

Merquin County Water District

Minutes of the Regular Meeting

Of the Board of Directors

Tuesday, March 8, 2022

The Meeting of the Board of Directors of the Merquin County Water District called to order in regular session at 19684 Second Ave., Stevenson, California at 6:00 p.m.

Present were, President Freddy Oliveira, Director Rosemary Ouse, Director Danny Drumonde, Director Adam Azevedo, Absent Director Phil Dore

MOTION APPROVING MINUTES OF FEBRUARY 23, 2022

Moved by Director Danny Drumonde, seconded by Director Adam Azevedo approving minutes of February 23, 2022.

Motion Carried Unanimously

MOTION APPROVING LIST OF WARRANTS

Moved by Director Adam Azevedo, seconded by Director Danny Drumonde, approving the list of warrants: \$23,726.17 less the Finance Charge to Farm Supply of \$11.27. Warrants for approval of \$23,714.90.

Motion Carried Unanimously

MOTION ACCEPTING CHECKING ACCOUNT EXPENDITURES

Jamie Sams reported check #1152 in the amount of \$20.00 to release a lien on a property. Jamie reported another expenditure for check \$68.68 to NS Tractor.

Moved by Director Adam Azevedo, seconded by Director Danny Drumonde accepting Checking Account Expenditures.

Motion Carried Unanimously

MOTION APPROVING ENTITLEMENT LIST

Moved by Director Danny Drumonde, seconded by Director Adam Azevedo approving the Entitlement List.

Motion Carried Unanimously

There was to be an email placed by 4:00 p.m. any given day stating the amount of water required for the following day and SWD would respond. Bobby stated the SWD would not be able to make a confirmation of that ordered amount of water until the following morning.

Bobby also stated this was tried in the past when Betty Lindeman was there. Unfortunately, before the irrigation season was finished, the orders that had been placed the day before would not match what was actually happening on a given day.

Bobby stated it depended on the elevations in the canal and whether or not they can keep all the heads going without pulling the canal down and everyone be without water.

President Oliviera questioned if Bobby thought the ordering system would work? Bobby stated he feels it is better to continue to talk in the mornings to discuss availability.

Director Drumonde asked Bobby if he thought there would be water available April 1, 2022, Bobby responded at this time he does not know what the water availability will be.

Bobby stated SWD was to bring a report of Total Acre Feet on a monthly basis to the third (should have been forth) Wednesday MCWD Board meeting. Bobby stated their software program operates such that once a date is input, the system assumes every running lateral or gate will remain that way until the end of the month, a stop summary is given at the 30th or 31st of the month.

Director Drumonde stated Mark used to supply a report on a weekly basis.

Bobby talked about a 5cfs allowance +/- that was assuming a normal year, he stated he cannot give a 5cfs +/- to begin this year, there just will not be enough water to do that.

Rick Jones questioned what the status on the road crossing was for the Nelander Ditch? Danny Machado stated he has crawled the road crossing and it is probably a 70-year-old crossing and should be replaced. He stated the district should request Merced County to assist with replacement cost. MCWD board requested a bid from Machado Backhoe re-submitted for the road crossing.

Danny Machado spoke about water, he stated he likes free water as much as anyone, but it does not work that way. He stated Mr. Kelley, Bobby's grandfather made a good contract for MCWD. Danny stated their parties outside our district that are interested in the waters of both MCWD and possibly SWD. Danny stated as the district moves forward, and land which has never been in production is purchased in the district and brought into production it takes water away from the land already in production. The district needs to try to secure more water even if it is at a higher cost.

Rick Jones stated years ago when he was a board member, Bobby Kelley offered MCWD board extra water at \$50.00af on a long-term contract, the board would not approve it.

