

**Merquin County Water District**

**Minutes of the Regular Meeting  
Of the Board of Directors  
Wednesday, June 28, 2023**

The Meeting of the Board of Directors of the Merquin County Water District called to order in regular session at 19884 Second Ave., Stevinson, California 6:00 p.m.

Present were, President Adam Azevedo, Vice President Freddy Oliviera, Director Danny Drumonde, Director Rick Jones, Director Phil Does

**Additional Agenda item added in Matters for the Good of The District.**

**MOTION APPROVING MINUTES of June 13, 2023**

Moved by Director Danny Drumonde, seconded by Vice President Freddy Oliviera approving minutes of June 13, 2023.

Motion Carried Unanimously

**MOTION APPROVING LIST OF WARRANTS**

Moved by Director Danny Drumonde, seconded by Director Phil Does approving the list of warrants \$19,567.59. Director Rick Jones asked a question on legal fees.

Motion Carried Unanimously

**MOTION APPROVING CHECKING ACCOUNT EXPENDITURES**

None

**MOTION APPROVING ENTITLEMENT LIST 2023**

The Entitlement for 055-030-024 was rejected by MCWD Board. Currently has a lien.

**DISCUSSION/MOTION MCWD INITIATE PROCEDURES FORMING AN  
INDEPENDENT GSA**

Removed from this part of agenda, discussion during Civil Engineer presentation.

Correspondence

**DISCUSSION/MOTION MCWD CERTIFICATION MAP**

Both Garth Pecchenino and Eric Swenson are working on verification of the map Merced County sent as the map they are wanting to use for MCWD.

TABLED

**Civil Engineer Eric Swenson:**

1. Discussion/Action: Approve \$41,059 contract for QK to complete rate Study for new Water Rate.

### Cost Proposal

Task Description	Total Hours	Total Labor	Total Non-Labor Expenses	Totals
<b>Task 1.0 - Project Management</b>				
1.1 - Project Management	28.0	\$4,912.00	\$0.00	\$4,910.00
<b>Subtotals</b>	<b>28.0</b>	<b>\$4,910.00</b>	<b>\$0.00</b>	<b>\$4,910.00</b>
<b>Task 2.0 - Project Kick-off</b>				
2.1 - Kick-off Meeting	4.0	\$695.00	\$0.00	\$696.00
2.2 - Data Gathering	32.0	\$5,568.00	\$0.00	\$5,568.00
<b>Subtotals</b>	<b>36.0</b>	<b>\$6,264.00</b>	<b>\$0.00</b>	<b>\$6,264.00</b>
<b>Task 3.0 - Irrigation Water Rate &amp; Fee Study</b>				
3.1 - Rates and Fee Analysis/Adoption & Implementation	44.0	\$7,100.00	\$0.00	\$7,100.00
3.2 - Preliminary Draft Rate Study	44.0	\$7,100.00	\$0.00	\$7,100.00
3.3 - Final Draft (Public Review Draft) Rate Study & Board Workshop Attendance	30.0	\$5,352.00	\$0.00	\$5,352.00
3.4 - Board Workshop Attendance & Proposition 218 Assistance	30.0	\$5,463.00	\$630.00	\$6,093.00
3.5 - Final Irrigation Water Rate & Fee Study 2324	23.0	\$4,195.00	\$50.00	\$4,245.00
<b>Subtotals</b>	<b>171.0</b>	<b>\$29,205.00</b>	<b>\$680.00</b>	<b>\$29,885.00</b>
<b>TOTALS</b>	<b>235.0</b>	<b>\$40,774.00</b>	<b>\$680.00</b>	<b>\$41,059.00</b>

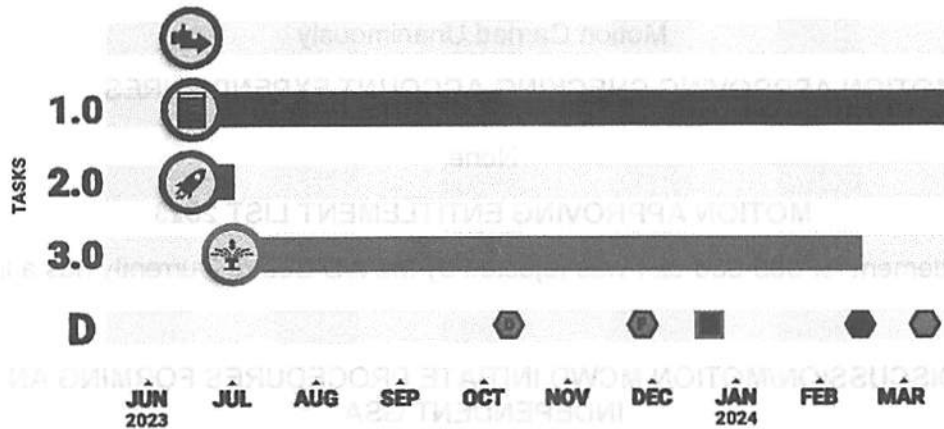
latendorf | Horenovic | Harlow | Veska | Olow | Metzler

