

Merquin County Water District

**Minutes of the Regular Meeting
Of the Board of Directors
Tuesday, March 14, 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, Director Rick Jones, Director Phil Dores

MOTION APPROVING MINUTES of February 22, 2022

Moved by Vice President Freddy Oliviera, seconded by Director Danny Drumonde approving minutes of February 22, 2023.

Motion Carried Unanimously

MOTION APPROVING LIST OF WARRANTS

Moved by Director Phil Dores, seconded by Director Danny Drumonde approving the list of warrants \$26,670.58.

Motion Carried Unanimously

**MOTION APPROVING CHECKING ACCOUNT EXPENDITURES
None**

DISCUSSION/MOTION FOR 2023 ENTITLEMENTS

MOTION APPROVING 2023 ENTITLEMENTS.

Moved by Director Rick Jones, seconded by Director Phil Dores approving 2023 Entitlements.

With a tentative approval for River Rock Ranch installation of required (8) valves.

Motion Carried Unanimously

DISCUSSION/ACTION ON WATER RATES FOR 2023

MOTION APPROVING 2023 WATER RATES

President Azevedo published a list of what other districts are charging for water.

President Azevedo stated currently MCWD is capped at \$32.50/af of water. Adam requested Mr. Hobbs to correct him if he is incorrect. Adam asked if there could be a separate price for well water? Mr. Hobbs state MCWD has never set it up for well water and surface water to be different pricing. Mr. Hobbs said at some point in time MCWD will need to raise water rates.

Adam asked if there is a new 218 can the district set it up for different pricing? Mr. Hobbs stated it can be set up, but he is not sure if it can be tracked in such a way.

Dave Nervino stated at one time there was a discussion on tiering. Mr. Hobbs stated the district can always do tiering if the cost of service supports the costs is more to provide extra water. The board can set a cap of however many AF at the base price and anything beyond that will be at a higher price. *Surplus water.*

Moved by Vice President Freddy Oliveira, seconded by Director Phil Dores approving 2023 Water Rates as: \$32.50/AF. Capped @3AF.

Board Poll:

Yea. Freddy Oliveira

Rick Jones

Adam Azevedo

Phil Dores

Noes: Danny Drumonde

Motion Carried with Board Poll

DISCUSSION/ACTION ON PROP 218

Removed from item 7. Addressed in item #2 of Engineers discussion.