Dave Nervino asked while Rick Jones is in attendance of the meeting does the board want to discuss the purchase of Rick's well on Second Ave? Rick stated Eric Swenson requested to drill a test hole, the issue was the way in which well driller wanted to park the drill rig he wanted to be thirty feet from the pipeline. Rick stated he is not opposed to the test hole it the matter of how

Merquin County Water District

District Engineer Agenda Items for March 23, 2022 Board Meeting

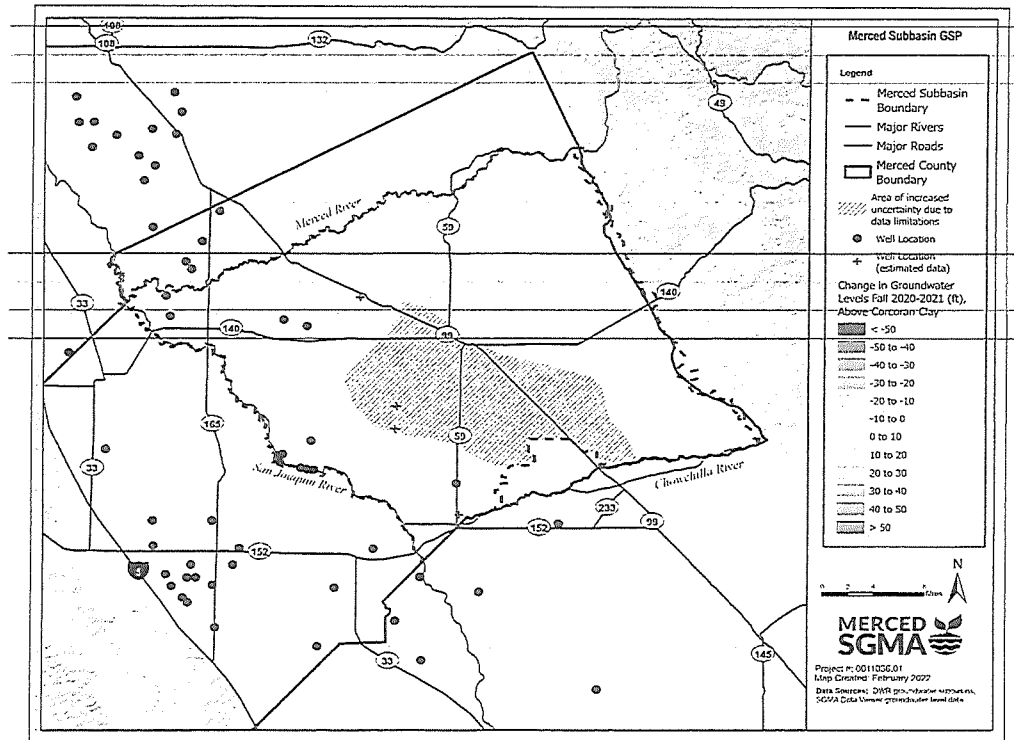
OPEN SESSION

1. Discussion/Action: 2022 Water Year Surface Water Availability. The 1930 Court settlement between James J. Stevens Corporation and Merced ID spells out the terms of when SWD gets its full and partial allocation of surface water. This same allocation ratio should also be shared with MCWD. The next key date is May 1, 2022. If the combined reservoir storage in Exchequer, McSwain, and Lake Yosemite exceeds 289,000 AF then SWD and MCWD should get its full allocation.
 - a. On March 16, 2022, Exchequer's capacity was 295,382 AF. Lake McSwain's capacity is 9,700 AF and is often fairly full, Lake Yosemite's Capacity is 7,425 AF and likely now only holds 2,500 AF. Total estimated current capacity of Merced ID reservoirs is 312,507 AF.
 - b. Merced ID started taking water orders on March 4th of this year. Class 1 customers are getting 1.1 ft allocation at \$100/AF and additional water can be purchased for \$161/AF. If the reservoir storage drops below 289,000 AF, then MCWD's surface water allocation would likely be 5,200 AF. This would represent a reduction of 9,011 AF from a typical normal hydrologic year. Fresno Irrigation District has decided not to provide any irrigation water during the months of March and April.
 - c. If surface water is curtailed, then it is likely that the maximum surface and groundwater MCWD will have available during the 2022 water season is 14,264 AF which is a reduction of 6,559 AF from 2021. This is diverted surface water or pumped water not delivered water. For 6,000 irrigated acres this would equal an average of 2.4 AF/acre. Estimated delivered water is likely closer to 2.0 AF/acre.
 - d. District Engineer would recommend that pre-season water orders be accounted towards seasonal allocation of water for each property.
2. Discussion/Action: Modification to Priority Use Agreements. See attached amended *Priority Water Use Agreement*. Given likely reductions in surface water available the District Engineer recommends that the Board does not approve *Priority Well Use Agreements* for the 2022 water year.
3. Discussion/Action: Potential Limitations on Well Water Production during 2022 Water Season. The Merced Subbasin Groundwater Sustainability Agency (MSGSA) has released a DRAFT *GSP Consistency Criteria for Well Construction Applications*. Comments on this DRAFT well consistency policy are due April 7, 2022. It appears that the following policies are likely to be included in the final policy and would be applicable to the MCWD if we drill any new wells:
 - a. No new lands could be irrigated from the water produced by the new wells.
 - b. Total pumped groundwater for any "normal water year" could not exceed 7,300 AF/year.

