

**PACHECO WATER DISTRICT
MEETING OF THE BOARD OF DIRECTORS
MEETING MINUTES
MARCH 17, 2022**

A regular meeting of the Board of Directors was held on March 17, 2022, at 9:00 am, via Zoom and teleconference per Governor Newsom's Executive Order N-09-21. Those present at the meeting were:

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

Others: Josh Bunch, Water & Land Solutions, LLC
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 Parreira called the meeting to order at 9:02 am.

ROLL CALL

A quorum of the Board of Directors was present.

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.

APPROVAL OF MINUTES

On a motion by Director Delgado and seconded by Director Levake, the January 20, 2022, and February 24, 2022, minutes, were unanimously approved. The roll call vote on the matter was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF THE TREASURER'S REPORT QUARTER ENDING DECEMBER 31, 2021

Upon a motion by Director Barcellos and seconded by Director Smith, the Board unanimously accepted the treasurer's report as presented by Mrs. Hurley. The roll call vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE FEBRUARY 28, 2022, FINANCIAL REPORT

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

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

BOARD TO REVIEW AND CONSIDER APPROVING THE DISTRICT RESERVE

Mr. Hurley presented the draft reserve policy and the Board decided to table this item to the May board of directors meeting.

THE BOARD TO REVIEW AND CONSIDER APPROVING DRAFT #3 OF THE 2022 ADMINISTRATIVE AND O&M BUDGET AND O&M RATE

Upon a motion by Director Barcellos and seconded by Director Delgado, the Board unanimously approved the 2022 O&M water budget at **\$1,135,030** and agreed to set the 2022 O&M rate at **\$131** per acre foot. The roll call vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVING DRAFT #3 OF THE 2022 DRAINAGE BUDGET AND ASSESSMENT RATE

Upon a motion by Director Delgado and seconded by Director Smith, the Board unanimously approved the 2022 drainage budget at **\$499,109** and agreed to set the 2022 land-based drainage assessment at **\$98** per acre and set the SGMA land-based assessment at **\$4.37** per acre. The roll call vote on the matter was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING THE 2022 WATER RATES

Upon a motion by Director Smith and seconded by Director Levake, the Board unanimously approved the 2022 CCID water rate at **\$151.80** per acre foot. The roll call vote on the matter was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING THE ALLOCATION OF WY 2022 CCID BLOCK 2 & 3 WATER

Upon a motion by Director Delgado and seconded by Director Levake, the Board unanimously approved allocating Block 2 (1,979 af) and Block 3 (573 af) of the CCID Railroad Water Contract. The roll call vote on the matter was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING THE WY 2022 GROUNDWATER CONVEYANCE POLICY

The Board reviewed the current draft of the Groundwater conveyance policy and gave staff direction as follows:

1. Add a conveyance fee component for landowners that want use the Pacheco conveyance system to convey their groundwater outside of the District boundary.
2. Include a first right of refusal to Pacheco if a landowner wants to convey their groundwater outside of the District.

3. Keep the blended water quality the same as last year at 1,500 TDS and 1.2 PPM Boron. Staff will make these changes to the policy and bring the policy back for review and approval at the May board of directors meeting.

BOARD TO REVIEW AND CONSIDER APPROVING THE WY 2022 GROUNDWATER CONVEYANCE LICENSE AGREEMENT

Since all Board members are conflicted on this item, they drew straws and Directors Barcellos, and Delgado drew the short straws, so they did not be vote on this item.

Upon a motion by Director Smith and seconded by Director Levake, the Board unanimously approved the 2022 groundwater conveyance license agreement and set the cost that the District would pay its landowners for well water at \$500 per acre foot. The roll call vote on the matter was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING THE LIFT 6 TO LATERAL 7 PIPELINE

Staff reviewed the three bids that the District received for the Lateral 6 to 7 pipeline connection. Upon a motion by Director Barcellos and seconded by Director Smith, the Board unanimously approved the pipeline proposal from Machado Backhoe in the amount of \$94,083. The roll call vote on the matter was as follows:

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

BOARD TO REVIEW A SOLAR PROPOSAL FROM BARRIER SOLAR

Mr. Gardner reported that the proposal from Barrier Solar has been reviewed and there is a potential to enter into a power purchase agreement so that the District would not have to come up with any money up front. The board asked staff to get another solar proposal and report back at the May board meeting.

WIIN ACT CONTRACT CONVERSION UPDATE

Mr. Hurley reported that the District received a letter from the United States Department of the Interior on February 2, 2022. The letter congratulated the District for completing repayment of its construction cost obligation to the United States and achieving exemption from the ownership and full-cost pricing provisions of Federal reclamation law.