CORRESPONDENCE

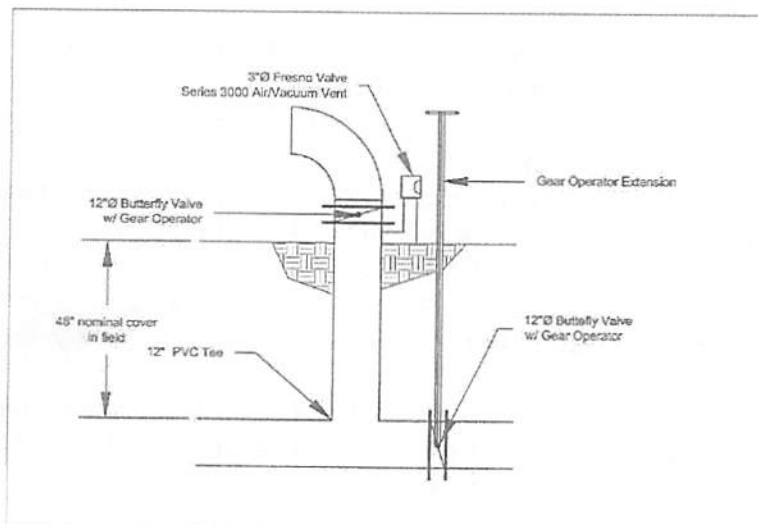
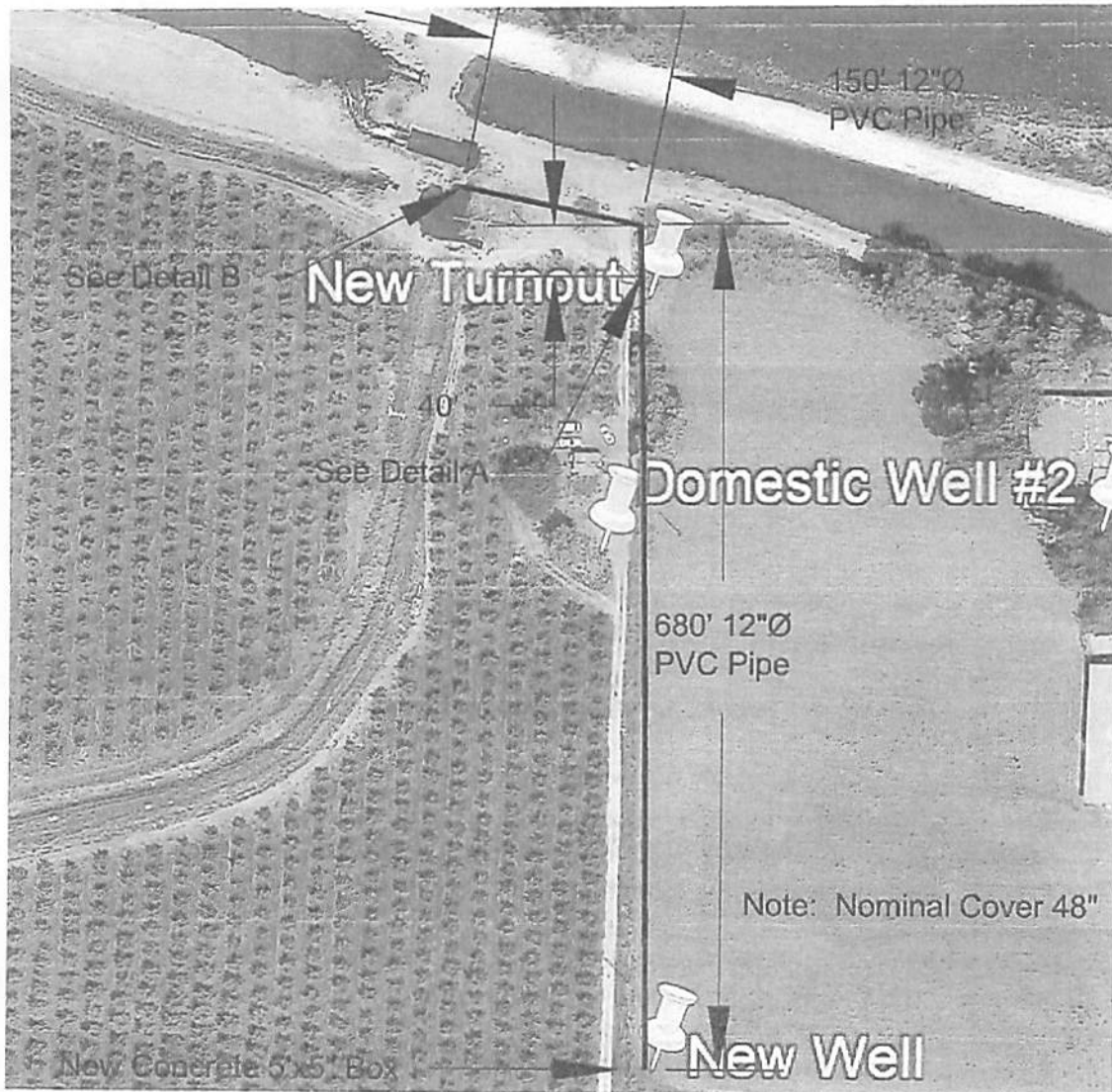
None

Civil Engineer Eric Swenson:

