



**MADERA IRRIGATION DISTRICT
BOARD OF EQUALIZATION
BOARD OF DIRECTORS
GROUNDWATER SUSTAINABILITY AGENCY
SPECIAL MEETING
JUNE 13, 2023**

MINUTES

Directors Present: James Erickson, President
Tim DaSilva
Brian Davis entered at 1:15 p.m.
Carl Janzen, Vice President
David Loquaci

Directors Absent: None

Staff Present: T. Greci, General Manager (GM Greci)
D. Cadenazzi Nolan, Assistant General Manager (AGM Nolan)
A. Kwock Sandoval, Secretary to the Board
J. Furstenburg, Controller
C. Contreras, Operations & Maintenance Manager (OMM Contreras)

Others Present: General Counsel John Kinsey, Wanger Jones Helsley; Jennifer and Robert Markarian; Joel Hastings; Roy Catania; Sean Smith; and others in-person or on Zoom that did not identify themselves

CALL TO ORDER / ROLL CALL

President Erickson called the meeting to order at 1:00 p.m. at the business office of the District at 12152 Road 28 ¼, Madera, California 93637.

APPROVAL OF AGENDA

MOTION: Director Loquaci / Director DaSilva to approve the agenda as presented.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, DaSilva, and Erickson

NOES:

ABSTAIN:

ABSENT: Director Davis

POTENTIAL CONFLICTS OF INTEREST: Closed Session

There were no potential conflicts noted.

PUBLIC COMMENT: Closed Session

President Erickson opened and closed public comment due to no public in attendance.

Director Davis entered the meeting at 1:15 p.m. during Closed Session

1. **CLOSED SESSION Closed Session items not concluded prior to Regular Session may be continued at the end of the Regular Session.**
 - 1a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 (3 potential cases)
 - 1b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Potential initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9 (2 potential cases)
 - 1c. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Section 54956.9; Petition for the Adjudication of Rights to the Fresno River, before the State Water Resources Control Board
 - 1d. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Madera Irrigation District v. Smith-Adobe Ranch Family Limited Partnership, Case No. MCV081757
 - 1e. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Jose Hernandez v. Madera Irrigation District, et. al., Case No. MCV084802 and consolidated cases
 - 1f. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Madera Irrigation District and Madera Irrigation District Groundwater Sustainability Agency v. Madera County Groundwater Sustainability Agency, Madera County Board of Supervisors, County of Madera, Case No. MCV086277
 - 1g. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Madera Irrigation District and Madera Irrigation District Groundwater Sustainability Agency v. Madera

County Groundwater Sustainability Agency, Madera County Board of Supervisors,
County of Madera, Case No. MCV087598

- 1h. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH
- 1i. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Paragraph (1) of subdivision (b) of Government Code Section 54957
Title: Assistant General Manager

CALL TO ORDER REGULAR SESSION/ PLEDGE OF ALLEGIANCE

President Erickson called regular session to order at 2:07 p.m. with staff in attendance and the public in attendance.

REPORT ON CLOSED SESSION

There was no reportable action taken during Closed Session and the Board will reconvene to Closed Session for item 1i.

There were audio issues from 2:10 p.m. – 2:19 p.m. and no District business was discussed.

POTENTIAL CONFLICTS OF INTEREST

General Counsel Kinsey stated Director Erickson will voluntarily recuse himself from item 6c. due to his relationship with the property owner.

PUBLIC COMMENT: MID Groundwater Sustainability Agency & Regular Session

Jennifer and Robert Markarian commented on the basin they built. Comments were held until the item has been called under 5a.

RECESS AS MID BOARD OF DIRECTORS & CONVENE AS BOARD OF EQUALIZATION – TIMED ITEM – 2:20 P.M.

The Board of Directors, acting as the Board of Equalization will hear and determine objections to the valuation, acreage, or any other matter pertaining to assessments.

Controller Furstenburg stated the Board of Directors (BOD) will convene as a Board of Equalization (BOE) pursuant to California Water Code Section 25550 to hear and determine objections to the valuations, acreage, and/or any matter pertaining to assessments coming before the BOE. The BOE meetings begin today and end on Friday, June 16, 2023.

The annual unequalized assessment roll was presented to the Board Secretary on Thursday, May 11, 2023 as required by the California State Water Code. This roll provides the total assessed value of properties within the Madera Irrigation District boundaries for city, city ag, and rural parcels and is used as a base for computation of the ad valorem assessment rate for the assessment year. Besides the assessments that are collected annually, the District collects other revenues in the form of crop water tolls, standby fees, and other miscellaneous charges that are allocated in addition to those assessments toward District

expenditures such as Transmission and Distribution, General and Administrative, Interest, and Source of Supply expenses.

