

Merquin County Water District

**Minutes of the Regular Meeting
Of the Board of Directors
Wednesday, February 22, 2023**

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

Present were, President Adam Azevedo, Vice President Freddy Oliviera, Director Danny Drumonde, Absent: Director Rick, Director Phil Does.

MOTION APPROVING MINUTES of December 13, 2022

Moved by Director Danny Drumonde, seconded by Vice President Freddy Oliviera approving Minutes of December 13, 2023

Motion Carried Unanimously

MOTION APPROVING MINUTES of January 25, 2023

Moved by Director Danny Drumonde, seconded by Vice President Freddy Oliviera approving Minutes of January 25, 2023

Motion Carried Unanimously

MOTION APPROVING LIST OF WARRANTS

Moved by Vice president Freddy Oliviera, seconded by Director Danny Drumonde approving the list of warrants \$16,148.32.

Motion Carried Unanimously

MOTION APPROVING CHECKING ACCOUNT EXPENDITURES

Repair on truck \$525.00
Dave Vierra \$2500.00 Easement
Joanna Esparza \$135.00 Notary

Moved by Vice president Freddy Oliviera, seconded by Director Danny Drumonde approving Checking Account Expenditures.

Motion Carried Unanimously

MOTION APPROVING FINANCIAL REPORT FOR JANUARY 2023

Moved by Vice president Freddy Oliviera, seconded by Director Danny Drumonde approving Financial Report for January 2023.

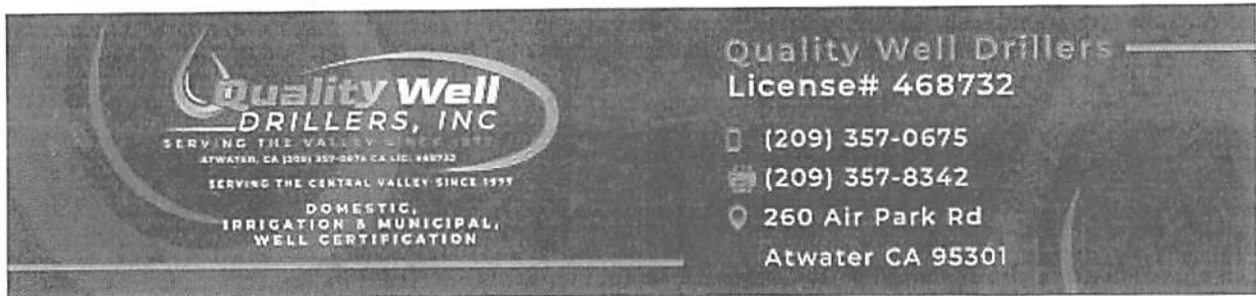
Motion Carried Unanimously

CORRESPONDANCE

NONE

Civil Engineer Eric Swenson:

1. Discussion/Action: Update on Vierra well and well easement (DW-7R). Well and pipeline easements were completed and well drilling permit submitted to Merced County. Cost Proposal to drill new well from Quality Well Drillers. Cost proposals to install a new all steel and also for a well with stainless steel well screen have been received from Quality Well Drillers.



SERVICE ESTIMATE

Date: February 17, 2023

Submitted to: Merquin Water District

Job Location: Stevinson, Ca.

SERVICE:	16" 5/16" Mild Steel Cased Irrigation Well	
(gravel pack)	Est.; 180-ft.@ \$251.50-per ft.	\$45,270.00*
Add'l Chg to Perforate Well Casing	Est.; 100-ft. @ \$155.00 -per ft.	\$15,500.00*
16" 3/16" wall Stainless Steel Standard Perf		
Conductor Casing	L/S	\$2,250.00
Sanitary Seal	Estimated 4.5 Yds. @ \$213.00 yd	\$958.50*
<i>*As per State & County Regulations</i>		
Cement Pumper	L/S	\$1,500.00

