

**PACHECO WATER DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
May 21, 2020**

A regular meeting of the Board of Directors was held on May 21, 2020, at 9:00 a.m., 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  
                                 Alec Smith, Director  
                                 Lance LeVake, Director  
                                 George Delgado, Director

District Staff:            Ara Azhderian, General Manager & Secretary  
                                 John Paul Otollo, Treasurer  
                                 Juan Cadena, Operations & Maintenance Supervisor  
                                 Lorena Chagoya, Ethics & Compliance Officer

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

**CALL TO ORDER**

President Barcellos called the meeting to order at 9:02 a.m.

**REVIEW OF AGENDA**

General Manager Azhderian reported that he had no proposed changes to the agenda.

**ROLL CALL**

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

**POTENTIAL CONFLICTS OF INTEREST**

Directors Barcellos and Delgado stated that they would recuse themselves from the discussion and vote for Agenda Item 13.

**PUBLIC COMMENT**

There was no public comment.

**DIVISION REPORTS**

**A. Juan Cadena: Operations & Maintenance**

- The District is averaging 30-40 cfs daily deliveries
- The repairs have been completed on the Spill Pond
- A booster pump and pipeline will be installed at the headworks of Lateral #6 prior to Groundwater being pumped into the District laterals. This pump would allow for the introduction of blended water into Lateral #7.

**B. John Paul Otollo: Administration**

- The District will need to finalize their FY2020-21 Drainage Budget and Drainage Assessment Fee in order for staff to move forward with the first installment billing.

Mr. Azhderian stated that staff would call for a special board meeting to get this accomplished within the next 7-10 days.

**C. Lorena Chagoya: Risk Management**

- Pacheco had their safety inspection walk through and was credited with a 96% score.

**APPROVAL OF DRAFT MINUTES**

On motion of Director Parreira, seconded by Director Delgado, the Board unanimously approved the draft minutes of April 7, 2021 and April 15, 2020 by roll call vote.

The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ACQUISITION OF YUBA ACCORD SUPPLEMENTAL WATER THROUGH THE SAN LUIS & DELTA MENDOTA WATER AUTHORITY AGREEMENT**

General Manager Azhderian informed the Board that the Yuba Accord agreement with the San Luis & Delta Mendota Water Authority is ready to move forward. Pacheco will need to make a decision on if they want to participate. Pacheco's share of the Yuba water would be 405-acre feet.

On motion of Director LeVake and seconded by Director Delgado, the Board unanimously approved the purchase of the Yuba Accord water in the amount of 405-acre feet by roll call vote.

The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE TREASURER'S QUARTERLY REPORT FOR THE PERIOD ENDING MARCH 31, 2020, CONSISTENT WITH THE DISTRICT'S INVESTMENT POLICY.**

Treasurer Otollo presented the Treasurer's Quarterly Report for the period ending March 31, 2020. On motion of Director Parreira and seconded by Director LeVake, the Board unanimously accepted the Quarterly Investment Report as submitted by Treasurer Otollo by a roll call vote.

The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE MONTHLY FINANCIAL STATEMENTS THROUGH APRIL 30, 2020**

Treasurer Otollo presented the Board with the Monthly Financial Statements through April 30, 2020. After review, and upon a motion by Director LeVake and seconded by Director Smith, the Board unanimously accepted the Monthly Financial Statements as presented by roll call vote.

The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER PAYMENT OF BILLS**

Treasurer Otollo presented the Board with the accounts payable list. The Directors reviewed the material and, on a motion of Director Delgado and seconded by Director Parreira, the payment of the monthly bills was unanimously approved as presented. The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE ADMINISTRATIVE SERVICES AGREEMENT BETWEEN PANOCHÉ WATER DISTRICT AND PACHECO WATER DISTRICT**

Ms. Layne reviewed the latest Administrative Services Agreement between the two districts. She stated that Panoche's General Counsel was involved in drafting the terms and conditions along with Mr. Azhderian and Mr. Hurley. Upon a motion of Director Parreira and seconded by Director LeVake, the Administrative Services Agreement was unanimously approved. The roll call vote on the matter was as follows:

