

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
MADERA WATER DISTRICT**

March 10, 2021

The Board of Directors of the Madera Water District (the “District”) held a regular board meeting on Wednesday, March 10, 2021 by conference call due to COVID-19.

Roll call was taken at 9:03 a.m. and a quorum was present. Directors in attendance via telephone were Tony Canales, Phil Janzen, Pat Henry and Kevin Herman. Others in attendance were John Gies (“Manager”), Melanie Aldridge, Michelle Errecart, Chris Montoya, Jacob Roberson, Eric Abrahamsen and Miguel Jimenez. When asked if anyone else was present on the conference line, no additional persons responded.

PUBLIC COMMENT. There were no members of the public who wished to comment.

APPROVAL OF MINUTES. The Board reviewed the minutes of the regular board meeting held on February 10, 2021. Director Janzen moved to approve the minutes as correct and Director Henry seconded the motion. The minutes were approved by unanimous vote of the attending directors.

FINANCIAL MATTERS. The Manager reviewed the bills and reported on the larger bills paid, including a payment to Landmark was made for a special order of meter heads and other miscellaneous work performed in the District. The Manager also reported the District has a \$1400 credit at Landmark due to a billing error.

The Board discussed payments to David’s Engineering and asked what work is being performed. Ms. Aldridge said the work is probably related to the preparation of annual reports and basin meeting attendance and presentations. Director Herman asked if it was different from the money already paid to Madera Irrigation District (“MID”). Ms. Aldridge said the payment to MID was for member dues for the Regional Water Management Group. Director Henry asked about cost-sharing arrangements and Ms. Aldridge stated this was the District GSA’s share of the expenses.

Linda Arroyo of Blankenship & Company joined the meeting at 9:09 a.m.

Director Herman asked why the District is prepaying insurance. Ms. Arroyo stated it looks like a prepayment because the payments were booked after the end of the District’s fiscal year.

The Manager pointed out that the District’s account is about \$1 million lower than usual due to the pipeline project that was just finished.

Director Herman moved to approve and/or ratify payment of the February bills and approve the financial reports of the District as prepared by Blankenship and Company. Director Janzen seconded the motion and the motion was approved by unanimous vote of attending directors.

ASSESSMENTS. Ms. Errecart opened the meeting to public hearing and stated the public had an opportunity to comment on the proposed assessment of \$23.50 for every \$100 in land value. Ms. Errecart stated the Board has several documents to review and, if approved, must be signed by the President and Tax Collector of the District. If approved, a notice of assessment will be published in the Madera Tribune to notify the public of the rate set by the Board. Ms. Aldridge added this is the same assessment the Board sets annually and has not changed for years. Ultimately the assessment is \$235 per acre. There were no members of the public who wished to comment.

Director Herman moved to approve the assessments and assessment documents. Director Janzen seconded the motion and the motion was approved by unanimous vote of attending directors. Ms. Errecart will coordinate with the Manager to have assessment materials signed by District consultants and officers and then publish the notice of assessment.

WATER CHARGES. Ms. Aldridge said, at the February meeting, the Board approved a hearing date for today to set the District's water charge, but it did not allow us enough time to send out the water rate notice to landowners, so the Board needs to approve a new hearing date of April 14, 2021. Director Janzen moved to change the date of the public hearing for water charges to April 14, 2021. Director Henry seconded the motion and the motion was approved by unanimous vote of the attending directors.

DELIVERY SEASON. The Manager proposes a delivery start date of March 29, because with all of the new pipeline installed during the off season, the Manager will need time to pressurize the system and address potential leaks or other issues.

Director Janzen asked what delivery schedule the Manager would start with. The Manager said he planned to start delivering water three days a week. Director Herman said a March 29 start date was good for fertilizer schedules but questioned whether the District should start with a two-day schedule in light of SGMA. Director Janzen agreed. Director Herman asked about starting a reduced schedule and ramping up because the District probably will not get MID water before May. The Manager said there will probably be some people who will not take water at the beginning of the season and the only way to figure out how conservative to make the delivery schedule is to get the system started and go from there. Director Henry said it is very dry and growers need to get water built up down deep to avoid bigger problems. The Manager said another issue is he needs to maintain enough pressure in the system so it functions properly. Director Janzen suggested a two-day schedule until May.

Director Herman referenced a publication by Goldhamer regarding irrigation schedules which indicates early irrigation would not require deliveries more than one day a week. Director Herman said giving the trees two days of irrigation now is more than they need, but they need more in the summer than the District can provide so growers need to overirrigate some now to cover ET in the summer.