# Water Rate Study

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## PROJECT SCHEDULE | IRRIGATION WATER RATE & FEE STUDY

Task 1.0 - Project Management    Task 2.0 - Project Kick-off    Task 3.0 - Irrigation Water Rate & Fee Study



**DELIVERABLES**

- Present Draft Report to Board
- Present Final Report to Board
- Send out Prop 218 Notices
- Prop 218 Process Vote
- Adopt New Rates

**Water Rate 218 Study**

- Option 1: Approve QK Proposal
- Option 2: Authorize District staff to complete rate study and mail ballots and information.

Eric Swenson reported David Hobbs suggested Quad/Knof to do the rate study. The board directed Eric Swenson and District staff to complete the rate study.

**2. Discussion: New Standby Rate. Ballots out for voting.**

**Process for Well Standby Assessment Increase**

- **Assessment Ballots mailed out a second time with Assessment Summary.**
- **Public Workshop for questions regarding Standby Assessment increase July 26, 2023.**
- **Public Hearing for Standby Assessment Increase and Vote Count August 8, 2023.**

**Reasons for Well Standby Assessment Increase**

- **Rates last increased in 2013.**
- **Most wells currently operating in the District were installed in 1977.**
- **Significant increase in costs to install and maintain wells over the last 10 years and especially during the last 2 years.**
- **In 2015 District could only provide 9,000 AF of pumped groundwater. Normal water year deliveries are 21,000 AF.**
- **During the last 2 years the District has lost over \$200,000 per year.**



**Need for Increase in Water Standby Assessment –  
Updated Information – Please read**

The last increase in the Water Standby Assessment was in 2013. Since 2013 the cost to install and maintain groundwater wells and pumps has increased significantly, especially during the last 2 years. Many of the wells owned and operated by MCWD were installed in 1977, over 45 years ago and many of the pumps and wells need replacement.

An information meeting to discuss this Assessment increase is scheduled for 6:00 PM on July 26, 2023 at the District's office located at 19684 2<sup>nd</sup> Avenue, Stevenson, CA. You can also participate in this meeting via Zoom. See the District's website at <https://www.merquimcountywaterdistrict.com/> for more information. A public hearing for this Assessment where final votes will be counted and either the Assessment approved or rejected will be on August 8, 2023 at 6:00 PM at the District's office.

This Assessment would increase your property assessment for the Standby Fee from \$9.00/acre to a maximum of \$20.00/acre. The MCWD Board would vote to adopt a rate for assessment each year and could increase the Assessment a smaller amount each year that the maximum allowed.

These well pumps are used during normal years to provide a third of the irrigation water that the District sells. In 2015 there was no surface water available and the District used its wells to provide approximately 9,000 acre feet (AF) of irrigation water. During a normal year the District provides approximately 21,000 AF of water. It is important that the District has the ability to provide 9,000 AF or more during dry years to keep the local farmlands adequately irrigated.

**Proposed insert for July 7 water.  
invoices.**

What will happen if the Water Standby Assessment is not increased? During the last 2 years the District has lost over \$200,000/year in revenue versus expenses. This trend cannot continue. For the District to remain viable fees must increase. It is more important than ever that the District remains viable with new requirements related to groundwater management being implemented. The District's surface water resource is becoming a more and more valuable asset as groundwater pumping is likely going to be limited in the future.

