

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

A regular meeting of the Board of Directors was held on March 18, 2021, at 8am, via Zoom and teleconference per Governor Newsom's Executive Order N-29-20. Those present at the meeting were:

Directors: Aaron Barcellos, President  
David Parreira, Vice-President (left meeting at 9:45am)  
George Delgado, Director  
Lance LeVake, Director  
Alec Smith, Director

Others: Josh Bunch, Public  
Michael Gardner, Water & Land Solutions, LLC  
Chase Hurley, Water & Land Solutions, LLC  
Dana Hurley, Water & Land Solutions, LLC  
Jessica Johnson, Baker Manock & Jensen, PC  
Lauren Layne, General Counsel  
Palmer McCoy, Grassland Basin Authority

**CALL TO ORDER:** President Barcellos called the meeting to order at 8:04 am

**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 LeVake, the minutes of the Regular Board Meeting on January 21, 2021, were unanimously approved. The roll call vote on the matter was as follows:

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

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

Upon a motion by Director Delgado and seconded by Director Smith, the Board unanimously approved the financial report and payable list totaling \$1,353,666.93 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 2021 WELL PUMPING POLICY**

On a motion by Director Parreira and seconded by Director LeVake, the 2021 Groundwater Conveyance License Agreement was unanimously approved with additional language added to Recital "C" that now will read as follows: Whereas, on April 7, 2020, the District's Board of Directors adopted that certain "Groundwater Conveyance Policy" as amended on March 18, 2021, which is attached hereto as Exhibit "B" and incorporated herein by this reference (the "Policy"); and

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 PROPOSED WATER QUALITY STANDARDS AT INDIVIDUAL GROUNDWATER WELLHEADS AND FOR THE BLENDED WATER QUALITY**

On a motion by Director LeVake and seconded by Director Parreira, the Groundwater Conveyance Policy adopted by the board on April 7, 2020 was unanimously amended to allow for a 2021 blended water quality standard of 1,500 TDS and 1.2 ppm Boron. The wellhead standard remained the same at less than or equal to 1,500 TDS.

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 AN ENCROACHMENT LICENSE AGREEMENT WITH PG&E**

On a motion by Director LeVake and seconded by Director Delgado, the Encroachment License Agreement with PG&E was unanimously approved. The approved motion also gave direction to staff to work with legal counsel to develop a standard license agreement template for future use on other projects.

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 2021 ADMINISTRATIVE AND O&M BUDGETS**

After a thorough discussion, the Board decided to table this action item until a special board meeting is called in April. The board asked staff to review the following items and bring back for discussion in April:

1. Move the SGMA line item from the O&M budget into the Drainage budget
2. Move a percentage of the Ditch tenders labor cost into the Drainage budget
3. Review the WLS management service 85/15 split between water O&M and Drainage budget
4. In 2021, set up monthly billing from WLS to Pacheco for all reimbursable costs related to Ditch tender activities.

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE 2021 DRAINAGE BUDGET AND ASSESSMENT**

The Board decided to table this action item until a special board meeting is called in April.

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE 2021 OPERATIONS AND MAINTENANCE RATE**

The Board decided to table this action item until a special board meeting is called in April.

**WIIN ACT CONTRACT CONVERSION UPDATE**

Mr. Hurley stated that Pacheco made their third and final WIIN Act Capital obligation payment to the Bureau of Reclamation in the amount of \$1,550. This payment was based on Pacheco's M&I obligation off of the San Luis Canal. Pacheco's WIIN Act financial repayment obligations are now complete and the final item the District is waiting on is the USBR Denver office letter relating to compliance on Pacheco's summary RRA audit.

**WATER SUPPLY (Jan 1<sup>st</sup> – Feb 28<sup>th</sup>)**

- |                                |   |
|--------------------------------|---|
| a. Usage to date:              | 8,831 af                                      |
| b. Usage: Jan thru Feb         | 252 af  |
| c. USBR Water Balance:         | 71 af   |
| d. Shasta Reservoir Storage:   | 51% of Capacity and 66% of Historical Average |
| e. San Luis Reservoir Storage: | 56% of Capacity and 63% of Historical Average |

Mr. Gardner stated that the Bureau of Reclamation announced that the Exchange Contractors were declared "critical" and thus are only allowed 75% of their contract supply. Therefore, Pacheco's CCID water supply will be reduced 75% as well.