Director Janzen moved to start water deliveries on March 29 on a two-day delivery schedule. Director Herman seconded the motion. Director Henry asked to add language to allow the

Manager some flexibility in the first few weeks to make adjustments to the delivery schedule in case there are issues. The Manager said he can make a two-day schedule work.

Director Johnson joined the meeting at 9:32 a.m.

Director Janzen's motion was approved with four votes in favor and one abstention.

Roll call vote:

Director Janzen – Yes

Director Herman – Yes

Director Canales – Yes

Director Henry – Yes

Director Johnson – Abstained

Director Herman asked if the Board should share the Goldhamer publication with landowners to help explain how the Board settled on the delivery schedule. The Manager said it may be too much information to send out right now but would like to have it on hand to distribute if anyone asks. The Manager said the Board could also send it with a letter explaining the new water rate after the April board meeting. Director Canales said it might be a good idea so people can decide whether they want the water. The Manager asked Ms. Aldridge to prepare a letter explaining the water rate after it is adopted and include the Goldhamer chart with the letter.

Director Herman said the Goldhamer numbers are based on spacing that is denser than what the District growers have and factors in some rainfall. The Manager said if we get rainfall, he can also shut down the system and start it up again later. Director Henry said water deliveries need to be micromanaged this year because there is no extra water and high heat can come early.

PIPELINE SEPARATION PROJECT. The Manager reported 99% of the construction is complete. Support brackets are being finished and turnouts are being painted, but otherwise the project is done.

MADERA LAKE PROJECT. Ms. Aldridge revisited the discussion from the February board meeting regarding breaking the Madera Lake project ("Project") into segments and stopping if it seemed MID was not making progress on its weir. Ms. Aldridge said Eric Abrahamsen and Miguel Jimenez of Provost & Pritchard are attending the meeting to further discuss the District's options. Ms. Aldridge also mentioned a letter to landowners regarding the Project for the Board to review.

Mr. Abrahamsen said he understands the Board would like to split the Project into two parts: (i) the lakebed portion and (ii) the pump stations and pipeline portion. Mr. Abrahamsen said the majority of the permitting and environmental issues will be in the lakebed. The Project is at the 60% plan level but electrical and structural designs have not been completed. Provost & Pritchard has internal drafts of documents for CEQA and an incidental take permit.

Director Henry asked what it costs to conduct lakebed work since the lake is dry. Mr. Abrahamsen said dirt work for the channel, a siphon over/through the embankment and a sump

at the other end would be around \$500,000. The Project is likely \$2 million. Director Henry asked if work should be done in the lakebed up to the berm while the lake is dry. The Manager said they should probably go through the berm. Director Henry said the Project could get more challenging as time goes on, so it would be better to get some of the work done now.

Ms. Aldridge summarized the Board's question as whether permits are required for the whole Project if the current goal is just to get through the lakebed work. Mr. Abrahamsen said there are certain things that cannot be handled in phases, like the CEQA process, Army Corps agreement and endangered species work. Ms. Aldridge asked about the likelihood of having permits to perform lakebed work this summer if the Board gave Mr. Abrahamsen permission to move forward. Mr. Abrahamsen said it is very unlikely because no permits have been submitted yet since the Project keeps changing. He estimates the Army Corps permit to take 24 months and Fish and Wildlife to have a similar timeline. Ms. Aldridge said the District probably needs to pursue permits because it is a two-year process and if the Board continues to wait new requirements could be implemented.

Director Henry asked if there were assurances the rules would not change after applications are submitted. Mr. Abrahamsen said he thinks that is normally the case, but some groups have recently changed their rules so it is hard to know what will happen in the future.

Director Johnson said lakebed work will also benefit MID. The Manager said it depends on how much the District can widen the channel. Director Henry said there is no other way to get water so the District needs to make the Project work. Director Herman agrees with Director Henry that the District needs to move forward, but he has concerns about MID getting its dam rebuilt. Director Herman asked if it would help to have MID endorse the Project. Mr. Abrahamsen said they have to be involved on some level because work is done on their property and they will want to review the CEQA document.

Director Johnson asked why there is still a 24-month review process considering the work that has already been done. Mr. Abrahamsen said none of the applications have been submitted because the Project needs to be defined. Director Henry said he does not want environmental documents to become outdated, so the Board needs to make a decision. Mr. Abrahamsen said it is feasible to split the Project into two phases for construction, but it adds some cost into the plan preparation to have two sets of plans. Mr. Abrahamsen said if the application gets submitted now, then lakebed work can probably be done while the lake is dry, and the District would probably still be ahead of MID on its weir progress. Director Johnson said MID needs the weir to help with their GSA and water percolation plans. Mr. Abrahamsen said MID did say in its GSP that Madera Lake was one of its planned recharge projects.

