPPLY: Mike Gardner

- | | |
|---|---|
| a. Usage to date (March 1 st – October 31 st): | 8,139 af |
| b. USBR Water Balance: | 124 AF |
| c. Shasta Reservoir Storage (Nov 11, 2021): | 24% of Capacity and 44% of Historical Average |
| d. San Luis Reservoir Storage (Nov 11, 2021): | 20% of Capacity and 42% of Historical Average |

September blended water quality at Lateral 6:	1,078 TDS	1.9 Boron
---	-----------	-----------

October blended water quality at Lateral 6:	530 TDS	.70 Boron
---	---------	-----------

DRAINAGE MANAGEMENT: Chase Hurley

- a. Grassland Basin Authority (GBA)
 - i. The GBA is still focusing on fine-tuning their O&M budgets relating to capital projects, equipment repair, maintenance, and labor.
 - ii. The GBA agreed to send out their second installment for dues based on the original approved budget. GBA staff had indicated that there was a chance to reduce the second installment based on current budgeted expenditures. The GBA board agreed to keep the dues the same and if there were excess funds at the end of the audited year, they could go to reserves.
- b. Grassland Basin Drainers
 - i. Nothing new to update.

OPERATIONS: Mike Gardner

- a. Routine Maintenance Update: The Water Operators are continuing to perform weekly maintenance on all the water conveyance and tile sump pumps as well as coordinating the aquatic herbicide applications with Panoche Water District. Mr. Gardner also stated that the big focus now is servicing all water meters in the district. The district completed a 4-hour training class with McCrometer Inc. The district has 71 water meters.
- b. Mr. Gardner reviewed the following detailed list of 9 maintenance items that need to get done this year.

Proposed Maintenance Projects
2021-2022

		Estimate
1	Remove silt from Lift 1 by pumps-repair grates	\$10,000
2	Repair concrete ditches-Lat 4, Ext 6, & Lat 7	\$15,000
3	Build up North bank of Lateral 4	\$32,000
4	Clean silt out of Master Drain and build up South bank	\$12,000
5	Install new weir in the Master Drain	\$2,700
6	Repair Tile Sump 308 pipeline into ditch	\$1,500
7	Repair plastic liner on Lateral 3	\$88,152
8	Install 15" pipeline from Lift 6 to Lateral 7	\$68,000
9	Investigate Pacheco Well # 4-Rehab	\$33,000
	Total	\$262,352

The Board gave direction to complete items 1 through 8.

GENERAL MANAGER'S REPORT

- a. Sustainable Groundwater Management Act: Mr. Hurley stated that the current focus of the local GSA is submission of applications to DWR for the non-competitive grant funds. Each sub basin will receive approximately \$7,300,000 that they can use to help meet their sustainability goals. The applications are due in January. DWR has yet to comment on any local Groundwater Sustainability Plans that were submitted in January 2020.
- b. San Luis & Delta Mendota Water Authority (SLDMWA): Mr. Hurley stated that the SLDMWA management team would still like to introduce themselves to our board once the board meets back in person. The San Luis Transmission Project and rehabilitation of the Sisk Dam at San Luis

Reservoir are two large cost sharing construction projects that will be the continued focus of its finance committee.

WATER RESOURCE PLAN

Mr. Hurley reviewed an initial outline of what a water resource plan could look like for the District. He received input from the Directors and guidance on how to incorporate these bullet points into future water resource decisions. The board agreed to have Mr. Hurley refine these points and transition them into a document that be used starting in the 2022 water year. Mr. Hurley agreed to bring back a second draft at the January 2022 meeting.

REPORT ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3):

Mr. Hurley asked if the board members would be available for a special meeting in early December to review the Yosemite Farm Credit loan proposal, as well as giving staff direction on the final 2021 supplemental well water rate. All the directors agreed to a special meeting and President Barcellos asked staff to coordinate the meeting date once all the Yosemite Farm Credit documents have been revised and updated.

CLOSED SESSION: The Board went into closed session at 11:22 am

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 11:28 am. President Barcellos stated that there were no reportable actions.

FUTURE MEETING DATES

The next regularly scheduled meeting is scheduled for January 20, 2022 at 9am.

ACTION ITEMS

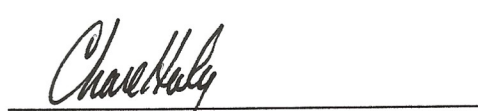
1. Work with Yosemite Farm Credit (YFC) to split the proposed loan into 2 categories (1. Operating line of credit and 2. Capital expenditures) in the combined amount of \$750,000. Make sure Austin from YFC is available for the next special board meeting.
2. For the December special board meeting, add items 11 & 12
3. Email the DRAFT reserve policy and DRAFT water resources plan to the board.
4. Change the next board meeting date to the correct year
5. Email Dan Sanders from Streamline Systems to follow up on the well treatment proposal

ADJOURNMENT

With no further business on the agenda, President Barcellos adjourned the meeting at 11:31 am.



Aaron Barcellos, President



Chase Hurley, Secretary