

**PACHECO WATER DISTRICT
BOARD OF DIRECTORS
SPECIAL MEETING MINUTES
SEPTEMBER 26, 2023**

A special meeting of the Board of Directors was held on September 26, 2023, at 9:00 am. Those present at the meeting were:

- Directors: David Parreira, President
Aaron Barcellos, Director
George Delgado, Director
Lance Levake, Director
Alec Smith, Director
- Others: Josh Bunch, Water & Land Solutions, LLC
Michael Gardner, Water & Land Solutions, LLC
Chase Hurley, Water & Land Solutions, LLC
Dan Hurley, Water & Land Solutions, LLC
Lauren Layne, General Counsel-Zoom
Palmer McCoy, Grassland Basin Authority

CALL TO ORDER

President Parreira called the meeting to order at 9:00 am.

PLEDGE OF ALLEGIANCE

President Parreira led those in attendance in the Pledge of Allegiance.

ROLL CALL

A quorum of the Board of Directors was present.

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 Barcellos and seconded by Director Levake, the July 21, 2023, minutes were unanimously approved. The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE AUGUST 31, 2023, FINANCIAL REPORT

Upon a motion by Director Smith and seconded by Director Delgado, the Board unanimously approved the Financial Report as presented by Mrs. Hurley. The vote on the matter was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF A REIMBURSEMENT TO PANOCHÉ WATER DISTRICT, THROUGH THE GRASSLAND BASIN AUTHORITY, FOR EXPENSES FRONTED ON BEHALF OF THE DISTRICT FROM 2017-2020 IN THE AMOUNT OF \$106,706.54

Mr. Hurley reviewed the details of an agreed upon settlement between the Grassland Basin Authority (GBA) and Panoche Water District for services rendered on lands within the San Joaquin River Improvement Project between 2017 and 2020. There has been some discrepancy between the two entities on the value of services provided along with authorization to invoice for such services without the appropriate back-up such as timecards, purchase orders, fuel records, etc. Mr. McCoy, general manager of the GBA, has been representing Pacheco and the other four entities within the group and he has recommended that the settlement is a fair outcome of negotiations on this issue that have dragged on for over a year. Upon a motion by Director Levake and seconded by Director Smith, the Board unanimously authorized a payment of \$106,706.54 to reimburse the Grassland Basin Authority (GBA) for prior expenses dating back to 2017 through 2020. The GBA is allowing Pacheco to pay back the debt over five years at a 1.75% interest rate. The first payment will start March 2024. The vote on the matter was as follows:

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

BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF THE SAN LUIS DELTA MENDOTA WATER AUTHORITY NORTH TO SOUTH WATER TRANSFER ACTIVITY AGREEMENT

Upon a motion by Director Barcellos and seconded by Director Delgado, the Board authorized execution of the San Luis Delta Mendota Water Authority North to South Water Transfer Activity Agreement. The vote on the matter was as follows:

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

BOARD TO REVIEW AND CONSIDER TAKING ACTION TO APPOINT CHASE HURLEY AS ITS AGENCY NEGOTIATOR FOR WATER PURCHASES

Upon a motion by Director Smith and seconded by Director Levake, the Board unanimously approved appointing General Manager Chase Hurley as its agency negotiator for water purchases. The vote on the matter was as follows:

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

WATER SUPPLY: Mike Gardner (March 1, 2023 – February 29, 2024):

Water Supply update through August 31, 2023

- a. Usage to date 6,576 AF
- b. Supplemental Water Balance: 0 AF
- c. Shasta Reservoir Storage (Sep. 19, 2023): 74% of Capacity and 130% of Historical Average
- d. San Luis Reservoir Storage (Sep. 19, 2023): 82% of Capacity and 199% of Historical Average

Water Quality

- a. San Luis Canal: 230 TDS
- b. CCID Outside Canal: 173 TDS

OPERATIONS: Mike Gardner

Mr. Gardner reported that operations have been going very smoothly. He also reported that Walter Borba was hired on August 31, 2023, as the new District Water Operator. Mr. Borba has learned the water conveyance system in a short time and is doing a great job.

Projects Update:

- a. Currently working with Summers Engineering on getting an estimate for expanding the ponds as it relates to the Sisk Dam Raise Project.

- b. Currently working on an estimate from McElvany Inc for the pipe replacement project on the San Luis Canal
- c. Currently waiting on PG&E to complete their transformer upgrade for the solar project.

Facilities Modernization:

- a. Currently working with Summers Engineering on getting a cost/benefit analysis on Laterals 3, 5 & 7 comparing a pressurized pipeline system to a standard concrete lined system.