Boom Truck and Crew	Est. 6 Hrs. @ \$198.00 Hr.	\$1,188.00*
Air Lifting (Initial cleaning, not developing)	Est. 8 Hrs. @ \$298.00 Hr.	\$2,384.00*

Estimated Total: We propose to hereby furnish the above services for the estimated sum of **\$69,050.50***

***PLEASE NOTE:** These figures could vary, depending on actual depth of well.

IF WE HIT ROCK/GRAVEL, THE COST WILL BE AN ADDITIONAL \$5.00 PER FT. FOR THE ENTIRE DEPTH OF THE WELL. (WE ONLY DRILL THE WELL; WE DO NOT DO PUMP WORK!)

Owner is to provide cement pad around the new well site per requirements of Merced County Environmental Health Dept.

"Under the Mechanic's Lien Law (California Code of Civil Procedure, Sect 1181 et seq.), any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remains unpaid."

Payment Terms: Due within 30 days from date of completion.

This proposal/contract may be withdrawn by us if not accepted within 30 days.

All material to be guaranteed as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, hazard, and other necessary insurance. Our workers are fully covered by Workmen's Compensation insurance.

****If payment in full not received per agreement a finance charge of 18%, Annual Percentage Rate will apply. Well will not be scheduled until we receive signed agreement & permit from County Health Dept. Actual start date will depend on wells previously scheduled.**

2. **Discussion:** Update on Coelho test well status. Test well for Coelho site should be completed any day.
3. **Discussion/Action:** Request for modification of maintenance costs on Shared Laterals by SWD. On October 17, 2022 SWD's attorney, Nick Jacobs emailed David Hobbs a request, among other items, that MCWD reduce its shared maintenance costs being charged for the use of the Hotel Ditch, Green Ditch, Rice field Ditch, and Highline No. 1 Lateral. SWD

believes that the \$6.50 charge in the 2007 Agreement covers fees for both the wheeling of water and maintenance of these laterals. SWD proposes that shared maintenance cost for these ditches be shared on a cost-share basis proportional to usage by each party. For the Stoerk and Sprole Ditches, SWD proposes that the maintenance fee be proportional to usage and the \$6.50/AF fee be subtracted from this proportional maintenance fee. Following is the exact language from SWD's attorney and supporting table:

- We discussed SWD/ESCC water wheeling cost sharing obligations for the Hotel Ditch, Green Ditch, Rice field Ditch, Highline No.1, Stoerk and Sprole Ditches. The 1983 Agreement addresses terms of use for Hotel Ditch, Green Ditch, Rice field Ditch, and Highline No.1. That agreement is quite specific with regard to allocation of costs, which "shall be apportioned between the parties hereto in proportion to the relative amounts of irrigation and drainage for which the parties are responsible or that the parties transport in said reserved lateral ditches." (1983 Agreement, section 1.) Further, the 1983 Agreement defines "costs of operation" to include "... maintenance, repair costs, wages, administrative salaries, supervision, employee taxes, equipment costs, depreciation, interest charges, clerical assistance, power charges and fuel costs." (1983 Agreement, section 8.) SWD/ESCC are provided the right to audit MCWD's "records as are necessary to establish the validity of said 'costs of operation.'" (1983 Agreement, section 8.)
- Use of the Stoerk and Sprole ditches, and associated cost-sharing provisions, are governed by the 2007 Agreement. That agreement provides for a per-acre charge of \$6.50 to cover wheeling costs (in addition to MCWD's district-wide assessments charged to each acre). I understand MCWD asserts that the \$6.50 charge does not cover repair and maintenance associated with ESCC/SWD water wheeling. ESCC/SWD respectfully disagree with this conclusion.
- ESCC/SWD believe they are being overcharged for use of the Hotel Ditch, Green Ditch, Rice field Ditch, and Highline No.1. It appears MCWD believes it is being underpaid for use of the Stoerk and Sprole ditches. To resolve these issues, I am authorized to propose that MCWD and ESCC/SWD agree that repair and maintenance costs for all six ditches will be governed by a cost-share based on proportionate usage. Attached to this email is a spreadsheet showing proportionate usage over the last few years. With regard to the Stoerk and Sprole ditches, this proposal would incorporate the existing \$6.50 charge – in other words the ESCC/SWD obligation to pay proportionate use of those ditches would be reduced by the aggregate \$6.50 charges so that all parties are paying proportionate use and not an additional \$6.50/acre. If this is acceptable, we will probably need a short addendum to the existing agreements.