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**An information meeting to discuss this Assessment increase is scheduled for 6:00 PM on July 26, 2023 at the District's office located at 19684 2<sup>nd</sup> Avenue, Stevenson, CA. You can also participate in this meeting via Zoom. See the District's website at <https://www.merquimcountywaterdistrict.com/> for more information. A public hearing for this Assessment where final votes will be counted and either the Assessment approved or rejected will be on August 8, 2023 at 6:00 PM at the District's office.**

**This Assessment would increase your property assessment for the Standby Fee from \$9.00/acre to a maximum of \$20.00/acre. The MCWD Board would vote to adopt a rate for assessment each year and could increase the Assessment a smaller amount each year that the maximum allowed.**

**The board directed staff to send out the presented Standby Rate Increase information sheet in the July water invoices and to also send it to all landowners within the District who do not get water bills.**

### Independent GSA Formation

- Authorize MCWD staff to consult and discuss the potential for forming a MCWD/SWD GSA, including governance and funding issues.
3. Combined MCWD/SWD GSA application would first require the formation of a JPA including MCWD/SWD. Discussion/Action: Authorize MCWD staff to consult and discuss the potential for forming a MCWD/SWD GSA, including governance and funding issues.

## Independent GSA Formation – Potential Schedule

Start work now on new Joint Powers Agency (JPA) between MCWD and SWD in order to apply for formation of new GSA. The goal would be to have documents ready for execution by November 7, 2023 to start the 40-day window. GPA Formation completed December 20, 2023.

January 2, 2024, file notice of public hearing for GSA formation. Final hearing and adoption of GSA on February 15, 2024.

Submit GSA application to DWR and wait 90-day review period. The 90-day review period ends on May 15, 2024.

**Motion directing staff to enter into discussions with SWD regarding developing bylaws and structure of a the Joint Powers Agency between MCWD and SWD with the purpose of creating an independent GSA.**

*Moved by Director Rick Jones, seconded by Director Phil Dores directing staff to work to develop a Joint Powers Agency between MCWD and SWD.*

*Motion Carried Unanimously*

Sean from SWD discussed items of forming the JPA with MCWD.

4. Discussion/Action: Initiate participation of MCWD Board Meetings and other related MCWD public meetings and hearings via Zoom (on-line) in addition to in person participation starting on July 26, 2023.

### Zoom Participation in Board Meetings

- Initiate participation of MCWD Board meetings and other related MCWD public meetings, by the public only, via Zoom (on-line) in addition to in person participation starting on July 26, 2023.
- The District has received requests after the mailing of the Water Standby Assessment Ballots from landowners who live outside the area to allow participation in Board meetings remotely. Such participation is allowed at MSGSA and GSA Coordination Committee meetings.

The current cost for zooming is \$150/year to support up to 100 users at one time.

*The Board rejected adding MCWD Zoom meeting and other related MCWD public meetings, to the public.*

#### **MATTERS FOR THE GOOD OF THE DISTRICT**

Michael Brasil mentioned he had contacted Jimmy to order water, Jimmy explained MCWD had a shortage of water at that time. Michael stated he contacted Sean from SWD and also called a couple board members, Sean was able to give MCWD additional water to help with the shortage of 8cfs.

#### **9 A. Motion to add topic to the agenda.**

Moved by Director Phil Dores, seconded by Director Rick Jones to add a topic to the agenda.

**Motion Carried Unanimously**

**Motion approving a 2023 Supplemental Water Transfer Agreement which would add an additional 8cfs of water from SWD for July, August, and September.**

Motion approved by Director Rick Jones, seconded by Danny Drumonde to approve the acceptance of the additional 8 cfs of water from SWD.

*Motion Carried Unanimously*

Director Rick Jones inquired about the ditch needing cleaning on 4<sup>th</sup> and Keaton. Jim Huckabee is going to disk the ditch bank tomorrow.

#### **OFFICE**

Crystal stated she had mailed the maintenance billings out.

#### **Maintenance**

Jimmy presented MCWD board with the June water deliveries from SWD. Jimmy also presented the MCWD board with the test results from Frank Amaral well on Second Ave and Cemetery Rd.

#### **MOTION TO ADJOURN TO CLOSE SESSION PURUANT TO**

Public Employment  
California Government Code Section 54957  
District Engineer Work Agreement.

Moved by Director Phil Dores, seconded by Director Rick Jones to adjourn to closed session.

**Motion Carried Unanimously**

**MOTION TO RETURN TO OPEN SESSION**

Moved by Director Phil Dore, seconded by Director Rick Jones to return to open session.

Motion Carried Unanimously

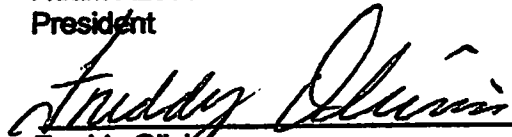
**MOTION TO ADJOURN**

Moved by Director Phil Dore, seconded by Director Rick Jones to Adjourn.

