

**PACHECO WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS
MEETING MINUTES
September 17, 2020**

A special meeting of the Board of Directors was held on September 17, 2020, at 10 am, via web and teleconference per Governor Newsom’s Executive Order N-29-20. Those present at the meeting were:

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

Others Present: Michael Gardner, Water & Land Solutions, LLC
Chase Hurley, Water & Land Solutions, LLC
Dana Hurley, Water & Land Solutions, LLC
Lauren Layne, General Counsel

CALL TO ORDER: President Barcellos called the meeting to order at 10:05 a.m.

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

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 LaVake, the Board unanimously approved the regular board meeting minutes of July 16, 2020 and the special board meeting minutes of August 17, 2020. 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 SEPTEMBER 2020 FINANCIAL REPORT

Mrs. Hurley reviewed the Financial Report ending August 31, 2020 and answered a couple of questions. Upon a motion by Director Parreira and seconded by Director LeVake, the Board unanimously approved the financial report and the payable list totaling \$860,956.65 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 CONSIDER APPROVING THE FORMATION OF A FINANCE COMMITTEE AND HAVING THE BOARD PRESIDENT APPOINT TWO DIRECTORS TO SUCH COMMITTEE

Mr. Hurley stated that staff is recommending forming an ad hoc finance committee in order to help provide policy and finance guidance for repayment of the USBR capital debt through the WIIN Act refinancing and incorporating other financing options for further modernizing the district’s conveyance system. Ms. Layne stated that if the committee was being formed to just discuss these two items, then she would recommend that it be an “Ad Hoc” Committee. President Barcellos stated that he thought that it was a great idea and would be much more efficient than having to call a special board meeting of all the

directors. After some discussion, President Barcellos appointed Director Delgado and Director LeVake to the Ad Hoc Committee focused on WIIN Act contract conversion and system modernization financing.

THE BOARD TO REVIEW AND CONSIDER APPROVAL OF CONFLICT OF INTEREST CODE WITH NO CHANGES

Ms. Layne stated that the Board updated their conflict of interest code earlier this year and based on mandated calendar updates, have to approve it once again. She noted that there are no changes needed and recommended board approve the Code in its current format. Upon a motion by Director Delgado and seconded by Director Parreira, the Board unanimously approved the Conflict of Interest Code with no changes. The roll call vote on the matter was as follows:

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

WATER SUPPLY & OPERATIONS (Mar 1st – August 31st): Mike Gardner

- a. Usage to date: 6,961 af
- b. Usage in July & August: 3,056 af
- c. USBR Water Balance: 399 af
- d. Shasta Reservoir Storage: 50% of Capacity and 81% of Historical Average
- e. San Luis Reservoir Storage: 47% of Capacity and 107% 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 1,500 acre-feet (AF) of developed groundwater might be consumed within the District boundary by year end. Mr. Gardner also stated that staff is working on acquiring some additional supplies (approx. 800 af) through an exchange with a neighboring CVP contractor. The board agreed with this approach and gave staff direction to move forward with acquiring approximately 800 AF that could be used prior to February 28, 2021.

DRAINAGE MANAGEMENT REPORT: Mr. Gardner

The water quality objectives for the Drainage Group have been met for the months of July and August. The installation of the real time monitoring hardware on the Pacheco WD tile sumps is still on track for installation in the spring of 2021. Mr. Barcellos updated the group on the status of the new Grassland Basin Authority (GBA) formed to manage all activities withing the San Joaquin River Improvement Project. The JPA is governed by a board consisting of membership of Panoche Water District, Pacheco Water District, Charleston Drainage District, Camp 13 Drainers and Firebaugh Canal Water District. They have hired Palmer McCoy of Los Banos as their Executive Director. Mr. McCoy has been on the job for approximately six weeks and is doing a good job so far. The JPA is working on proposed new operating budgets for next year, new policy development, employee hiring and transition and relationship building with the Bureau of Reclamation.

WIIN ACT SECTION 4011 UPDATE: Mr. Hurley

The Bureau of Reclamation sent out the official draft Pacheco Water District Contract for a 60-day public comment period in early August of 2020. The Bureau will compile all comments and then hopes to have their responses incorporated into the process in early November. If all goes well, the Bureau would hope to have a contract ready for signature in mid to late November. Pacheco has agreed to make a lump sum payment as part of the WIIN Act conversion. On the current timeline, this payment would be due in late November or early December. Mr. Hurley and the Ad Hoc committee will review the status of Pacheco reserve funds to quantify that the current fund balance will cover the necessary payment.

MASTER FACILITIES PLAN UPDATE: Mr. Hurley

Staff is continuing to make progress on future recommendations to the board of directors relating to a multi-year program to upgrade the conveyance system per the guidelines of the Master Plan document. Some of the “fixes” may occur this winter as part of routine operation and maintenance activities.

PANOCHÉ WATER DISTRICT MANAGEMENT TRANSITION UPDATE

Mr. Hurley stated that staff continues to work with Panoche Water District on administrative transition items leading up to a clean break by March 1, 2021. Panoche is still in the process of invoicing Pacheco for all costs up to this point in time. As it relates to water operations, it is the goal to transition one of the two existing ditch tenders off the system in November.

GENERAL MANAGER’S REPORT: Mr. Hurley

- a. Sustainable Groundwater Management Act: Mr. Hurley and President Barcellos are continuing to track the progress of the local subbasin as it relates to implementing the local GSP.
- b. Prop 84 Grant for Westside Regional Drainage Plan: No update
- c. Federal Grant for Westside Regional Drainage Plan: No update
- d. Reclamations Demonstration Treatment Plan: No update
- e. Other: No other items to report on

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 11:00 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 11:16 a.m. Director Parreira authorized entering into a common interest agreement with several other public agencies executing WIIN Act conversion contracts. Director Delgado seconded the motion and it passed unanimously by roll call vote.

FUTURE MEETING DATES


The next regularly scheduled meeting is scheduled for November 19, 2020.

ADJOURNMENT

With no further business on the agenda, President Barcellos adjourned the meeting at 11:18 a.m.



Aaron Barcellos, President



Chase Hurley, Secretary