WATER SUPPLY: Mike Gardner (March 1, 2021 – February 28, 2022):

- | | |
|---|---|
| a. Usage to date | 9,414 AF |
| b. USBR Water Balance: | 1,125 AF |
| c. Shasta Reservoir Storage (Mar 10, 2022): | 37% of Capacity and 50% of Historical Average |
| d. San Luis Reservoir Storage (Mar 10, 2022): | 44% of Capacity and 53% of Historical Average |
| January blended water quality at Lateral 6: | No groundwater was pumped in January |
| February blended water quality at Lateral 6: | No groundwater was pumped in February |

OPERATIONS: Mike Gardner

- Routine Maintenance Update: The Water Operators are continuing to service all seventy-one water meters in the district. Mr. Gardner reported that staff is about 85% through completing maintenance on all the meters.
- Mr. Gardner reported that all eight pre-approved winter projects are complete except for the Lift 6 to Lateral 7 pipeline project which will be completed by June 1, 2022.

DRAINAGE MANAGEMENT: Palmer McCoy

- a. Grassland Basin Authority (GBA)
 - i. The GBA approved their 2022 budget, and the cost went from \$37/Acre to \$27/Acre.
 - ii. The GBA will be building new ponds and will be going out to bid in April. The new ponds will alleviate the need for the current storage ponds west of Russell Avenue.
 - iii. The GBA will be starting its bird hazing program.
- b. Grassland Basin Drainers
 - i. Nothing new to report.

GENERAL MANAGER'S REPORT

- a. Sustainable Groundwater Management Act: Mr. Hurley reported on the following activities within the Delta Mendota Subbasin:
 - i. The 2021 Annual Report will be turned in on April 1, 2022.
 - ii. The 2021 Technical memorandum on subsidence within the basin is under internal review and should go public soon. Most of the costs of producing the document are paid by grant money.
 - iii. The sub basins coordinated GSP is under the 180-day review period as by state law to work on the defined deficiencies as described by DWR. There will be a lot of work and team effort to understand exactly what DWR needs to meet their expectations related to basin coordination, data collection and defined methodology's.
 - iv. The sub basin membership is going to spend time on refining the costa allocation methodology for most of the administrative activities within the SLDMWA budget.
- b. San Luis & Delta Mendota Water Authority (SLDMWA): Mr. Hurley gave a brief overview of the following items:
 - i. The SLDMWA has recently released a Request for Proposals for a Project Manager for the BF Sisk Dam Retrofit. They are also looking for financial partners to meet the stated goals and objectives of the expanded project description.
 - ii. With another zero percent CVP allocation to its member contractors, the SLDMWA is putting a lot of effort into minimizing the administrative budgets while holding down rates.

WATER RESOURCE PLAN

Mr. Hurley stated that staff will continue to use the draft Water Resource Plan outline as a guide to firming up the 2022 supplemental supply pool. Staff will bring back the Plan at a future board meeting for further refinement and approval.

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

There were no other items.

CLOSED SESSION: The Board went into closed session at 10:58 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 11:01 am. President Parreira stated that there were no reportable actions.

FUTURE MEETING DATES

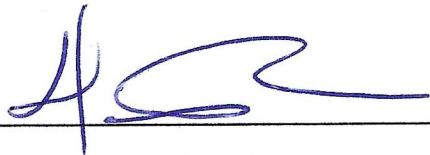
The next regularly scheduled meeting is scheduled for May 19, 2022, at 9am.

ACTION ITEMS

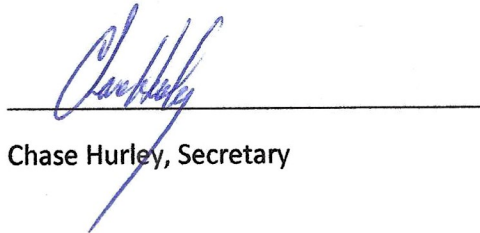
1. Staff to add well water to the WY 2022 allocation sheet and email to the Board and water users
2. Staff to email the WY 2022 CCID blended water rate to the Board and water users
3. Staff to update the Groundwater Conveyance Policy
4. Staff to update the District Groundwater Conveyance License Agreement.
5. Staff to update the District Reserve Policy
6. Staff to request a second solar proposal from a qualified company.

ADJOURNMENT

With no further business on the agenda, President Parreira adjourned the meeting at 11:02 am.

A handwritten signature in blue ink, appearing to be 'D. Parreira', written over a horizontal line.

David Parreira, President

A handwritten signature in blue ink, appearing to be 'Chase Hurley', written over a horizontal line.

Chase Hurley, Secretary