1. Discussion/Action: Well 7R Pipeline routing and Revocable License Agreement for Eastside Canal crossing.

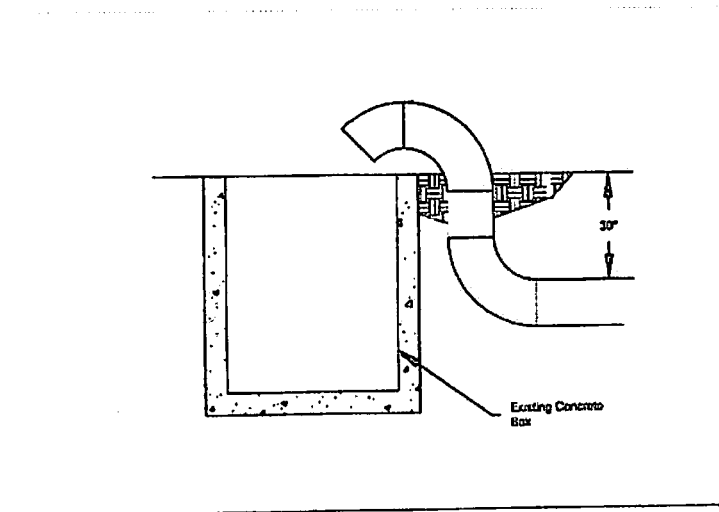
Staff is currently working with Independent Irrigation, Waterford Irrigation, and Machado Backhoe to try to hire a contractor to install a pipeline in Dave Vierra's field prior to mid-April when the field will be planted. Due to the lateness of the start of work and the lack of a crossing Agreement for the Eastside Canal, the District Engineer recommends that the end of pipeline for the 2023 water season be the head of the Lemus Lateral.

Eric Swenson will be checking on term length of License Agreement.



Well TR Pipeline
Marquín County Water District
Detail A

Drawn: E. Swenson
Date: 3/6/2023



Well 7R Pipeline
Marquain County Water District
Detail B

Drawn: E. Swanson
Date: 3/6/2023

Revocable Canal Crossing Agreement Requirements by Eastside Canal Company/Stevinson Water District:

Licensing Agreement Provisions

- MCWD shall be responsible for any necessary permitting.
- MCWD will be responsible for supervision of construction to ensure the pipeline is installed following generally accepted construction standards for excavation, pipe bedding and placement, joint construction and other activities.
- SWD/ESCC will retain access to the site during construction and operation of the pipeline.
- In the event of an emergency where repair of the canal embankment or crossing requires disturbance or removal of portions of the pipeline, SWD/ESCC shall notify MCWD of the need for emergency action but shall require no approval from MCWD for performance of the activity. SWD/ESCC shall assume no liability for damages to the pipeline that result from such emergency activity. Should such activities become necessary, SWD/ESCC shall attempt to minimize damage to the pipeline when performing the action.
- The licensing agreement will have a 5-year term with an option to renew and extend.
- The agreement will include standard indemnification language.
- The agreement will have an attachment with the drawings MCWD has provided that show details of the pipeline alignment and construction.
- MCWD will preserve and protect the work and maintain a safe workplace and will assume full responsibility for the condition of the workplace and completion of the work.
- MCWD will be liable for any loss or damage SWD/ESCC experiences during the course of construction or as a result of operation of the pipeline. Any such damage will be immediately repaired by MCWD. Upon failure to do so, SWD/ESCC may perform the necessary repairs and charge MCWD for the cost of the repair.
- SWD/ESCC will have the right to inspect the work to confirm that it corresponds to the agreed design and to approve the work upon its completion. This right does not confer upon SWD/ESCC any responsibility for direction or supervision of construction.

2. **Discussion/Action:** Approval to issue Request for Proposal (RFP) to hire a consultant to prepare documents for water rate increase as required by Proposition 218.

The current maximum authorized water rate of \$32.50/AF does not bring in adequate revenue to balance the annual MCWD budget

Estimated consultant cost for this process is \$30,000 - \$50,000.

Based upon a range of budget considerations, it appears a new water rate for the 2024 water season could be in the range of \$69 - \$85/AF. Higher number reflects 1,000 AF of water purchased at \$325.00/AF.