MCWD
SWD
SHARED LATERALS

			2017		
	MCWD	SWD	TOTAL	MCWD	SWD
	AF	AF	AF	%	%
STOERK	1561	292	1853	84%	16%
SPROLE	1230	928	2158	57%	43%
HIGHLINE	589	631	1220	48%	52%
HOTEL	1386	764	2150	64%	36%

			2018		
	MCWD	SWD	TOTAL	MCWD	SWD
	AF	AF	AF	%	%
STOERK	1208	73	1281	94%	6%
SPROLE	860	532	1392	62%	38%
HIGHLINE	1585	1373	2958	54%	46%
HOTEL	1307	744	2051	64%	36%

			2019		
	MCWD	SWD	TOTAL	MCWD	SWD
	AF	AF	AF	%	%
STOERK	1833	0	1833	100%	0%
SPROLE	1648	463	2111	78%	22%
HIGHLINE	2289	1935	4224	54%	46%
HOTEL	1920	1140	3060	63%	37%

			2020		
	MCWD	SWD	TOTAL	MCWD	SWD
	AF	AF	AF	%	%
STOERK	1814	0	1814	100%	0%
SPROLE	1516	116	1632	93%	7%
HIGHLINE	1981	737	2718	73%	27%
HOTEL	2454	217	2671	92%	8%

			2021		
	MCWD	SWD	TOTAL	MCWD	SWD
	AF	AF	AF	%	%
STOERK	1444	92	1536	94%	6%
SPROLE	1347	169	1516	89%	11%
HIGHLINE	2874	822	3696	78%	22%
HOTEL	1437	0	1437	100%	0%

All deliveries to SWD from Hotel/Highline in **2021&2022** came down Highline

			2022		
	MCWD	SWD	TOTAL	MCWD	SWD
	AF	AF	AF	%	%
STOERK	1284	103	1387	93%	7%
SPROLE	1325	90	1415	94%	6%
HIGHLINE	2162	998	3160	68%	32%
HOTEL	2063	0	2063	100%	0%

4. **Discussion/Action:** Termination of DWR Grant for *MCWD Sustainable Yield Management Plan and Plan Implementation*. The submitted Sustainable Yield Management Plan included starting with 160 Acres of irrigated lands owned by Mike Brasil. Since the submission of the plan the following actions have been taken by the SWRCB and DWR:
- The implementation of a groundwater recharge plan will require California Environmental Quality Act (CEQA) compliance. This may only require a simple "Negative Declaration", but it will require review by California Fish and Game (with a \$2,500 fee) and they may place additional study or implementation requirements or say that a negative declaration is not appropriate.
 - SWRCB has ruled that groundwater recharge water can only be to lands that are not part of a *Nutrient Management Plan* at a dairy. The one exception to this rule is land planted with alfalfa that does not receive liquid manure water.
 - SWRCB recently released a "Fact Sheet" that recharged groundwater from the recent flooding events and high-water events could not be taken as recharge credit without a water right. Taking actions such as ripping the land or installing a berm around a property to increase recharge may require a water right.

- State government has determined that no new permanent pumps can be placed in Mariposa Creek at this time without a streambed alteration permit and fish screens. Only new temporary pumps may be installed under the Pilot Flood MAR permit with mesh screen filters at their suction.
- It appears that what is considered acceptable practice for groundwater recharge is not fully clear at this time.