Motion Carried Unanimously



Adam Azevedo  
President



Freddy Oliveira  
Vice President



Betty Guest  
Secretary

**MCWD RESOLUTION NO. 2023-2**

WHEREAS, the Merquin County Water District (“MCWD”) is the owner in fee simple of that certain 0.06 acres real property located at 2345 Lander Avenue, Stevinson, known as Merced County Assessor’s Parcel No. 055-177-011, and further described in Exhibit “1,” attached hereto and made a part of hereof (the “MCWD Property”);

WHEREAS, by duly adopted MCWD Resolution No. 2023-\_\_, the MCWD Board of Directors declared and found the MCWD Property was “exempt surplus land” in accordance with Gov’t. Code §54221(f)(1); and

WHEREAS, Mark Green, an individual (“Green”) is the owner of real property located at Lander Avenue, Stevinson, California (the “Green Property”), which is adjacent to the MCWD Property;

WHEREAS, Green desires to receive the MCWD Property in exchange for a grant of easement in gross to MCWD so that MCWD may install, maintain and operate a groundwater well on the Green Property to transport water throughout the District for irrigation (the “Green/MCWD Well Easement”).

**NOW, THEREFORE, THE MCWD BOARD OF DIRECTORS HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:**

1. The above recitals are true and correct and are incorporated herein.
2. To exchange the MCWD Property for the Green/MCWD Well Easement, the parties shall:
  - a. execute the Quitclaim Deed for the MCWD Property to Mark Green, a copy of which is attached hereto and incorporated herein as Exhibit “2”; and
  - b. execute the Irrigation Well Easement, a copy of which is attached hereto and incorporated herein as Exhibit “3”.
3. The MCWD Property is exchanged to Mark Green “as-is” and without any representations or warranties as to the condition of the MCWD Property or as to its suitability for the purposes intended by Mark Green. Mark Green shall rely solely on his own investigation of the MCWD Property and shall make his own independent decision as to the suitability of the MCWD Property for his purposes.
4. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines. It has been determined that the adoption of this Resolution will not have a significant environmental impact and is exempt from CEQA pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations. It can be seen with certainty that there is no possibility that the declaration of



property as surplus may have a significant effect on the environment, as no development is authorized by this resolution.

5. The officers and staff of MCWD are hereby authorized to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution.

6. This Resolution shall become effective immediately upon role call of the following vote:

Moved by: Director Freddy Oliveira, seconded by Danny Drummond that the foregoing resolution be adopted upon role call of the following vote:

Ayes: Adam Azevedo, Rick Jones, Freddy Oliveira,

Noes: Danny Drummond, Phil Doris  
NONE

Absent: NONE

**EXHIBIT No. 1**  
**LEGAL DESCRIPTION**

A portion of the South one half of the East one half of Lot 17, in Section 15, Township 7 South, Range 10 East, M.D.B.&M., as shown on a map entitled, "Map of Stevinson Colony Subdivision 5," recorded in Volume 3 of Official Plats at page 12, Merced County Records, being more particularly described as follows:

Commencing at a point that bears N. 0° 26' 34" E. 292.00 feet from the Southeast corner of the said South one half of the said East one half of the said Lot 17, one half of the said lot 17, the said Easterly line being the Westerly right of way of a 60.00 foot wide road now known as Lander Avenue; thence from the TRUE POINT OF BEGINNING, N. 89° 33' 26" W. 50.00 feet; thence N. 0° 26' 34" E. 50.00 feet; thence S. 89° 33' 26" E. 50.00 feet to the said Westerly right-of-way line, being the said Easterly line of the said South one half of the said East one half of the said Lot 17; thence S. 0° 26' 34" WE. 50.00 feet to the TRUE POINT OF BEGINNING.

Containing 0.06 Acres more or less.

L:\PROJECTS\2023\230021\ACAD\EXHIBITS\EASEMENT DESCRIPTION EXHIBIT A-SW.DWG 6/26/2023 11:18 AM



SCALE: 1" = 125'

Portion  
Lot 17  
3 O.P. 12  
Stevinson Colony  
Subdivision #5

West Line  
of the south half  
of the east half

East Line  
of the south half  
of the east half

WELL SITE

Point of Commencement  
SE Corner of Lot 17

N00°44'05"E  
50.00'

S89°20'06"E  
50.00'

South Line  
of the south half  
of the east half

S00°44'05"W  
50.00'

Point of Beginning

N89°20'06"W 647.50'

FOURTH AVENUE

N89°20'06"W  
50.00'