Director Henry asked why permits cannot be submitted in two phases. Mr. Abrahamsen said it gets complicated, but it can be done. Director Johnson said getting through construction in the lake and getting onto private property will reduce issues with the Army Corps and Department of Fish and Wildlife. Director Henry said he thinks the District should move forward in two phases now.

Ms. Aldridge said the District will need to have surface water to convey through the Project. It is a risk to move forward because there are hurdles, but Director Henry makes a good point that moving forward in small stages does not seem to help. The Board needs to discuss its options and make a decision. Director Henry said the longer the Board waits to make a decision, the higher the risk that the rules change. Director Johnson said he understands there is a risk, but it will only increase as years go by. If the Project does not work and the District cannot get water, at least the Board showed a good faith effort in putting in the system and attempting to follow the rules. Director Henry moved to give Mr. Abrahamsen authority to move forward. Director Janzen agreed. Mr. Abrahamsen said he thinks it makes sense for the District to have flexibility in pursuing the Project. If there is a delay between the lakebed construction and on-farm construction, the District can have two plan sets. Other documents can be developed as one set but done in phases to give the District flexibility. Director Johnson said the first phase would be work from the lakebed to private property and the Manager said phase two would be work on private property.

Director Henry made a motion to move forward with the Madera Lake project in phases, with flexibility to stop between phases if needed, and to process everything as fast as possible.

Director Herman asked if the District should ask MID to endorse the Project. Director Henry suggested getting the documents ready first and then talking to MID. Ms. Aldridge suggested sending the documents to all GSAs in the basin requesting a letter of support. Director Janzen agreed. Mr. Abrahamsen said letters of support are common when there is a grant application involved. Director Henry asked about getting a grant writer. Director Herman asked Ms. Aldridge and the Manager to get proposals from Provost & Pritchard and Brad Samuelson of Water and Land Solutions.

Director Henry made a motion to proceed with filing permits and submitting applications for the whole Project designed in two phases of construction. Director Janzen seconded the motion. The motion was passed with four yes votes and one abstention.

Roll call vote:

Director Henry – Yes
Director Janzen – Yes
Director Johnson – Yes
Director Canales – Yes
Director Herman – Abstained

The Board asked Mr. Abrahamsen to research grants the District might be eligible for and attend the next meeting with a list of options.

Ms. Aldridge asked if the Board had any questions about the Madera Lake letter. Mr. Abrahamsen said he had a few things to adjust on sizes and costs for the Project. The Board approved the letter contingent upon the Manager's final approval after Ms. Aldridge confers with Mr. Abrahamsen to make minor changes to the letter.

LANDOWNER REQUEST FOR INFORMATION. Ms. Aldridge reported she has called and emailed Ms. Fowler's lawyer, but he has not returned her calls as promised. Ms. Aldridge asked if the Board wants her to continue trying to contact Ms. Fowler's lawyer. The Board suggested Ms. Aldridge wait until she hears from him.

MANAGER'S REPORT. In addition to the items discussed above, the Manager of the District reported on the following items:

A. Budget. The Manager asked Ms. Arroyo to type up the budget. The Manager said the Board discussed additional water purchases last month and that cost was included in the water charge but was not included in the budget. The Manager asked if the Board wants that number included in the budget. Ms. Aldridge said it should be included since it is part of the basis of the water charge. The Manager asked Ms. Arroyo to revise the budget to increase water purchases from \$1.2 million to \$2.7 million.

B. District Maintenance. Pumps 2, 20 and 24 are being cleaned by brushing, swabbing and chlorinating. Pump 24 is being finished today, then Pump 20 will be cleaned. Pump 2 will be cleaned last. Pump repairs will be done and then the pumps will be reinstalled. The Manager may take the pump from Well 2 and put it into Well 24. The transducer will be removed from Well 8 this week and Well 8 will likely become a monitoring well only. The submersible system from Well 8 will be relocated to Well 2.

C. System Separation. The system separation is mostly complete. Subordinate air vents and turnouts are being painted green to distinguish from the non-subordinate air vents and turnouts, which will be blue. The Madera Lake system will also be painted a different color.

D. Landowner Credits. Ms. Arroyo is preparing credits for landowners who paid MID assessments and standby charges through their property tax bills.

DIRECTOR COMMENTS. Director Johnson commented the scraping work being done in the District is being done well.

ADJOURNMENT. The regular meeting of the Board of the District was adjourned at approximately 10:29 a.m. The next regular meeting of the Board is scheduled for Wednesday, April 14, 2021 at 9:00 a.m.

Respectfully submitted,

Pat Henry, Secretary