5. **Discussion/Action:** Board guidance on submission of new Wheeling Applications to SWD for 2023 Water Season. The District Engineer has been working with Jimmy to determine which wells and the quantities of water that would be requested for wheeling in the 2023 water season under the new SWD Water Wheeling process. The following locations and wheeled quantities of water are proposed:

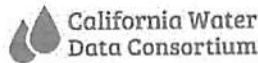
- Well 11 – 80 AF
- Well 13 – 260 AF
- Well 15 – 400 AF
- Well 18 – 120 AF
- Well 22 – 210 AF
- Modesto Properties Well – 870 AF
- Total = 1,940 AF

The application requests monthly peak flows and AF/month for the months of March through October. Fees for these 6 locations to submit applications is \$3,000 (\$500/location). Laboratory analysis of water from each of these wells will also need to be completed that includes analysis for:

- Electrical conductivity (EC)
- Carbonate (CO₃)
- Bicarbonate (HCO₃)
- Chloride (HCO₃)
- Magnesium (Mg)
- Calcium (Ca)
- Sodium (Na)
- Boron (B)
- Chlorine (Cl)

6. **Discussion:** Update on MSGSA meetings.

- Groundwater Accounting Platform -Participation in Pilot Groundwater Accounting Platform approved by MSGSA Board. Primary developers of Platform: Environmental Defense Fund, Environmental Science Association, and Olsson Consultants.

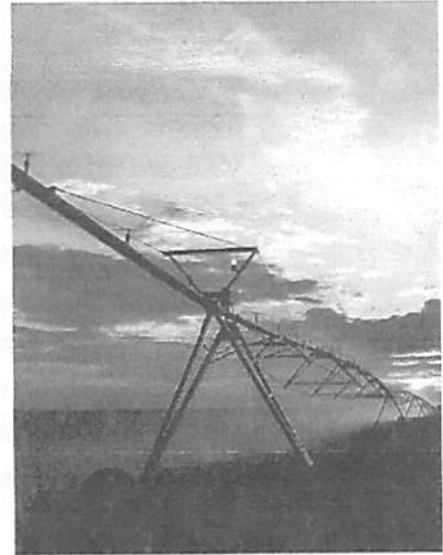


Groundwater Accounting Platform

Leverage Data to Better Understand and Manage Water Supply, Usage, and Trading

Climate change and population growth are driving many communities to make tough decisions about water use. It is more important than ever that water managers and agricultural water users have access to the best possible data to balance supply and demand. In an effort to chart a sustainable future for water resources, the Groundwater Accounting platform was built in partnership by Environmental Defense Fund, California Water Data Consortium, Olsson, and ESA. The platform was initially created for the Rosedale-Rio Bravo Water Storage District in California, and subsequently expanded to include pilot partners Merced Irrigation-Urban Groundwater Sustainability Agency, Pajaro Valley Water Management Agency, and Yolo County Flood Control and Water Conservation District.

The Groundwater Accounting Platform enables water managers, landowners, and water users to track water budgets and usage in near real-time. The platform includes modules for groundwater modeling and water trading, providing a complete set of tools for local water districts to better manage allocations over time. Built using open-source code, the Groundwater Accounting Platform provides a springboard for water districts everywhere to launch and customize their own software solutions.



Benefits



- 1. Measure**
Enable water managers and agricultural users to understand their water use and available supply in near real-time
- 2. Manage**
Empower well-informed decision making with advanced modeling
- 3. Trade**
Establish a local marketplace for water trading
- 4. Support Sustainability**
Meet regulatory objectives for your region

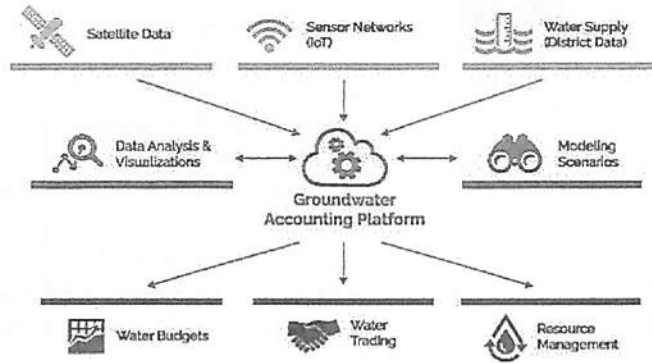
"We developed this accounting and trading platform because we want to provide landowners and growers with as many tools as possible to manage their water more sustainably and balance their water budget."

