

Merquin County Water District

**Minutes of the Regular Meeting
Of the Board of Directors
Wednesday, March 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., Stevenson, California 6:00 p.m.

Present were, President Adam Azevedo, Vice President Freddy Oliveira, Director Danny Drumonde, Director Rick Jones, Absent: Phil Doros

Motion approving addition of agenda item 4A approving List of Entitlements.

Moved by Director Danny Drumonde, seconded by Director Rick Jones to add agenda item 4a.

Motion Carried Unanimously

MOTION APPROVING MINUTES of March 14, 2022

Moved by Director Danny Drumonde, seconded by Vice President Freddy Oliveira approving Minutes of March 14, 2023

Tabled for further explanation of the 218 Vote.

MOTION APPROVING LIST OF WARRANTS

Moved by Vice President Freddy Oliveira, seconded by Director Danny Drumonde approving the list of warrants \$1,941.40.

Motion Carried Unanimously

MOTION APPROVING CHECKING ACCOUNT EXPENDITURES

Check 1177 was issued to SWD for well permit in the amount of \$2000, in actuality it should have been \$500. SWD will issue a credit in the amount of \$1500 for overpayment back to MCWD.

Moved by Vice President Freddy Oliveira, seconded by Director Rick Jones approving checking account Expenditures.

Motion approving Entitlement List 2023

Moved by Director Rick Jones, seconded by Vice President Freddy Oliveira approving Entitlement List 2023.

Motion Carried Unanimously

Motion Approving Financial Report for February 2023

MCWD received a credit of \$3,500 due to scheduled non run times through PG&E.

Madison County Water District

Minutes of the Regular Meeting

of the Board of Directors

Wednesday, March 23, 2022

The meeting of the Board of Directors of the Madison County Water District called to order in regular session at 10:00 a.m. on Wednesday, March 23, 2022 at the Board Room, 1000 N. Main Street, Ste. 100, Madison, Tennessee 37001.

Present were: President, Freddy Olivera, Vice President, Freddy Olivera, Director, Danny Dumonde, Director, Rick Jones, Secretary, Phil Jones, Treasurer, Phil Jones.

Motion approving addition of agenda item #4 approving list of Exhibits.

Motion approved by Director Danny Dumonde, seconded by Director Rick Jones to add agenda item #4.

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Motion Carried Unanimously

MOTION APPROVING MINUTES of March 14, 2022

Motion approved by Director Danny Dumonde, seconded by Vice President Fredy Olivera approving Minutes of March 14, 2022.

Motion Carried Unanimously

MOTION APPROVING LIST OF WARRANTS

Motion approved by Vice President Fredy Olivera, seconded by Director Danny Dumonde approving the list of warrants \$1,341,440.

Motion Carried Unanimously

MOTION APPROVING OPENING ACCOUNT EXPENDITURES

Check #174 was issued to SWD for well permit in the amount of \$2500. In addition, another \$1000 was paid to SWD. SWD will issue a credit in the amount of \$1500 for over payment back to MWAD.

Motion approved by Vice President Fredy Olivera, seconded by Director Rick Jones approving creating account expenditures.

Motion approving Exhibit in the List 2022

Motion approved by Vice President Fredy Olivera, seconded by Director Rick Jones approving Exhibit List 2022.

Motion Carried Unanimously

Motion Approving Financial Report for February 2022

MWAD received a credit of \$2,500 due to scheduled non payment through 2022.

Moved by Vice President Freddy Oliviera, seconded y Director Danny Drumonde approving Financial Report for February 2023.

Motion Carried Unanimously

Motion Authorizing Quad/Knopf to prepare Assessment Figures and Boundary Map for the 2023/2024 report.

Tabled

CORRESPONDANCE

NONE

Civil Engineer Eric Swenson:

1. **Discussion/Action:** Steps required for new Groundwater Sustainability Agency (GSA) Formation. Discussion of potential consultants to support in this effort.