Merquin County Water District

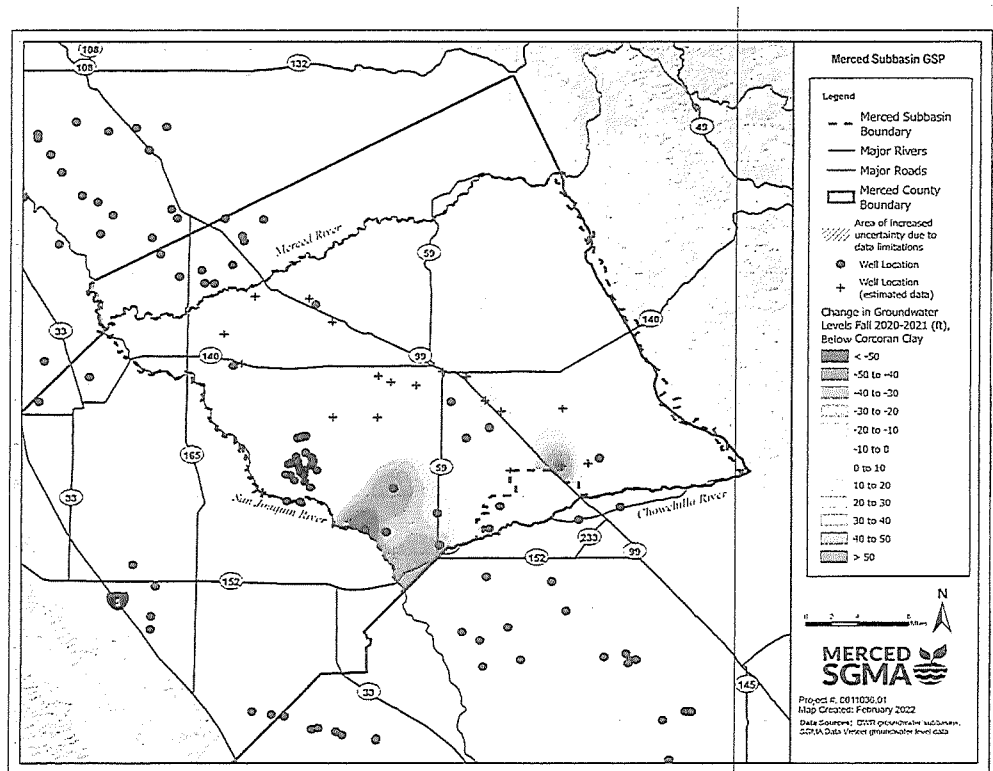
**Change in
Groundwater
Levels**

**Above
Corcoran
Clay**



**Change in
Groundwater
Levels**

**Below
Corcoran
Clay**



Merquin County Water District
Priority Well Use Agreement

This Agreement entered into as of _____, 2009, between Merquin County Water District, a public entity (hereafter referred to as the "District"), and _____ (hereafter referred to as "Irrigator"), with reference to the following:

