

NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT
REGULAR MEETING AND CONCURRENT SPECIAL MEETING
OF THE BOARD OF DIRECTORS

Lodi Grape Festival Grounds – Barrel Room
413 E. Lockeford Street, Lodi, CA

Monday, March 25, 2024

REGULAR MEETING AND CONCURRENT SPECIAL MEETING MINUTES

MEETING WAS NOT AVAILABLE BY ZOOM TELECONFERENCE

1. **Call to Order - Roll Call - Acceptance of Agenda** - The meeting was called to order by President Valente at 2:00 p.m. President Valente announced a Special Meeting to review emergency repairs to the Mettler roadway to be held concurrent with the Regular Meeting. President Valente further noted a correction to the resolution number noted on page 45 of the Board meeting packet. A motion for the acceptance of the Agenda as explained, made by Vice President Colombini, second by Treasurer Starr. Motion passed unanimously 5/0/0.

President Joe Valente - Area 3
Vice President Jason Colombini - Area 2
Secretary David Simpson – Area 1
Treasurer Charles Starr – Area 4
Director Brady Colburn – Area 5

General Counsel Jennifer Spaletta
Special Counsel Roger Masuda - Absent
Daniel deGraaf – District Engineer
Acting Deputy Secretary – Pam Farris
General Manager – Steve Schwabauer

2. **Correspondence/Announcements** –

President Valente introduced Mary Campbell, the new Community Affairs Representative for East Bay Municipal Utility District. Ms. Campbell said a few words in greeting.

3. **Action Items** Note: Votes recorded as: For/Against/Abstention (name)

- A. CONSENT CALENDAR**

1. Approval of the Minutes of the Regular Scheduled Board meeting on February 26, 2024. A motion to approve the Minutes of the Regular Scheduled Board Meeting on February 26, 2024, made by Treasurer Starr, second by Secretary Simpson. Motion passed 5/0/0.

- B. FINANCIAL MATTERS**

1. Receive and approve March 2024 NSJWCD Monthly Treasurer’s Report and Summary of Accounts and Transfers presented to the board. Wally from Butterfield + Company prepared financial statements for Board action. General Manager Schwabauer gave an explanation of the information provided for the SIGMA grant reimbursement and noted that a report would be presented at a future meeting. Wally presented a report on the financial statements. A motion to

approve March 2024 NSJWCD Monthly Treasurer's Report, made by Secretary Simpson, second by Vice President Colombini. Motion passed 5/0/0.

2. Approve Consero Solutions Amendment. This item was pulled from the agenda at the request of staff.

3. Approve Payment of Bills. A motion to approve payment of bills recommendation listed on pages 14 and 15 in the Board meeting packet, made by Treasurer Starr, second by Vice President Colombini. Motion passed 5/0/0.

4. Possible Farmers & Merchants Warrant versus County "Dry Period Financing" Warrant. General Manager Schwabauer provided information regarding the possible need for "dry period financing" available through San Joaquin County, the interest rate being based on the combined earning rate, the current County rate being approximately 3% lower than the Farmers & Merchants rate, and \$1.1 million County borrowing capacity versus Farmers & Merchants \$1.5 million borrowing capacity. Discussion included possible elimination of the Farmers & Merchants enabling agreement and the absence of loan origination fees. General Counsel Spaletta expressed concern with the construction pace possibly outpacing the borrowing capacity. Bill Stokes, a member of the public, noted that the money owed to the County would be taken directly from the property tax payments and that Farmers & Merchants might be a more flexible option. Discussion ensued on whether or not the \$600,000 owed to Farmers & Merchants would be due if the Board chose to borrow future money through the County. This item was for information only and no action was required by the Board.

5. Provide Further Direction to Staff on Proposed Charge Amount for Purposes of the Notice and Hearing on the Imposition of the 2024-25 Groundwater Charge. General Manager Schwabauer provided a summary of the information provided in the staff report. He reminded the Board that that the current charge is \$15 per acre foot (AF) and the permitted increase is up to \$20 per AF. General Manager Schwabauer stated an increase to \$17.50 per AF is being suggested, and while the amount of the increase does not need to be decided at this meeting, in order to allow time for the public hearing process, the Board would need to decide whether or not to move forward with the process. Discussion ensued regarding the timing of the increase and staggering upcoming increases. General Counsel Spaletta noted that an increase must be made to cover recharge costs, the original rate was set at \$15 per AF but it should be \$30 per AF to sustain the costs, and keeping rates the same would likely have the consequence of not completing projects. Secretary Simpson stated he is reluctant to increase the rate beyond the CPI due to the economy and the struggles within the agricultural community. General Manager Schwabauer noted that the CPI increase since the adoption of the \$15 rate is approximately 16% which would equate to the raise to \$17.50. Treasurer Starr noted that the increase is needed. Vice President Colombini stated that water rights cannot be put at risk due to the lack of infrastructure. Director Colburn noted that the rate at other areas within the State is \$1,000 per AF, so the \$2.50 increase is negligible when considering the risk to the future of agriculture if water rights are lost. President Valente noted that the \$17.50 rate would correspond to the CPI. The Board expressed support with moving forward with the public hearing process and requested that the letter sent to landowners include wording stating that an increase of up to \$17.50 per AF, consistent with the CPI, would be

considered.