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

**THE BOARD TO CONSIDER APPOINTING CHASE HULREY AS DISTRICT MANAGER UNDER THE TERMS AND CONDITIONS OF THE INDEPENDENT CONTRACTOR AGREEMENT WITH WATER & LAND SOLUTIONS, LLC, EFFECTIVE MAY 21, 2020.**

Upon a motion by Director LeVake and seconded by Director Smith, the Board unanimously approved the appointment of Chase Hurley as the District's General Manager. The roll call vote on the matter was as follows:

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

Abstain: None

**THE BOARD TO REVIEW AND CONSIDER AN APPOINTMENT OF DISTRICT SECRETARY**

Upon a motion by Director Parreira and seconded by Director LeVake, the Board unanimously appointed Chase Hurley as District Secretary. The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER AN APPOINTMENT OF DISTRICT TREASURER**

Upon a motion of Director LeVake and seconded by Director Delgado, the Board unanimously appointed Dana Hurley of Water & Land Solutions, LLC as District Treasurer. The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER CHANGING THE DISTRICT'S MAILING ADDRESS**

Upon a motion by Director Smith and seconded by Director LeVake, the board unanimously approved changing the District's mailing address to Post Office Box 2657, Los Banos, CA 93635. The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER TAKING ACTION TO CHANGE AUTHORIZED SIGNATORIES FOR THE MECHANICS BANK ACCOUNTS**

Upon a motion by Director Parreira and seconded by Director Smith, the board unanimously approved updating the Mechanics Bank Signature Cards by adding Chase Hurley and Dana Hurley, along with all five Board members, and removing all Panoche Water District staff as authorized signatories. The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER TAKING ACTION TO CHANGE AUTHORIZED SIGNATORIES FOR THE LAIF ACCOUNT**

Upon a motion by Director Delgado and seconded by Director LeVake, the board unanimously approved updating the LAIF signatory authorization by adding Dana Hurley and Chase Hurley, in addition to the five board members, and removing all Panoche Water District staff as authorized signatories. The roll call vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER TAKING ACTION TO PURCHASE STORM WATER ACCOUNTING SOFTWARE LICENSE AND SET UP FEE**

Mr. Hurley stated that Pacheco Water District has been using the STORM water accounting software for over twenty years under a license held by Panoche Water District. This arrangement has worked very well since Panoche has been managing the day-to-day activities of Pacheco Water District. Now that Pacheco will be under the management of Water & Land Solutions, LLC, the District will no longer be able to operate under Panoche’s license with STORM. Therefore, Mr. Hurley recommended that the District stay with the same water accounting software due to its uniqueness and integration with the District already, and move forward with acquiring their own license as laid out in the attached Sole Source Purchase Letter and Exhibit “A”. Upon a motion of Director Parreira and seconded by Director Delgado, the Board unanimously approved moving forward with purchasing the STORM water accounting software. The roll call vote on the matter was as follows:

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

**BOARD TO REVIEW AND CONSIDER ADOPTING THE LICENSE AGREEMENT REQUIRED BY THE GROUNDWATER CONVEYANCE POLICY**

Directors Barcellos and Delgado recused themselves from this agenda item as they may be participating in this program this year. Mr. Hurley reviewed the draft license agreement that would be required of all Pacheco landowners who would like to participate in the FY2020-21 groundwater conveyance program, pursuant to the District’s previously adopted policy. He stated that the well program is being implemented to enhance the participating landowner’s flexibility for water supply or allow them to sell the water to a surrounding farmer or the District. Under this agreement, a cost per acre foot would be agreed upon in which the participating landowner could sell their developed water to the District in order to enhance the overall water portfolio for all its water users. Upon a motion by Director Smith and seconded by Director LeVake, the License Agreement was approved with a \$90/Acre Foot price for all developed water sold to Pacheco Water District. The vote on the matter was as follows:

Ayes: Parreira, Smith, LeVake  
Nays: None  
Recused: Barcellos, Delgado

Absent: None  
Abstain: None

### **TREASURER'S REPORT**

- a. 2020-21 Budget to Actual Report: Treasurer Otollo reviewed the latest budget to actual report and stated that it was tracking on schedule through the end of April 2020.
- b. Other Financial Matters Affecting the District. Treasurer Otollo stated that there were no other financial matters at this time.