— Eric Averett | Former General Manager, Rosedale-Rio Bravo Water Storage District

Data Driven Decisions

Manage Water Supply and Demand

The Groundwater Accounting Platform accepts water supply data from a variety of sources including satellite, flow meters, and sensor networks. The platform combines water supply and use data to help track water budgets at the field scale for water users. The platform also features a water manager dashboard to track and account for water across a district or region, which informs management decisions such as billing and allocation planning.

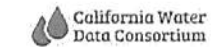


Key Platform Functionality

MEASURE MONITOR MANAGE TRADE

- Track water supply data
- Track demand and account for usage in near real-time
- Capture usage data to inform district billing
- Create, view, and manage water budgets
- Landowners can check their water budget and outstanding balance online, similar to how they check their bank account online
- Model the hydrological impacts of various allocation, usage, trade, and recharge scenarios with the optional Groundwater Evaluation Toolbox (GET) from Olsson
- Post offers to buy and sell water with the optional Trading Module
- Facilitate the transfer of allocations at the request of landowners
- Because the technology used to develop the platform is open source, other water agencies can use it to build their own cost-efficient, locally applicable groundwater accounting and trading platforms

Project Partners



California Water Data Consortium



Environmental Science Associates



Open ET



Olsson



Rosedale-Rio Bravo Water Storage District



Merced Irrigation-Urban Groundwater Sustainability Agency

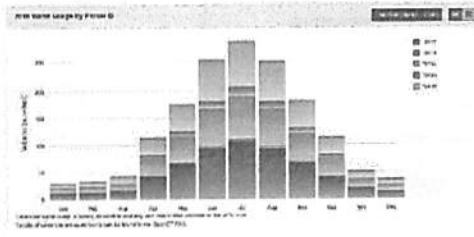
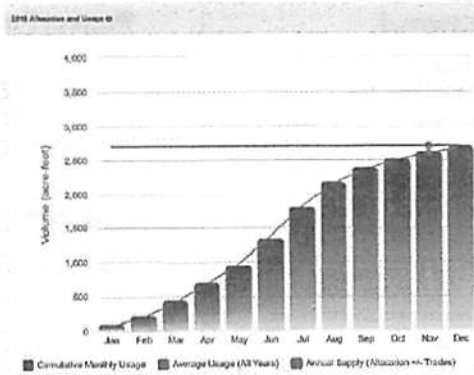


Pajaro Valley Water Management Agency



Yolo County Flood Control and Water Conservation District

Groundwater Accounting Platform Features



Landowner Dashboard

Key Benefits

- Landowners can understand usage and supply in real time to make better informed decisions
- Users can manage allocations month over month and create data-driven water budgets
- Growers can analyze water usage by parcel

Features

- Review water allocation
- Review water usage to date and current available supply, just like a bank account
- Track cumulative water usage over time, and monitor monthly usage trends
- Review water use data specific to each parcel
- Review buying and selling activity for your account (with the optional Trading Module)
- Review water usage via interactive map tool
- Secure login to individual landowner accounts

Water Budget Overview

ac-ft ac-ft/ac

+ Acres Managed 985.4 ac
 Total acres of all your managed parcels

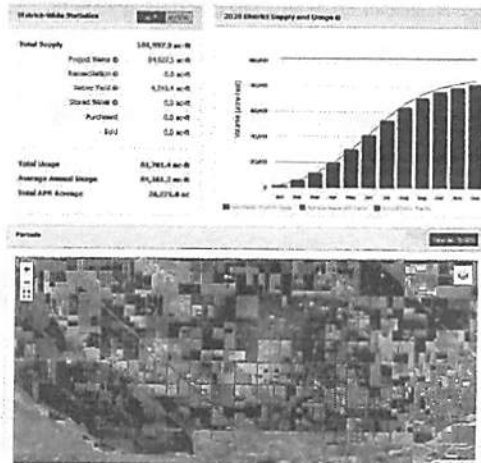
+ Allocation 2,709.9 ac-ft
 Your annual allocated water budget