Recitals

- A. Irrigator is proposing to farm land within the District as set forth in the attached Low Volume System Irrigation Plan of Operation (hereafter "Plan of Operation"), which is incorporated herein by reference.
- B. Irrigator is proposing use of a drip, micro or other low flow irrigation system to irrigate with water from District Well Site No. _____ (hereafter referred to as the "identified well") along with District surface water as available.
- C. The District's Board of Directors has reviewed the Plan of Operation with input from the District's staff and the Board has determined that supplying well and surface water to the designated property under the Plan of Operation appears feasible.
- D. The District is willing to provide Irrigator with well and surface water for the District-designated irrigation season and the Irrigator is willing to enter into this Agreement subject to the terms and conditions specified herein.

NOW, THEREFORE, the parties agree as follows:

1. Delivery and Metering of Water.

1.1. The District agrees to make a good faith effort to provide the Irrigator with well and surface water on the designated property in accordance with the Plan of Operation. Irrigator expressly acknowledges that total delivered irrigation water may be limited to less than required for Irrigator's crop. Irrigator should be prepared to provide alternative sources of water to insure adequate water is available.

1.2. Unless permission to operate a designated well is expressly given by District employees and noted in District records, District employees shall have sole authority to turn on and off the pump at each District Well Site. Whether or not Irrigator is provided surface water either in lieu of or in conjunction with well water is within the sole discretion of the District's Water Distribution Operator.

1.3. Priority of well use means that the Irrigator will have a priority to receive well water from the District Well Site identified in Recital B. However, Irrigator agrees that

8. General Provisions.

8.1 Notices. Any notice to be given hereunder shall be in writing and shall be delivered (a) by hand (including, without limitation, (b) by express mail against written receipt), (c) sent by certified prepaid first class mail, or (d) by facsimile copy to the persons or addresses specified below (or such other person or address as a party may previously have notified all other parties in writing for that purpose). A notice shall be deemed to have been served when delivered by hand at that address or received by facsimile copy, or, if sent by certified prepaid first class mail as aforesaid, on the date delivered. The names and addresses for the service of notices referred to in this Section 8.1 are:

If to the District: Merquin County Water District, 29684 Second Avenue, P. O. Box 218, Stevinson, CA 95374. Email address: merquincwd@gmail.com

If to the Irrigator:

8.2. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties and their respective successors and permitted assigns and this Agreement shall not otherwise be deemed to confer upon or give to any other third party any right, claim, cause of action, or other interest herein.

8.3 Amendment and Waiver. Neither this Agreement nor any term hereof may be changed, amended or terminated orally, but only by written act of the parties (or, in respect of a waiver, the waiving party or parties). No failure or delay on the part of a party hereto in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or of any other right.

8.4. Binding Nature; Assignment. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and legal representatives and permitted assigns. No party shall assign its rights and obligations under this Agreement, without the prior written consent of the other parties hereto, and any such assignment contrary to the terms hereof shall be null and void and of no force and effect.

8.5. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but each of which, when taken together, shall constitute one and the same instrument.

8.6. Headings and Titles. The section headings and titles contained in this Agreement and the title of this document are for reference purposes only and shall not affect in any way the meaning and interpretation of this Agreement.

8.7. Ambiguities. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party do not apply in interpreting this Agreement.



Merquin County Water District.
P.O Box 218 Stevinson, CA 95374
(209) 634-5060
merquincwd@gmail.com

*District Engineer's
Report
February 8, 2022*

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Critical Dry Year? 2022 Water Year

- May 1, 2022 – 289,000 AF in Exchequer, McSwain, and Lake Yosemite?
- March 16, 2022
 - Exchequer 295,382 AF (1,032,000 AF Capacity)
 - McSwain 9,700 AF
 - Lake Yosemite 2,500 AF (7,425 AF Capacity)
 - Total of above = 312,507 AF

2

Priority Water Use Agreements

- District Engineer recommends revising *Priority Water Use Agreements* with the following changes:

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The District agrees to make a good faith effort to provide the Irrigator with well and surface water on the designated property in accordance with the Plan of Operation. Irrigator expressly acknowledges that total delivered irrigation water may be limited to less than required for Irrigator's crop. Irrigator should be prepared to provide alternative sources of water to insure adequate water is available.