Steps required to form a new GSA:

Step 1. Preparation of Staff Report. Prior to scheduling a public hearing on forming a GSA, the MCWD staff will need to compile the following information into a staff report, which information will also be need for the Notice of Intent filed with DWR:

- A. A description of MCWD's service area boundaries.
- B. The name of the Subbasin or portion thereof proposing to be managed by the GSA.
- C. Any other GSA's operating within the basin.
- D. Prepare a map, including a GIS shape file that shows its service area boundaries and the portion of the DWR-designated Subbasin the GSA has elected to manage.
- E. A list of interested parties developed pursuant to Water Code Section 10723.2 and an explanation of how their interests will be considered in the development and operation of the GSA and the development and implementation of the agency's sustainability plan, including:
 - (1) Holders of overlying groundwater rights, including agricultural users and domestic well owners.
 - (2) Municipal well operators.
 - (3) Public water systems.
 - (4) Local land use planning agencies.
 - (5) Environmental users of groundwater.
 - (6) Surface water users if there is a hydrologic connection between surface and groundwater bodies.
 - (7) The federal government, including, but not limited to, the military and managers of federal lands.
 - (8) California Native American Tribes.
 - (9) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems.
 - (0) Entities listed in Water Code Section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency.

(1)

Step 2. Noticing and Holding a Public Hearing. A public hearing must be noticed and held by MCWD or as part of a group of local agencies pursuant to a MOA is considering forming a GSA. The public hearing must be noticed by publication in a newspaper of general circulation (published in the effected territory once a week or more). The notice must be published twice, with at least 5 days running in between each publication.

Step 3. Adopting a Resolution electing to become a GSA at the public hearing. At the public hearing, the agency will adopt a resolution electing to become a GSA.

Step 4. Filing Notice of GSA Formation with DWR pursuant to Water Code Section 10723.8(a). Within 30 days from the adoption of the resolution (or adoption of the MOA), the notice of GSA formation package, which includes the following must be submitted via email or hard copy to Mark Nordberg, DWR GSA Project Manager. Note that most, if not all of the required information, comes directly from the staff report and the adopted resolution.

A. Information that clearly shows the GSA formation notice was filed with DWR within 30 days of the decision to become or form a GSA – the decision date is generally the date the local agency adopted the resolution or MOA that formed the GSA.

B. Items A, B, C, and D listed under Step 1.
• A copy of the resolution or MOA forming the new agency.

A. A copy of any new bylaws, ordinances, or new authorities adopted by the local agency.

C. Item E listed under Step 1.

D. A statement by the authorized representative that all applicable information required by Section 10723.8(a) is being provided to DWR.

E. A copy of the published notice of the public hearing and evidence that the required public hearing was held.

F. DWR welcomes additional information showing that the proposed GSA has the long-term technical, managerial, and financial capabilities to sustainably manage groundwater resources and prepare a groundwater sustainability plan for the Subbasin.

Consultant support for GSA formation: The District Engineer is currently talking to the following consultants regarding potential technical support:

- Luhdorff and Scalmanini
- Provost and Pritchard
- QK

The District Engineer requests authorization from the Board of Directors to issue a request for proposal (RFP) for technical support in completing an application for GSA formation. Director Azevedo asked when the Board would need to decide regarding the MCWD pursuing formation of a GSA. District Engineer indicated that it would be best to decide in the next 3 to 4 months in order for the new GSA to appear in the 2025 Groundwater Sustainability Plan (GSP) update. No action was taken by the Board of Directors regarding formation of a new GSA.

Step 3: Following and holding a Public Hearing. A public hearing must be noticed and held by WVCW or a part of local elected officials to provide a public hearing for GSA. The public hearing must be held by publication in a newspaper of general circulation (published in the collected territory once a week or more). The notice must be published twice, with at least 5 days warning in between each publication.

Step 4: Adopting a Resolution. Following a resolution of the Board of Directors, the Board of Directors must adopt a resolution to approve a GSA. The resolution must be published in the local newspaper.

Step 5: Filing Notice of GSA Formation with WVCW. Following the adoption of the resolution, the notice of GSA formation must be filed with WVCW. The notice of GSA formation must be submitted in duplicate, with one copy to be retained by WVCW. The notice of GSA formation must be filed with WVCW within 30 days of the date the resolution was adopted.

A. Information that clearly shows the GSA formation notice was filed with WVCW within 30 days of the date the resolution was adopted. B. The decision that is generally the date the local agency adopted the resolution of GSA formation.

6. A copy of the resolution of WVCW forming the new agency.

A. A copy of any new laws, ordinances or resolutions adopted by the local agency.

C. Item B listed under Step 1.

C. A statement of the authority and jurisdiction of the local agency, as provided in Section 10722.5(c), is being provided to WVCW.

E. A copy of the published notice of the public hearing and evidence that the required public hearing was held.

F. WVCW was provided additional information showing that the proposed GSA has the jurisdiction, financial resources, and technical capabilities to carry out the proposed project and provide a financial benefit to the local agency.