Usage to Date 2,707.5 ac-ft
 Total usage this year as measured by OpenET

Current Available 2.4 ac-ft
 Allocation + Purchased - Sold - Usage to Date

Average Annual Usage 2,682.8 ac-ft
 Average annual usage from all years of OpenET data

Groundwater Accounting Platform Features



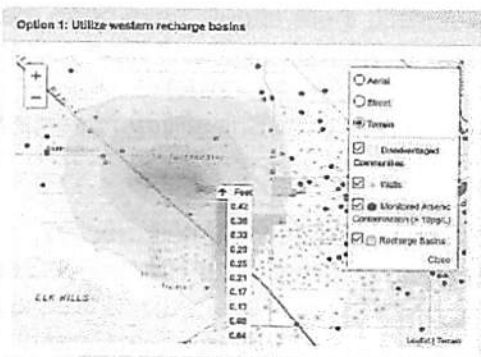
Water Manager Dashboard

Key Benefits

- Water managers can monitor groundwater use and account for customers' water usage
- Real time data empowers adaptive management to achieve compliance with water supply regulations

Features

- Review water allocations and usage for every parcel and water account managed on the platform
- Review cumulative supply and usage data across your region/jurisdiction
- Track usage over time, by account and district-wide
- Review district trading activity (with the optional Trading Module)



Modeling Module

This feature leverages the [Groundwater Evaluation Toolbox \(GET\)](#) designed by Olsson

Key Benefits

- Scenario modeling helps users evaluate the hydrological impacts of groundwater pumping
- Potential management decisions can be evaluated in advance for long-term benefits and impacts
- Automated groundwater model integration with water accounting framework allows evaluation of actual and hypothetical allocation and trading scenarios

Features

- Leverage fully integrated geospatial data to model a wide variety of scenarios including trading, recharge, drawdown, etc.

Postings

Buy and Sell Water

There are currently 8 active postings, with a total of 2658 ac-ft on offer to sell and 1250 ac-ft seeking to buy. Click a posting to see details and make an offer, or create a new posting to advertise your intent to buy/sell water.

Show these postings: All Postings Offers to Buy Offers to Sell

Posting ID	Quantity (ac-ft)	Type	Minimum Counter	Unit Price (ac-ft)	Total Price	Expiration
101761107-04	100	Offer to Sell	100	\$100.00	\$10,000.00	10/1/2020
101761108-04	200	Offer to Buy	200	\$100.00	\$20,000.00	10/1/2020
101761109-04	400	Offer to Sell	400	\$100.00	\$40,000.00	10/1/2020
101761110-04	800	Offer to Buy	800	\$100.00	\$80,000.00	10/1/2020
101761111-04	1200	Offer to Buy	1200	\$100.00	\$120,000.00	10/1/2020
101761112-04	1600	Offer to Buy	1600	\$100.00	\$160,000.00	10/1/2020
101761113-04	2000	Offer to Buy	2000	\$100.00	\$200,000.00	10/1/2020
101761114-04	2400	Offer to Buy	2400	\$100.00	\$240,000.00	10/1/2020

Trading Module

Key Benefits

- A managed local marketplace gives water users a viable economic alternative to "use it or lose it" model

Features

- View posting details from water buyers and sellers
- Create postings with offers to buy or sell water
- Post counter-offers and negotiate online
- Register completed trades
- Track market metrics

MATTERS FOR THE GOOD OF THE DISTRICT

Mike Brasil-formation of Ad-Hoc Committee

Freddy Oliviera commented his understanding was if MCWD/SWD were going to form their own GSA then form the committee to discuss what they would like to do, or where would they like to go in the future. The formation of the committee was to be formed with two board members and some from the outside.