### **DRAINAGE MANAGEMENT REPORT:** Mr. Azhderian reported on the following:

- a. Water Quality Monitoring: The Selenium load standard for discharges is now calculated on a 4-day running average. Over the last thirty days, discharges have been below the required standard.
- b. San Joaquin River Improvement Project: The first cutting of Jose Wheat Grass will start next week. The 2020-21 Operating Budget has been approved for the Project.
- c. Grassland Bypass Project: No update
- d. Other Drainage Related Matters: There were no other matters

### **GENERAL MANAGERS REPORT: (Azhderian and Hurley)**

- a. Water Supplies and Deliveries: The District is still on track to maximize the CCID water allocation through June 15<sup>th</sup>. After June 15<sup>th</sup>, the District will begin using USBR 2019 carryover supplies.
- b. Supplemental Water: With the addition of the Yuba accord purchase, that leaves the District approximately 1100 af short of its estimated demand through February 28, 2021. Staff will continue to look for additional supplemental water supplies as well as potential agreements with private well owners.
- c. WIIN Act Section 4011 Prepayment: In working with the USBR and Ms. Layne, the District is still on track to finalize negotiations and sign a new contract prior to December 31, 2020.
- d. Master Facilities Plan: Staff will have this as a routine agenda item in order to take input and provide a road map for infrastructure planning and financing beginning with the 2021 Budget.
- e. Landowner agreements: Staff is collecting signed agreements with the goal of having them all signed and notarized prior to June 1, 2020.
- f. Sustainable Groundwater Management Act: The annual report has been filed and the public comment period for the GSP is still open. There is on-going litigation as it relates to the Delta Mendota Sub Basin.
- g. Prop 84 Grant for Westside Regional Drainage Plan: The Notice of Intent to acquire additional land for drainage mitigation is being drafted and should be ready for distribution in the near future.
- h. Federal Grant for Westside Regional Drainage Plan: No update
- i. Reclamation's Demonstration Treatment Plant: The Bureau is looking for creative ways to put the plant to use based on its current design. The contractors will keep a close eye on things as to

make sure they don't assume any future O&M obligations of the plant if it is deemed operational but does not have any "ties" to the drainage program.

- j. Grassland Basin Storm Water Management Plan: The basin drainers are moving forward with their grant proposal to install real time monitoring equipment on all tile sumps that will allow for remote on and off operation during storm events. Pacheco should have all their sumps equipped with such equipment by late fall this year.
- k. Other Matters Affecting the District: None

**REPORTS ON OTHER ITEMS PURSUANT TO GEOERNMENT CODE SECTION 54954.2(A)(3)**

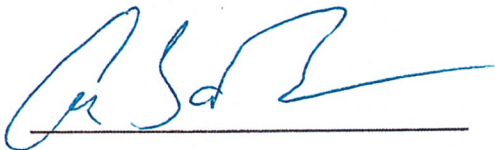
There were no other items.

**FUTURE MEETING DATES**

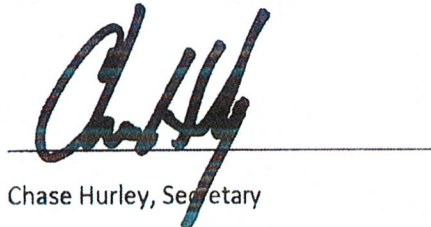
Staff was given direction to set up a special meeting of the Board of Directors to cover three specific action items and allow for closed session review of potential litigation items. All of these matters need to be reviewed prior to the next regularly scheduled meeting.

**ADJOURNMENT**

With no further business on the agenda, President Barcellos adjourned the meeting at 10:45 a.m.



Aaron Barcellos, President



Chase Hurley, Secretary