The District expressly disclaims any guarantee or representation that the identified pumps and wells will be operational during the entire irrigation season. Without limitation, the District shall have no liability to the Irrigator or anyone else should the pump or well fail during the irrigation season and the District is unable to furnish water to meet Irrigator's water requirements as set forth in Recital B above. The Irrigator agrees that the District is not required to take extraordinary or commercially unreasonable steps to repair or replace the pump or well. Irrigator has inspected the identified wells and agrees that the identified wells are currently in good working order and repair. Irrigator agrees to immediately notify the District's Water Distribution Operators should the Irrigator notice any problem with the identified in Recital B, above.

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MCWD Well Record Keeping

- Need to collect monthly surface and groundwater pumping data.
- Time groundwater pumping data to coincide with PG&E billing cycle.
- Jimmy reported total groundwater pumping for 2021 at 7,144 AF.
- Jamie Sams reported total estimated groundwater pumping for 2021 at 4,854 AF.

9

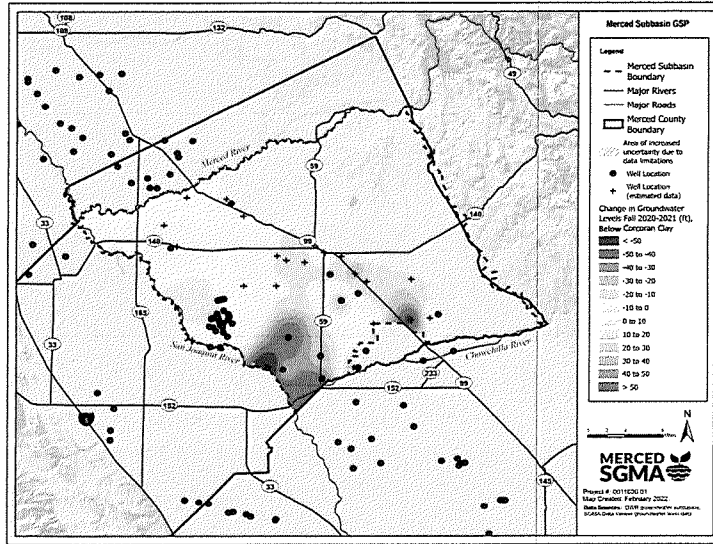
New Water Supply Wells

- Likely get drilling permit for Coehlo Well after May 1, 2022.
- MCWD badly needs one more well location for a replacement well.
- Currently wells 21 and 4 have been identified for replacement.

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Change in Groundwater Levels Below Corcoran Clay