6. Provide Direction to Staff on Outreach to Landowners for 20/24 Groundwater Charge Process. General Manager Schwabauer provided a summary of the staff report. He noted that a change will be made to the proposed letter to include verbiage addressing the rate change to \$17.50 per AF, consistent with the CPI. Secretary Simpson asked that the letter include information regarding the removal of trees and vines, which would affect the rate being charged. General Manager Schwabauer and General Counsel Spaletta stated the letter would be updated to expand the portion addressing property changes, with examples of changes given.

7. Approve Addition of Brady Colburn to Farmers & Merchants Bank Signature Cards. A motion to approve the addition of Brady Colburn to the Farmers & Merchants Bank signature cards, made by Secretary Simpson, second by Treasurer Starr. Motion passed 5/0/0.

8. Approve 2024/25 Irrigation Water Rates. General Counsel Spaletta provided a summary of the staff report. A motion to adopt Resolution 2024-02 setting 2024 water rates for surface water, made by Vice President Colombini, second by Director Colburn. Roll call vote: Starr, Aye; Simpson, Aye; Colombini, Aye; Colburn, Aye; Valente; Aye. Motion passed 5/0/0.

C. Contracts

1. Authorize General Manager to Enter into Amendment to Consero Solutions Contract to Extend Contract One Additional Year. General Manager Schwabauer gave a summary of the staff report. In response to Secretary Simpson, General Counsel Spaletta stated that Consero Solutions would not be involved in the upcoming public hearing regarding rates and listed the expected services to be provided. Discussion ensued regarding extending the contract for an additional year at this time or adding \$10,000 to the current contract. A motion to authorize the General Manager to enter into an amendment to the Consero Solutions contract to add \$10,000 to the current contract amount, made by Secretary Simpson, second by Vice President Colombini. Motion passed 5/0/0.

2. Give Direction to Staff on Whether to Enter Negotiations with Garney and Dewberry for North Pump Station Construction. Project Manager Robert Granberg provided additional information received from Garney Pacific and summarized the information provided in the staff report. General Manager Schwabauer provided information regarding the differences between the Design/Build process and the Design/Bid/Build process. In response to President Valente, General Manager Schwabauer stated a decision was not necessary today. He further stated one option would be to authorize negotiations for the design of the project to see if an agreement can even be reached. Discussion ensued regarding other similar projects and their budget outcomes, the unknowns associated with multiple oversight agencies, references of Garney Pacific, the aggressive schedule presented in the proposal, and potential permitting issues. In response to Secretary Simpson, General Counsel Spaletta stated reimbursement of engineering costs could be

up to 100% with grants from DWR and SGMA. In response to President Valente, Project Manager Granberg stated that Garney and Dewberry are aware of the project budget. The Board provided direction to move forward with contract negotiations with Garney and Dewberry for the North Pump Station Construction.

3. Provide Direction to Staff Regarding CalFed Pump Station Changes.

District Engineer Daniel deGraaf and General Manager Schwabauer provided information regarding the CalFed Pump Station. Topics of discussion included meter interference which is causing fluctuations in the readings, need for a variable speed pump, and the need to bid the project due to costs exceeding the \$50,000 limit. Discussion ensued regarding the timing of the project and the landowner's agreement with the project. The Board provided direction to move forward with the CalFed Pump Station changes.

CI. System and Projects

1. Hydrofocus Report on Groundwater Monitoring – General Manager Schwabauer provided an update.

2. Engineer's Report and Operations Plan. District Engineer deGraaf gave an overview of where the district stands on each project. Report was presented at the start of the Board meeting and is available upon request.

General Manager Schwabauer provided information regarding issues with the DREAM project, including \$60,000 in generator rental and operation costs over a four-month period and negotiating with EBMUD to split that cost. Discussion ensued regarding the purchase of a generator and related permitting issues.

3. North System

i. Reynolds Recharge Update. Information was provided regarding weed control, the removal of the generator, and PG&E estimating that services should be in place by September.