DRAINAGE MANAGEMENT: Palmer McCoy

- a. Grassland Basin Authority (GBA) – Mr. McCoy
 - i. Mr. McCoy thanked the Directors for approving the reimbursement to the Grassland Basin Authority (GBA) for prior expenses dating back to 2017 through 2020.
 - ii. Based on cash flow issues, the GBA will have to delve into their reserve account to make it through the year. Due to the lack of drain water as an irrigation source, a second cutting on the Jose Tall Wheat Grass will not occur, which will greatly impact revenue generation.
 - iii. The electrical work has started on the new storage and conveyance facilities.
 - iv. The GBA, through Panoche Drainage District (PDD), has been using Prop 84 grant funds for the new storage and conveyance facilities project, but the monthly invoices to contractors have put a strain on PDD’s cash flow. Based on Prop 84 guidelines, all contractor invoices must be paid first and then submitted to the state for reimbursement. That process normally takes 30-90 days. Mr. McCoy is trying to figure out a way that is equitable for all the participants in the GBA to help with monthly cash flow in order not to have the onus solely on PDD.
- b. Grassland Basin Drainers
 - i. The GBA continues to investigate the possibility of merging the Grassland Basin Authority with the Grassland Basin Drainers to streamline procedures within the two agencies and cut costs.

GENERAL MANAGER’S REPORT: Chase Hurley

- a. Sustainable Groundwater Management Act: The latest call between the Delta Mendota subbasin team members and SWRCB staff resulted in more confusion and negative concepts. The SWRCB is still putting a lot of focus on the lack of accountability and focus on behalf of the subbasin as it relates to (1) Pre 2015 groundwater quality conditions and (2) a robust domestic well management program that includes a strategy for both dry wells and water quality objectives. Due to the focus on these two subjects, Delta Mendota subbasin staff was not able to get into the GSP’s management actions related to subsidence. Mr. Hurley and Ms. Layne reminded the board that the current date for the subbasin to go into probation if the new GSP isn’t approved by the SWRCB is September of 2024. Based on the latest round of discussions with SWRCB staff, the subbasin still has a lot of work ahead, in a short amount of time.
- b. Pacheco Water Resource Plan: The current focus of the plan is negotiating a multi-year water transfer from the Exchange Contractors through the San Luis and Delta Mendota Water Authority (SLDMWA). This transfer program will be discussed further in closed session.
- c. San Luis & Delta Mendota Water Authority
 - i. South of Delta Drought Contingency Plan: Members of the SLDMWA continue to work with the Bureau of Reclamation, the Friant Water Authority, and the Exchange Contractors on a framework and action plan to help support more flexible storage options that would better help manage supplies in water short years when Millerton lake water is needed to support and meet the Exchange Contractor’s demand. Mr. Hurley stated that the SLDMWA water contractors are holding steadfast that the current carryover

guidelines can't be put at risk for this Plan and that ultimately the Bureau needs to find other places to store this supplemental water other than San Luis Reservoir.

- ii. North of Delta Water Transfer Program: Mr. Hurley stated that the SLDMWA Activity Agreement that was approved earlier in the agenda will give Pacheco, along with other members of the SLDMWA, the ability to negotiate transfers for the 2024 year. It was noted that with current CVP storage and the likelihood of an average to wet winter, Pacheco will probably not need to participate in a North of Delta transfer program in 2024.

d. Legislation: No updates

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

No items to report.

CLOSED SESSION: At 10:30 am

RETURN TO OPEN SESSION: At 10:48 am

President Parreira stated that there were no reportable actions and staff was given direction.

FUTURE MEETING DATES

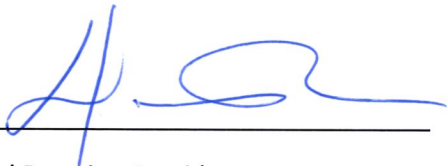
The next regularly scheduled meeting is November 16, 2023, at 9:00 am. Director Smith stated that he has a conflict and will not be able to attend.

ACTION ITEMS

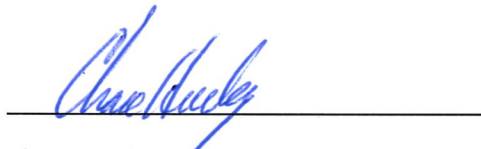
1. Staff to work with McElvany Inc. for a cost estimate on the San Luis Canal pipe replacement project.
2. Staff, in working with Legal Counsel, bring back to the board an acquisition policy for supplies and services that describes a monetary threshold relating to bids.

ADJOURNMENT

With no further business, President Parreira adjourned the meeting at 11:02 pm.



David Parreira, President



Chase Hurley, Secretary