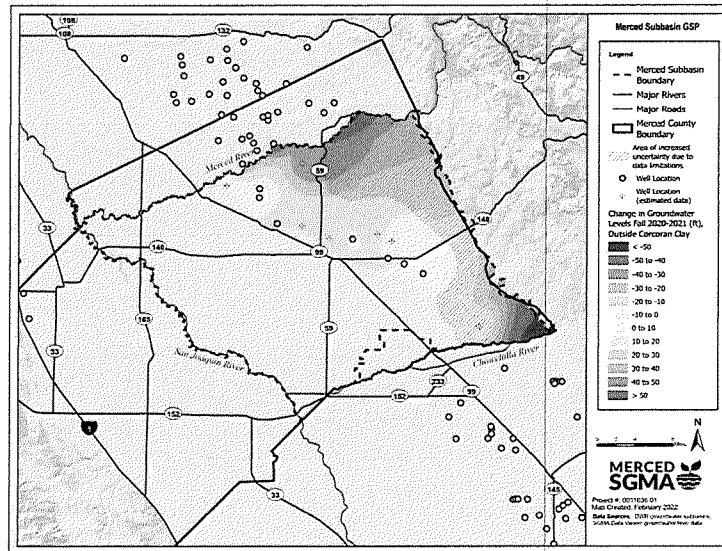
Below Corcoran Clay



13

Change in Groundwater Levels Outside Corcoran Clay

Outside Corcoran Clay



14

Merquin County Water District
Unpaid Bills Detail
 As of March 23, 2022

03/21/22

<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Open Balan...</u>
20600 AT&T Mobility			
03/15/2022	PAID	AT&T Cell Service for 2-6-22 to 3-5-22	290.19
Total 20600 AT&T Mobility			290.19
21300 George W. Lowry			
03/21/2022		George Lowry Inv# 2717369 for Marcg 2022 Order	625.65
Total 21300 George W. Lowry			625.65
21300 Hilmar Lumber			
03/21/2022		Hilmar Lumber Inv# 531755 for Flares	27.06
Total 21300 Hilmar Lumber			27.06
21300 Machado Backhoe			
03/21/2022		Machado Backhoe Inv# 21380 Install Screwgate ...	3,147.26
Total 21300 Machado Backhoe			3,147.26
21300 Valley Ag Resources			
03/21/2022		Valley AG Inv# 5957 Acid for Well Treatment	1,800.00
Total 21300 Valley Ag Resources			1,800.00
21700 Petty Cash Jimmy Rayo			
03/21/2022		Petty Cash Postage From 3/9 to 3/17/2022	99.60
Total 21700 Petty Cash Jimmy Rayo			99.60
21700 PG&E			
03/21/2022		PG&E Service for the office 2/15 to 3/16/22	277.75
Total 21700 PG&E			277.75
21800 Griffith & Masuda			
03/21/2022		Griffth Masuda & Hobbs Legal services for Febru...	1,727.00
Total 21800 Griffith & Masuda			1,727.00
22309 A. Azevedo			
03/21/2022		A. Azevedo for the 2/23/22 Meeting	50.00
Total 22309 A. Azevedo			50.00
22309 D. Drumonde			
03/21/2022		D. Drumonde for the 2/8/22 & 2/23/22 Meetings	100.00
Total 22309 D. Drumonde			100.00
22309 F. Oliveira			
03/21/2022		F. Oliviera for the 2/8/22 & 2/23/22 Meetings	100.00
Total 22309 F. Oliveira			100.00
22309 P. Does			
03/21/2022		P. Does for the 2/8/22 & 2/23/22 Meetings	100.00
Total 22309 P. Does			100.00
22309 R. Ouse			
03/21/2022		R. Ouse for the 2/8/22 & 2/23/22 Meetings	100.00
Total 22309 R. Ouse			100.00
22500 Corner Mrkt & Deli			
03/21/2022		Corner Market & Deli Fuel Bill for 2/2/22 to 3/14/22	2,109.03
Total 22500 Corner Mrkt & Deli			2,109.03
TOTAL			<u>10,553.54</u>