Expenses Item	Amount	
Personnel Crystal, Jimmy, Eric, & Eric	257,250	+5%"
Additional Staff Costs (SSI, WC, etc.)	52,815	+5%"
Add Cost 3rd Ditch tender	59,000	New
Add Cost Dist. Engr Replacement	59,000	New
Total Salaries & Employee Benefits	428,065	
Capital Annual Projects		
2 New Wells, Pumps, Electrical	272,000	New Budget Item
Transfer Pipeline	125,000	New budget Item
Subtotal		397,000
Services and Supplies	998,920	Incl. \$100,000 for GSA Formation
Misc. Expenses	52,500	
Total Expenses	1,876,485	
Non-Water Sale Income	410,250	

Motion approving Request for Proposal (RFP) to hire consultant to prepare documents for water rate as required by Proposition 218

Moved by Director Rick Jones, seconded by Vice President Freddy Oliviera approving Request for Proposal (RFP) to hire a consultant to prepare documents for water rate increase as required by Proposition 218.

Motion Carried Unanimously

3. Discussion: Historical review of Water Standby Assessment and uses for collected funds.

Currently the District collects a \$9.00 per acre water standby assessment. The District Engineer checked with Garth Pecchenino with QK and he indicated that this is the maximum rate currently allowed.

4. Discussion/Action: Update on Cal Trans Round About at Highway 140 and Lander Avenue. Cal Trans contacted the District Engineer in the last week and indicated that the Round About Project is back on the Cal Trans schedule. They are requesting 60% design by August of 2023 and construction complete by March 1, 2025. The District Engineer is coordinating with QK regarding these requests. Work on this project is fully reimbursable.

No action needed.

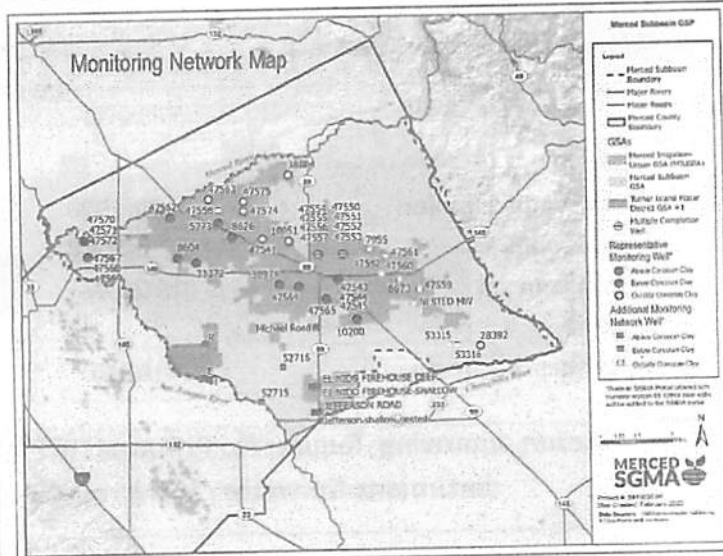
5. Discussion: Update on MSGSA meetings.

- DWR has approved the MSGSA GSP
- DWR turned 6 GSA's over to the SWRCB for intervention: Chowchilla, Delta Mendota, Kaweah, Kern County, Tulare Lake, and Tule Subbasin.