## **OPERATIONS**

- a. Routine Maintenance: Mr. Gardner reported that he has been working with Juan Cadena from Panoche Water District to get all maintenance duties transferred over to Pacheco. Pacheco is now performing the following:
  - i. weekly maintenance on all the conveyance pumps and tile sump pumps
  - ii. reading tile sump meters monthly
  - iii. obtaining levels on the observation wells
  - iv. obtaining tile sump water quality samples
  - v. obtaining deep well elevations twice a year.

Mr. Gardner reported that on January 28<sup>th</sup> and 29<sup>th</sup>, the District received 3.1" of rainfall that resulted in an unusual amount of runoff which caused quite a bit of damage to the District's laterals and roads. Machado Backhoe Service was hired to get the damage repaired.

Mr. Gardner also reported that he has been working with PG&E to change Pacheco's current rate structure to lower the annual power bills. The estimated savings in 2021 is projected to be \$55,000.

- b. Master Plan Facilities: Staff is continuing to make progress on future recommendations to the board of directors.
- c. Ditch Tender Position: The District now has 2 new Ditch Tenders in place. The new employees are Chase Ferreira and Garrett Guilford.
- d. Equipment Liquidation: The spray truck and flat bed truck have been retrieved from the Panoche equipment yard and are being stored at the WLS Pole Line office. The backhoe and grader will be junked within the next 60 days as approved by the board in January 2020.
- e. Board to Review District Solar Proposal: A proposal by Barrier Solar dated March 11, 2021 was reviewed. It calls for a 446.25 kW DC system at a contract price of \$694,000. The District owns property at the Recirculation Pond site that is big enough to construct the facilities. Mr. Gardner stated that this was a report item only and that staff was looking for input from the board. Staff couldn't recommend moving forward at this time based on the current level of reserve cash on hand and a 5% USBR water allocation this year. President Barcellos recommended that staff look into a leasing program with a "third party" who could qualify to tax credits. It is possible that a leasing program could decrease the overall cost to Pacheco. Mr. Gardner stated that staff will do more work on the proposal and bring it back to the board with other items that may be included in the overall facilities modernization program.

## **DRAINAGE MANAGEMENT**

Mr. McCoy reported the water quality objectives for the Drainage Group have been met for the months of January and February. He also stated that the Grassland Basin Authority (GBA) board of directors has worked very hard to thoroughly scrub the 2021 budget to efficiently manage the grassland bypass project while at the same time acknowledging the need to manage the budget during a drought year condition. The GBA has set their 2021 assessment at \$36.98/acre.



## GENERAL MANAGER'S REPORT

- a. Sustainable Groundwater Management Act: Mr. Hurley stated that the district continues to provide oversight and input to the local Delta Mendota Subbasin committees as they develop their financial budgets and work activities.

## 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 9:47 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.*, United States District Court for the Eastern District of California, Case No. 1:20-cv-878-DAD-EPG.

- B. Conference with Legal Counsel – Existing Litigation

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

Name of case: *Pacheco Water District v. All Persons Interested in the Matter of the Authorization of the Contract Between the United States and Pacheco Water District Providing for Project Water Service*, Merced County Superior Court, Case No. .21CV-00245.

- C. Conference with Legal Counsel – Existing Litigation

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

Name of case: *California Sportfishing Protection Alliance v. All Persons Interested in the Matter of the Validity of the Northern and Central Delta-Mendota Regions Groundwater Sustainability Plan, et al.*, Stanislaus County Superior Court, Case No. CV-20-001748 (Delta-Mendota Subbasin SGMA Challenge).

- D. 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 10:00 a.m. President Barcellos stated that there were no reportable actions.

## FUTURE MEETING DATES

The next regularly scheduled meeting is scheduled for May 20, 2021.

## ADJOURNMENT

With no further business on the agenda, President Barcellos adjourned the meeting at 10:02 a.m.



Aaron Barcellos, President



Chase Hurley, Secretary