ACCOUNT	CURRENT BUDGET	MTD Actuals	YTD Actuals	ENCUMBRANCES	Available/Unrealized	...
91010 Property Taxes Current Secured	\$110,000.00	\$8,207.26	\$78,202.05	\$0.00	\$31,797.95	... FEBRUARY ...
91020 Property Taxes Current Unsecured	\$8,500.00	\$0.00	\$9,088.82	\$0.00	-\$588.82	
91040 Property Taxes Prior Unsecured	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
91097 - Prop Tax-SB813 Supplemental	\$0.00	\$0.00	\$235.23	\$0.00	-\$235.23	
94200 Interest	\$20,000.00	\$0.00	\$1,675.85	\$0.00	\$18,324.15	
95460 State Homeowners Prop Tax relief	\$0.00	\$0.00	\$484.27	\$0.00	-\$484.27	
96641 Special Assessments	\$87,750.00	\$0.00	\$0.00	\$0.00	\$87,750.00	
97970 Other Sales (Maintenance)	\$29,600.00	\$8,355.48	\$9,055.48	\$0.00	\$20,544.52	
97971 Other Sales Water	\$450,000.00	\$25,155.79	\$275,404.66	\$0.00	\$174,595.34	
97990 Other Revenue (well use)	\$25,000.00	\$1,400.00	\$23,900.00	\$0.00	\$1,100.00	
97997 Other Revenue Highline Fee	\$0.00	\$50.00	\$116.68	\$0.00	-\$116.68	
Total Revenue from M/GWD	\$730,850.00	\$483,168.53	\$598,168.04		\$382,686.96	\$483,168.53
10130 Salaries and Wages perm Emp	\$140,000.00	\$10,677.98	\$92,158.84	\$0.00	\$47,841.16	
10111 Overtime	\$10,000.00	\$3,840.44	\$21,586.73	\$0.00	-\$11,586.73	
10150 Salaries & Wages Extra Help	\$20,000.00	\$3,027.50	\$20,695.50	\$0.00	-\$695.50	
10210 M/GWD Retirement	\$9,600.00	\$800.00	\$1,200.00	\$0.00	\$8,400.00	
10220 Fica	\$7,500.00	\$1,087.87	\$8,335.44	\$0.00	-\$835.44	
10230 Medicare Tax	\$2,000.00	\$254.42	\$1,949.46	\$0.00	\$50.54	
10300 Employee Group Insurance	\$20,000.00	\$3,797.84	\$17,295.89	\$0.00	\$2,704.11	
10350 Unemployment Insurance	\$1,000.00	\$0.00	\$147.78	\$0.00	\$852.22	
10360 Workers Compensation Insurance	\$15,000.00	\$1,665.66	\$7,900.98	\$0.00	\$7,099.02	
20600 Communications	\$4,000.00	\$0.00	\$1,832.33	\$0.00	\$2,167.67	
21001 Insurance General Liability	\$8,050.00	\$0.00	\$9,292.00	\$0.00	-\$1,242.00	
21200 Maintenance Equipment	\$10,000.00	\$1,759.49	\$2,586.26	\$0.00	\$7,413.74	
21300 Maint. Structure Improv & Ground	\$95,000.00	\$5,029.68	\$123,285.90	\$0.00	-\$28,285.90	
21600 Miscellaneous Expense	\$10,000.00	\$0.00	\$0.00	\$0.00	\$10,000.00	
21700 Office Expense General	\$15,000.00	\$1,103.89	\$9,289.58	\$0.00	\$5,710.42	
21800 Professional & Special Services	\$20,000.00	\$9,878.00	\$27,754.81	\$0.00	-\$7,754.81	
21900 Publications & Legal Notices	\$700.00	\$0.00	\$0.00	\$0.00	\$700.00	
22309 Spec. Dept. Expense Board Fees	\$6,000.00	\$650.00	\$2,950.00	\$0.00	\$3,050.00	
22325 Spec. Dept. Expense Water	\$155,000.00	\$0.00	\$132,965.81	\$0.00	\$22,034.19	
22500 Transportation & Travel	\$12,000.00	\$1,884.10	\$10,854.79	\$0.00	\$1,145.21	
22600 Utilities	\$150,000.00	\$2,091.82	\$164,360.24	\$0.00	-\$14,360.24	
7400 Equipment for Contingencies	\$10,000.00	\$0.00	\$0.00	\$0.00	\$10,000.00	
83700 Equipment	\$10,000.00	\$0.00	\$0.00	\$0.00	\$10,000.00	
Total Expenditures for M/GWD	\$730,850.00	\$477,548.69	\$636,442.84		\$74,407.66	\$477,548.69
08565 M/GWD Water Highline Sp/Assessments				\$148.42		This Month RV - XP -\$4,380.16
08566 M/GWD Water Special Assesment						MCWD Actuals YTD -\$258,279.80
08560 M/GWD						MCWD Actuals MTD -\$4,380.16
89100 M/GWD						