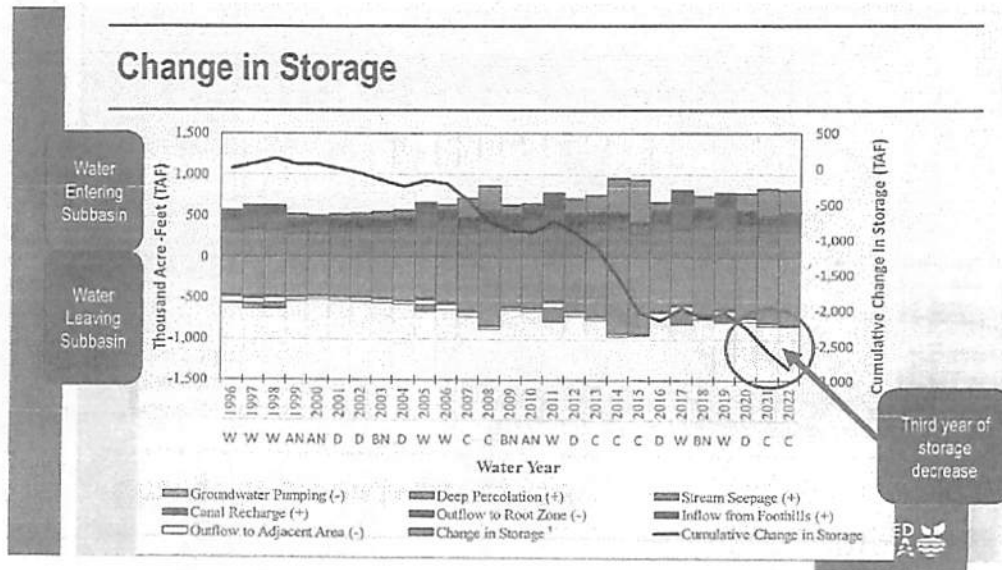
Change in Groundwater Levels

- Change in groundwater elevations contour maps still under review

Principal Aquifer	Average Elevation Change Fall 2021 to Fall 2022	Count of Wells
Above	-3.8 ft	11
Below	-5.1 ft	17
Outside	-7.0 ft	17

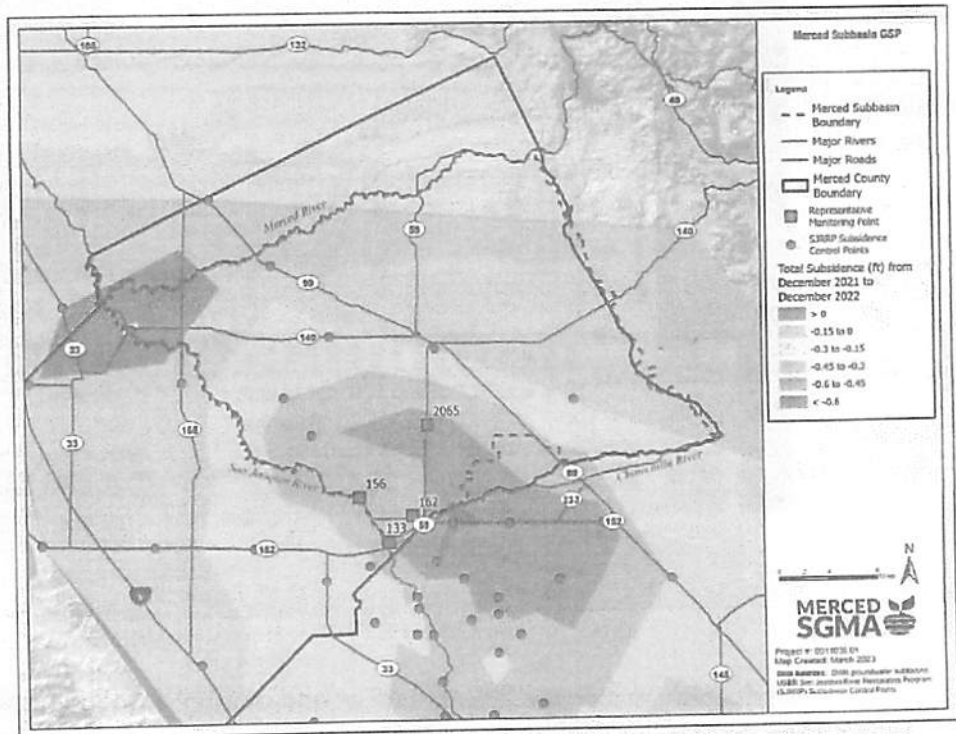


Change in Storage



Reduction in storage 262,000 AF at end of 2022 from beginning of 2022.