Consistent support for GSA formation. The District Engineer is currently talking to the following consultants regarding potential technical support:

- [unclear] and [unclear]
- [unclear] and [unclear]
- [unclear]

The District Engineer requests authorization from the Board of Directors to issue a request for proposal (RFP) for technical support in completing an application for GSA formation. The Board of Directors should be advised of why the Board of Directors should be best to provide the formation of a GSA. District Engineer indicated that it would be best to decide in the next 3 to 6 months in order for the new GSA to appear in the 2025.

Growth/Development Plan (GDP) update. The action was taken by the Board of Directors regarding formation of a new GSA.

2. **Discussion/Action:** Strategy for starting new Proposition 218 compliant rate increase for standby assessment. A question arose during the last Board meeting as to whether the MCWD could raise its standby rate without an new 218. Water code section 31032.1 indicates a maximum of \$30/acre/year can be charged. This is the maximum for any Water District and the rate still needs to be increased through the 218 process.

Currently the assessed rate is based upon the following annual costs:

PG&E charges	\$40,000
Well replacement (every 5 years)	\$20,000
Pump & Motor Replacement (every 5 years)	\$13,500
Operation and Maintenance Expenses	<u>\$14,500</u>
Total	\$88,000

Total Acreage = 9,960.61

Budgeted Cost for 2024 are likely to be:

2 Well Replacements	\$272,000
District Utility Cost	\$360,000
Maintenance Expense	<u>\$100,000</u>
Total	\$732,000

Per Acre fee = \$73.49/acre/year

There is significantly more expense than needed to support requesting the maximum allowed \$30/acre/year. What funding level does the Board want to request through the 218 process for the standby fee? Will the Board authorize staff to solicit (through a RFP) a rate study through a consultant for this increased standby fee?

Motion approving the develop a rate study in supporting the Board of Directors for a Standby by Assessment

Moved by Director Rick Jones, seconded by Vice president Freddy Oliviera approving a 218 for a maximum \$20.00 standby fee (phased in or not phased in)

Motion approved Unanimously.

Director's Strategy for meeting new production 118 compliance requirements in standby assessment. A question arose during the last Board meeting as to whether the NWB could raise its standby rate without an new 118. Water code section 118.021 indicates a maximum of \$50/year can be charged. This is the maximum for any Water District and the rate will need to be increased through the 118 process.

Currently the assessed rate is based upon the following annual costs:

250,000	FG&E charges
300,000	Well replacement (every 5 years)
218,000	Pump & Motor replacement (every 5 years)
218,000	Operation and Maintenance Expenses
230,000	Total

Total Average = \$1,016,000

Budgeted Cost for 2024 and likely for

232,000	Well Replacements
200,000	District Utility Cost
210,000	Maintenance Expenses
235,000	Total

Per Acre = \$73,475/acre/year

There is significantly more expense than needed to support meeting the maximum allowed \$50/acre/year. What funding level does the Board want to request through the 118 process for the standby fee? Will the Board authorize staff to solicit through the 118 a rate study through a consultant for this increased standby fee?

Resolution approving the develop a rate study in supporting the Board of Directors for a Standby Assessment

Moved by Director Rick Jones, seconded by Vice President Randy Clivier approving a 118 for a maximum \$50.00 standby fee (based on the attached information)

Resolution approved unanimously.

3. **Discussion/Action:** Execute easement for Well 10 replacement. Authorize the Board Chair to accept an easement for a new well proposed at the northwest corner of Lander Avenue and 4th Avenue. Landowner proposes to trade easement for taking over existing PG&E service at the current Well 10 location.

Motion approving the Execution for easement for Well 10 replacement.

Moved by Vice President Freddy Oliviera, seconded by Director Danny Drumonde approving the Execution for easement for Well #10 replacement and authorizing the Board President, Adam Azevedo to sign required documents.

Motion Carried Unanimously

Matter for the Good of The District

Mr. Kelley requested additional information from Mr. Hobbs of the process of the 218 in respect to water rates. Mr. Kelley stated he does not remember that a 218 is needed to increase water rates. Mr. Kelley is concerned that some of his property that is not farmed is being included in the assessed acreage. A copy of the LOCC (League of California Cities) Implementation Guide was forwarded to Mr. Kelly for his review of pages 28,29.

Mr. Kelley stated the wheeling agreement will be provided this following week. Mr. Kelly reported he did not see Modesto Properties in the Wheeling Agreement. Jimmy reported to add well #13 into the wheeling agreement also. The District Engineer will submit the required paperwork for well 13 and the Modesto Properties well to SWD.