Merquin County Water District
Unpaid Bills Detail
As of March 8, 2022

Date	Num	Memo	Open Balan...
10300 Anthem Blue Cross			
02/23/202		Anthem Monthly Premiums April 2022 Inv # 020...	1,737.37
Total 10300 Anthem Blue Cross			1,737.37
10360 State Fund			
03/08/202		State Fund Monthly Premiums for 2/20 to 3/20/2...	832.83
Total 10360 State Fund			832.83
21200 Hilmar Lumber			
03/08/202		Hilmar Lumber Inv 528716 for Pipe Wrench	18.31
Total 21200 Hilmar Lumber			18.31
21200 Krumms Mobile Services			
03/08/202		Krumms Mobile Services Inv 1372 for instalation ...	500.00
Total 21200 Krumms Mobile Services			500.00
21200 Sharpening Shop			
03/08/202		Sharpening Shop Inv 370854	488.80
Total 21200 Sharpening Shop			488.80
21300 Farm Supply			
03/08/202		Farm Supply Finance Charges for Inv 201061502	11.27
Total 21300 Farm Supply			11.27
21700 Alhambra			
03/08/202		Alhambra Inv 030122 for March 2022 Cooler Re...	5.00
Total 21700 Alhambra			5.00
21700 C.A. Reding			
03/08/202		C.A. Reding Inv # 623854 for 3/22 to 4/22/2022	27.94
Total 21700 C.A. Reding			27.94
21700 Petty Cash Jimmy Rayo			
03/08/202		Petty Cash Postage for 2/5 to 3/2/2022	89.56
Total 21700 Petty Cash Jimmy Rayo			89.56
21700 Waste Management			
03/08/202		Waste Management Inv 0542-6 Garbage Servic...	92.72
Total 21700 Waste Managment			92.72
21900 Merced County Recorder			
03/01/202	PAID	Ck # 1152 paid through WestAmerica to Merced ...	20.00
Total 21900 Merced County Recorder			20.00
22600 Modesto Properties			
03/01/202	PAID	Modesto Properties PG&E for 8/25/21 to 9/23/21...	5,343.02
Total 22600 Modesto Properties			5,343.02
22600 PG&E			
02/25/202	PAID	PG&E Service for Well #20 1/24/22 to 2/22/22	2,635.40
03/08/202		PG&E Service for MCWD Wells 1/24/22 to 2/22/22	11,923.95
Total 22600 PG&E			14,559.35
TOTAL			23,726.17



Merquin County Water District,
P.O Box 218 Stevinson, CA 95374
(209) 634-5060
merquincwd@gmail.com

MEMORANDUM

To: Board of Directors

Date: March 8, 2022

RE: 2022 Entitlement Applications

Entitlement Applications have been submitted by the following for approval by the Board of Directors:

Total Acres requesting approval = **546.51**

Applicant	Parcel #	Owner	Acres	Account Balance
Jones Farms	055-232-018	Jones Farms	19.2	\$0.00
	055-233-006	Jones Farms	18	
	055-234-010	Borgman James W & Diane M	24.8	
	055-235-002	Jones Farms	52	
	055-235-003	Jones Farms	19	
	055-235-004	Jones Farms	19	
	055-235-005	Jones Farms	19	
	055-235-006	Jones Farms	19	
	055-235-009	Jones Farms	25	
	055-236-001	Shine Ashley	10	
	055-236-012	Jones Farms	19.2	
	055-236-013	Jones Farms	19.2	
	055-236-014	Jones Farms	19.2	
	055-237-001	Birks George & Josephine	4.8	
	055-237-002	Birks George & Josephine	14	
	055-238-005	GBRK LLC	9.5	
	055-238-025	Birks George & Josephine	19	
	055-238-034	Jones Farms	19.32	
	055-238-037	Jones Farms	9.81	
	055-238-038	Jones Farms	9.81	
	055-238-039	Jones Farms	9.81	
	055-238-040	Jones Farms	4.91	
	055-238-041	Jones Farms	14.92	
	055-238-051	Jones Farms	9.14	
	055-238-052	Stevinson Corporation	9.49	