LANDER AVENUE

Portion  
Lot 32  
3 O.P. 12  
Stevinson Colony  
Subdivison #5

**LEGEND**

RIGHT OF WAY

EASEMENT

CENTER LINE



PROJECT NO.: 230021

DRAWN BY: DOR

QA/QC BY: GAP

SCALE: AS SHOWN

SHEET NO.:

1 of 1

**EXHIBIT B**

**WELL SITE EASEMENT  
APN 055-177-012**



2816 PARK AVENUE  
MERCED, CA 95348

TEL: (209) 723-2066  
WWW.QKINC.COM

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**MCWD RESOLUTION NO. 2023-3**

**A RESOLUTION OF THE MERQUIN COUNTY WATER DISTRICT DECLARING CERTAIN PROPERTY EXEMPT SURPLUS LAND AND FINDING THAT SUCH DECLARATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

WHEREAS, the Merquin County Water District ("MCWD") is the owner in fee simple of that certain 0.06 acres of real property located at 2345 Lander Avenue, Stevinson, CA 95374, known as Merced County Assessor's Parcel No. 055-177-011, and further described in Exhibit "A," attached hereto and made a part of hereof ("Property");

WHEREAS, under the Surplus Property Land Act, Government Code Sections 54220-54233 ("Act"), surplus land is land owned in fee simple by the MCWD for which the MCWD takes formal action in a regular public meeting declaring the land is surplus and not necessary for the MCWD's use; and

WHEREAS, the Property is not, and cannot be, used by MCWD; and

WHEREAS, under the Act, Gov't. Code §54221(f)(1) provides a definition of "exempt surplus land" which is therefore exempt from certain requirements under the Act; and

WHEREAS, MCWD desires to declare that the Property is surplus land and not necessary for the MCWD's use;

WHEREAS, MCWD Desires to declare the Property is exempt surplus land pursuant to Gov't. Code §54236(f)(1) B) and (C).

**NOW, THEREFORE, THE MCWD BOARD OF DIRECTORS HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:**

1. The above recitals are true and correct and are incorporated herein.
2. The Board hereby declares that the Property is surplus property and not necessary for MCWD's use. The Property has not been utilized for a significant period of time following its acquisition in that the well located on the Property can no longer provide sufficient water for MCWD's purposes.
3. Because the Property is less than 5000 square feet in size and because MCWD intends to transfer the Property for another property interest necessary for MCWD's use, the Property is exempt surplus property in accordance with Gov't. Code § Gov't. Code §54236(f)(1) B) and (C).
4. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines. It has been determined that the adoption of this Resolution will not have a significant environmental impact and is exempt from CEQA pursuant to Section 15061(b)(3) of Title 14 of the California Code of

Regulations. It can be seen with certainty that there is no possibility that the declaration of property as surplus may have a significant effect on the environment, as no development is authorized by this resolution.

5. The officers and staff of MCWD are hereby authorized to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution.

6. This Resolution shall become effective upon role call of the following vote.

Moved by: Director Fred Oliveira, seconded by Danny Drummond that the foregoing resolution be adopted upon role call of the following vote:

Ayes: Freddy Oliveira, Danny Drummond, Phil Dorer,

Rick Jones, Adam Azoude

Noes:

None

Absent:

None

# **EXHIBIT "A"**

## **EASEMENT DESCRIPTION**

**A well easement lying in Section 15, Township 7 South, Range 10 East, Mount Diablo Meridian, Merced County, California, being a portion of the south half of Lot 17 of Stevinson Colony Subdivision #5, in Volume 3 of Official Plats, at Page 12, Merced County Records, being more particularly described as follows:**

**Commencing at the southeast corner of said lot; thence N. 89° 20' 06" W., along the south line of said lot, as shown on Record of Survey recorded Vol. 56 Pg. 24 M.C.R., 647.50 feet to the south west corner of the south half of the east half of said lot, being the POINT OF BEGINNING; thence N. 00° 44' 05" E., a distance of 50 feet along the west line of the south half of the east half of said lot; thence parallel with the south line of said lot S. 89°20' 06" E., a distance of 50 feet; thence parallel with the west line of the south half of the east half of said lot, S. 00° 44' 05' W., a distance of 50 feet to a point on the south line; thence along the south line of said lot, N. 89° 20' 06" W., a distance of 50.00 feet to the POINT OF BEGINNING.**

**Containing 2,500 square feet acres more or less**

**End of Document**