Subsidence Dec 2021 – Dec 2022



- Strategic Planning Ad Hoc Committee:
 - Reviewing request from TAC to allow groundwater allocations from Range Land that opts in as "Irrigated" to allow groundwater allocation to be shared with other parcels of land.
 - Groundwater Allocations: 2 approaches being considered:
 - Variable sustainable yield depending upon Sustainability Zone.
 - Uniform sustainable yield with additional "Special Zone Surplus" being applied to areas that already meet Winter groundwater elevations equal or above 2015 groundwater elevations.

MATTERS FOR THE GOOD OF THE DISTRICT

Eric Swenson state there was a ruling from the State Board on the SWD/ESCC transfer to San Luis Canal in their approval the state board said they do not think there is any long-term overdraft in the MCWD.

Michael asked why doesn't MCWD Ad Hoc committee talk with SWD? Discuss with SWD on joining MCWD to form a joint GSA. Adam stated he and Michael have been talking to them every week. Michael asked if himself, Adam, and another person try to negotiate with SWD, bring ideas back to the board, then vote on it prior to having attorneys involved.

Eric Swenson commented the board has stated they are interested in purchasing additional water from Stevinson. Eric feels if MCWD signed up to purchase 1000 AF of additional surface water per year, which would go a long way of showing intent to Stevinson that MCWD is serious about working with them.

Michael Brasil asked if the district is sure they are willing to pay \$325,000, because two years ago the board didn't want to raise the rates.

President Azevedo said he would be in favor of it but would not want a blended water price with that water. President Azevedo stated it would be based on a contract basis, customers sign up for it, and they would have to take it. It's a five-year contract and they would pay for that in addition. Director Danny Drumonde asked where the paperwork is on the purchase water?

Jimmy asked if the customers who choose to use the extra 1000/AF of water will they have priority over other customers?

Director Rick Jones stated MCWD needs to have their own GSA even if SWD does not go with MCWD.

Adam Azevedo asked if there were any other issue anyone would like to be discussed with SWD in the next meeting? Adam Azevedo stated there was one issue and that was us wheeling water in their canal and them wheeling in our laterals, this is not a big deal. Rex will propose something for the next meeting.

Dave Nervino suggested educating Shaun on the water issues we will have in the near future with flooding. How MCWD pumps water over the levies and SWD needs to pay for half of that.

Joe from River Rock Ranch asked if the purchased water is the higher price, can you negotiate less than the higher price?

OFFICE

Crystal will be filing her Notary license with the County of Merced
The retirement package for Jimmy Rayo and Eric Vaz will be transferred in the upcoming meeting.

Maintenance

Jimmy reported Keith Virgo notified a customer is cutting trenches in MCWD ditch banks, Jimmy will be sending a letter to him to repair the damages.

Adam requested another letter be sent to the customer who cut a hole thru the bank of a ditch and send them an invoice for a quarter or half of the backhoe fees.

Jimmy reported the cutting of trees, one tree on Hwy 140 will require a tree trimming company to cut due to its proximity to the Hwy 140. Traffic control will also be required. Jimmy had requested estimates from two different tree services, He only received one written estimate from Eric's Tree Service.

Jimmy stated they have been set up for storm water since the prior Sunday but not much came down.

Jimmy stated they met with Larry, Joe, Danny, and Adam on the pipeline on the River Rock Dairy. Joe stated they were planning on rerouting or repair. Jimmy stated the cost of repairs will be expensive.

MOTION TO ADJOURN TO CLOSED SESSION

Moved by Director Rick Jones, seconded by Vice President Freddy Oliviera to adjourn to closed session.

Motion Carried Unanimously

MOTION TO RETURN TO OPEN SESSION

Moved by Director Danny Drumonde, seconded by Director Phil Dores to return to open session.

Motion Carried Unanimously

MOTION TO ADJOURN


Moved by Director Danny Drumonde, seconded by Director Phil Dores to Adjourn.

Motion Carried Unanimously



Adam Azevedo
President

Freddy Oliviera
Vice President



Betty Guest
Secretary