Office

Sylvia from Merced County inquired about the Highline Assessment Account, this account is gaining interest but hasn't been used recently. Board discussion stated to leave the account open for future use, it is an improvement district.

Received the debit card from West America Bank, the President and Vice President need to activate them.

Eric Swenson had messaged Crystal requesting to issue a check in the amount of \$2,000 invoice to PG&E for an engineering fee for the electrical service for well 7R.

West America charges a \$12 service fee if the account is not kept at a balance of \$3,000 or higher. The board authorized Crystal to keep the account a minimum of

Discussion/Action: Resolved assessment for Well 10 replacement. Authorize the Board
Chair to accept an assessment for a new well proposed at the northwest corner of Linder
Avenue and 4th Avenue. Landowner proposes to trade easement on taking over existing
PGE service at the current Well 10 location.

Resolution approving the execution for easement for Well 10 replacement.

Moved by Vice President Freddy Oliviera, seconded by Director Danny Durando
approving the execution for easement for Well 10 replacement and authorizing the
Board President Adam Alvarez to sign required documents.

Resolution Carried Unanimously

Matter for the Good of the District

Mr. Kelly requested additional information from Mr. Hobbs of the project of the
118 in respect to water rates. Mr. Kelly stated he does not remember that a 118 is
needed to increase water rates. Mr. Kelly is concerned first some of his property
that is not farmed is being included in the assessed acreage. A copy of the UCC
(League of California Cities) Implementation Guide was forwarded to Mr. Kelly for
his review of pages 25, 26.

Mr. Kelly stated the Whaling agreement will be provided the following week. Mr.
Kelly reported he did not see Michael's Properties in the Whaling Agreement.
It may reported to add well 13 into the whaling agreement and also the District
Engineer will submit the required paperwork for well 13 and the whaling
properties well to SWD.

Other

Sylvia from Merced County inquired about the Highline Assessment Account. The
account is gaining interest and hasn't been used recently. Board discussion stated
to leave the account open for future use, it is an improvement district.

Received the debit card from West America Bank, the President and Vice President
need to activate them.

The Treasurer had message Crystal requesting to have a check in the amount of
\$2,000 invoice to PGE for an engineer fee for a electrical service for well 13.

West America charged a \$15 service fee if the account is not kept at a balance of
\$2,000 or higher. The board authorized Crystal to keep the account a minimum of

\$3,000 in this account to avoid a service fee. She can transfer monies from the savings to checking.

Crystal asked if she receives requests to pay bills not in the normal form should she get permission from the President or Vice President. Adam Azevedo stated one or the other will be signing the check for approval.

Maintenance

Dave Viera property the trees were removed next to the pipeline to enable the new pvc pipeline to be run to the Lemos.

Burned branches the almond farmer had left there in the way of the pipeline.

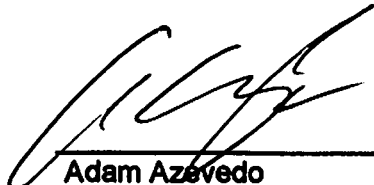
Well site #10 will be plumbed into the stop box near there.

The Hwy 140 ditch-hauled branches and trees off the ditch bank.

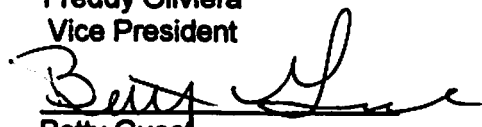
Motion to adjourn.

Moved by Director Rick Jones, seconded by Danny Drumonde to adjourn the meeting.

Motion approved Unanimously.



Adam Azevedo
President

Freddy Oliviera
Vice President

Betty Guest
Secretary

0,000 in the account to avoid a service fee. She can transfer money from the
and get to checking.

Crystal asked if she received a check for the amount of \$100,000. She should
get permission from the President or Vice President. Adam Arevalo stated one
the other will be signing the check for approval.

Administration

Goodman property the trees were removed next to the pipeline to enable the new
gas pipeline to the site to the forest.
Burned branches the ground forest had left there in the way of the pipeline.

Well site #10 will be plumped into the crop look at them.

The 100 ditch-faced branches and trees off the ditch bank.

Resolution to follow

Invited by Director Rick Jones, sponsored by Danny Buchanan to join the
meeting.

Resolution approved unanimously.

Adam Arevalo
President

Crystal
Vice President

Bob
Secretary