Mike commented the community is stronger together than independently.
Freddy stated his concern is with the State.

Mike stated let us try and see where it goes.

Adam Azevedo stated there is a meeting scheduled Friday February 24, 2023 with SWD.

Mr. Kelly stated not protesting water transfers to the state, right now this is a big wall.
Mr. Kelly state there has to be consistency in how relations work between organizations, right now it doesn't exist.

Freddy Oliviera commented Mr. Kelly is correct, there should have been meetings and things should have been discussed, you can't go back now and change the past.

Adam Azevedo stated as far as the protest goes, MCWD is willing to remove the protest, he isn't sure if it will have an affect on it or not.

Frank Amaral commented he began irrigating the barely planted next to the school. The run times are about the same as they were in Oct/Nov 2022. His well at Second Ave/Cemetery Road has been rebuilt. The static water level was 12 feet, during the drought it was at 24-25 foot. With the rebuild the well gained approximately 150gmp, the reading went from 1450gpm to 1600gpm.

Frank commented two years ago 800af was pumped out of that well for different properties in the area. His question to the engineer, is MCWD in a better position having control of well pumping instead of a private land-owner doing it? Lease it to MCWD for \$1.00/year.

Eric Swenson stated MCWD currently can pump 7200AF water a year in a normal year, and 9,050AF water in a dry year. If MCWD can pump 9,050AF water in a dry year and no surface water was available and somehow bring a private well into the district could be a benefit, Eric stated he is not anticipating 2023 is going to be a dry year. Last year the district only pumped about 5,000AF, so in 2023 anticipated pumping will be about 5,000AF, the district can meet that production with the wells they currently have.

OFFICE

Auto-Cad class \$845.00 for Jimmy, board approval to be paid thru West America Bank
P.O. Box Due \$146.00

Merced County contacted MCWD to ask if The Highline Special Assessment account. Freddy Oliveria stated to contact Mr. Hobbs have him see how it can be dissolved. Crystal sent out drip operations. Irrigation Easement for Dave Vierra State Compensation audit is completed, the audit from 2021 was overstated by \$116,000. Crystal passed the notary exam.

MAINTENANCE

Drain ditch is cleaned and burnt.

Dusty was not able to work on the Sprole pipeline.

Frank Amaral commented when the pipeline was installed; they did not go in a straight north/south line. Replace it parallel with the utility poles and put a dirt road over it to remove the angle.

Spraying Highline, Koch, Lemos, McDonald, Hotel, 4th Ave and Gooseneck.

Burning Highline, Lemos, McDonald, Gooseneck, need to burn Green Ditch and 4th Ave.

Added gravel to wellsite #1

Received orders for water for next week if there is no rain.

Wellsite #17 leaking water on the shaft.

Dave Nervino suggested to reevaluate your pump Ag and ask PG&E what your most efficient rate is, call and ask them to review your usage for the last year and are you at the best rate? They can reset your rate for one year.

MOTION TO ADJOURN TO CLOSED SESSION PURSUANT TO Public Employment California Government Code Section 54957

Moved by Director Danny Drumonde, seconded by Director Freddy Oliveria, adjourn to closed session.

Motion Carried Unanimously

MOTION TO RETURN TO OPEN SESSION.

Moved by Director Danny Drumonde, seconded by Director Freddy Oliveria return to open session.

Motion Carried Unanimously

MOTION TO ADJOURN

Moved by Director Danny Drumonde, seconded by Director Freddy Oliveria to adjourn.

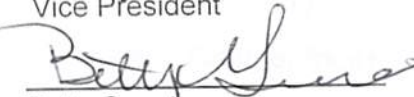
Motion Carried Unanimously



Adam Azevedo
President



Freddy Oliveria
Vice President



Betty Guest
Secretary