4. South System

i. South System Phase II Update

1. Improvement District 3B Petition for Formation – General Manager Schwabauer provided a summary of the staff report, noting currently landowners representing approximately 300 acres are interested in forming the improvement district. Secretary Simpson indicated his support for moving forward. General Counsel Spaletta stated that she would draft a formation petition and staff would attempt to get more landowners to sign up, further noting that the USDA deadline is in May.

2. Arnaudo Change Order Authorization – District Engineer deGraff provided a summary of the staff report. A motion to authorize staff to complete a change order for work performed by Arnaudo Construction to install junction box steps and flow meters for the South System Phase II project, made by Secretary Simpson, second by Vice President Colombini. Motion passed 4/0/0.

NOTE: Treasurer Starr left the dais at 4:17 and was not present for the vote. Treasurer Starr returned to the dais at 4:20.

ii. South System Phase III Design Plan – No update was provided.

5. Cal-Fed/Woodbridge – District Engineer deGraff provided an update on the project, stating it is currently shut down for fieldwork and bids will be needed for the pump station upgrade. Discussion ensued regarding the flooding issues near the project, including possible causes and checking well driller logs for information regarding the layering of soil in the area.

6. Tracy Lake Improvement District. District Counsel Spaletta provided a summary of the staff report. A motion to adopt Resolution 2024-03 regarding the 2023 true-up, the 2024 operation and maintenance assessment for Improvement District No. 1, the Tracy Lake Improvement District, made by Secretary Simpson, second by Director Colburn. Roll call vote: Starr, Aye; Simpson, Aye; Colombini, Aye; Colburn, Aye; Valente; Aye. Motion passed 5/0/0.

CII. Grant Activity

1. Consero Report – Information was provided on the staff report included on pages 48 and 49 of the agenda. Due to time constraints, no additional information was provided.

CIII. Strategic Plan Activity

1. Give Staff Direction on Whether to Participate in SWEEP Grant Advocacy – General Manager Schwabauer provided information.

CIV. Groundwater Charge - No updated was provided.

CV. Sustainable Groundwater Management Act/GWA Activity

1. Provide Input to Staff on Draft Dry Well Mitigation Program – General Manager Schwabauer provided a summary of the staff report. General Counsel Spaletta noted that this does not lock the agency into participation; it will come back as a future budget item. The Board indicated their support on moving forward with the program.

NOTE: Items D, E, F, G and H were omitted from the published Meeting Agenda

I. SJC Mokelumne River Application Update – Information was provided regarding County spending and the list that Project Manager Granberg will compile.

J. Bay Delta Flow Program Update/Voluntary Agreements – General Counsel Spaletta provided information regarding Voluntary Agreements now being referred to as Healthy River and Landscape Program and a workshop to be held April 24-26. She reminded the Board that this relates to Phase 2. Phase 1 had 12 lawsuits filed and the court has now dismissed all claims related to those lawsuits, although appeals are expected.

K. Landowner Communications – No update was provided.

L. Board Planning Calendar – No update was provided.

SPECIAL MEETING (4:34 – 4:38) – President Valente called for the Special Meeting item to be addressed at 4:34 p.m.

3. Action Items

A. Authorize Staff to Reimburse Larry Mettler \$22,000 for Emergency Road Repairs. General Manager Schwabauer provided information regarding needed road repairs at the Mettler property. Secretary Simpson requested that the work be thoroughly documented with photographs. President Valente verified that the work included grading and gravel. District Counsel Spaletta noted that this is a contractual obligation. A motion to authorize the General Manager, District Engineer, and Board President to expend \$25,000 to address damage to the Mettler property, made by Secretary Simpson, second by Treasurer Starr. Motion passed 5/0/0.

4. Director and Staff Reports

A. Director's Report – No report at this time.

B. Committee Reports – No reports at this time.

C. Other – No reports at this time.

5. Public Comment – None.

6. **Closed Session** – The Board entered closed session at 4:38 p.m. and came out of closed session at 4:44 p.m. **Return to Open Session** – President Valente returned the meeting to open session and announced there was no further reportable action.

7. **Adjournment** - Motion to adjourn the NSJWCD Regular Meeting on March 25, 2024 made by Vice President Colombini, second by Treasurer Starr. Motion passed 5/0/0. Meeting adjourned at 4:45 p.m.

The next regular scheduled Board Meeting April 29, 2024, from 2:00 p.m. - 4:00 p.m.

The above minutes of the North San Joaquin Water Conservation District Board of Directors Meeting of March 25, 2024,

Respectfully submitted:

Pam Farris, Acting Deputy Secretary