The approximate assessment revenue based on the unequalized roll for 2024 is \$6,269,736.62, which is shown on “Exhibit A”. This is determined by using the current assessment rate of \$.449769 per \$100 of the full cash value of city parcels; \$9.43683 per \$100 of the assessed District valuation of rural parcels; and the additional 9d benefit assessment rate of \$16.683692 per \$100 of assessed District valuation for rural parcels. The 9d benefit assessment is covenanted by the Water Revenue Refunding Bonds, Series 2015. As part of the Board of Equalization process, parcels are updated when new parcel maps are received from the County of Madera. These changes could consist of lot line adjustments, parcel splits, category changes and subdivision changes. Those changes are shown on “Exhibit B”, Listing of Individual Parcel Changes.

“Exhibit C” identifies those parcels partaking in the District’s Non-Irrigated Lands Program.

“Exhibit D” provides the current definitions of the District categories.

“Exhibit E” is informational as it shows the assessment rates for the period 2014 through 2024 and the average increase each year.

Due to the passage of Proposition 218 in 1996, the District cannot increase the original assessment rate without the majority vote of the District landowners. With the passage of the rural landowner majority vote on March 15, 2011 for bonding of the 9d capital repayment obligation with the United States Bureau of Reclamation (“USBR”), the District was allowed to increase the 9d benefit assessment by 3% per year for a period of 10 years. The final 3% increase occurred in 2021 for the 2022 assessments. The assessment rates have not changed.

Controller Furstenburg stated approval of the assessment rates will occur at the meeting on Friday, June 16, 2023. Director Janzen stated it is interesting the parcel splits and changes that happen every year. Director Janzen stated everyone needs to understand under Prop 218 what MID is valuating the land at, he would buy it all.

ADJOURN AS BOARD OF EQUALIZATION & CONVENE AS MID GROUNDWATER SUSTAINABILITY AGENCY – 2:21 p.m.

a. Update on MID Groundwater Sustainability Agency (GSA)

AGM Nolan provided an update on Madera Subbasin Joint GSP. She reported we are still waiting on a response from the Department of Water Resources (“DWR”) and/or the State Water Resources Control Board (“SWRCB”). We have not heard anything from them since April.

AGM Nolan stated the District put out a press release on May 3, 2023 related to the District and City partnership on recharge. At that time, it was reported that over 400 acre feet had been recharged in partnership with the City, currently over 675 acre feet has been recharged. AGM Nolan stated that shows what can be done when agencies cooperate and work together on these projects.

AGM Nolan noted agenda items 5a. and 5c. today are projects MID has listed in the GSP. This includes an incentive program for recharge and parcel purchase for recharge facilities.

ADJOURN AS MID GROUNDWATER SUSTAINABILITY AGENCY & RECONVENE AS MID BOARD OF DIRECTORS – 2:24 p.m.

2. CONSENT AGENDA

- 2a. Approval of April 18, 2023 Board Meeting Minutes
- 2b. Discussion / possible action on approval of warrant list payments through May 31, 2023
- 2c. Discussion / possible action on monthly financial reports for March and April 2023

MOTION: Director Loquaci / Director Davis to approve the Consent Agenda as presented.

DISCUSSION: There was no discussion.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE:

AYES: Unanimously approved

NOES:

ABSTAIN:

ABSENT:

3. DEPARTMENT REPORT – DISTRICT OPERATIONS

OMM Contreras reported an additional turnout was installed at Basin #9. The crop survey was completed by the Engineering Department. In addition, the Engineering Department has completed turnout reviews for turnouts with more than one user.

OMM Contreras reported the Emergency Action Plan for the Madera Lake Dam was approved by CalOES. OMM Contreras reported this year there are 38 new turnouts that have not ran between 2001 and 2023 or have no history of usage at all. AGM Nolan stated this is a really good thing and shows that people are seeing the value of surface water. It equates to hundreds of acres that are now using surface water and it shows the public outreach has worked. Director Loquaci stated that is just this year and a lot more growers are using surface water since the implementation of SGMA.

OMM Contreras reviewed the maintenance photos of recently completed work including Island Track repairs, seepage repairs, and pipeline repairs. OMM Contreras stated pipeline repairs and leaks are ongoing. Algae treatments have been ongoing and NPDES staff training was held.

AGM Nolan reported the District does have a new employee; an intern was hired from Fresno State to work in the Engineering Department for the summer.

OMM Contreras encouraged water users to call the District when they see algae problems. The sooner the better; the calls often occur after the grower has turned off.

AGM Nolan gave a shout out to Controller Furstenburg and her department for completion of the employees' beneficiary audit project. They went through all employees' personal files and had employees update their beneficiaries. It was a large project and meaningful for the employees and District.

4. GENERAL MANAGER'S REPORT

4a. Update of Activities

- Cancellation of July Regular Board Meeting
- Madera-Chowchilla Water & Power Authority
- Madera Lake Emergency Action Plan Approval
- Standard & Poor's Rating
- Water Supply

GM Greci reported the MID July regular board meeting will be cancelled. The Madera-Chowchilla Water & Power Authority ("MCWPA") meeting was cancelled due to a lack of quorum. The next regular MCWPA meeting is scheduled for July 26, 2023. The Madera Lake Emergency Action Plan was finally approved. It was originally submitted in 2017. GM Greci stated the District's Standard & Poor's Rating was improved to stable.

GM Greci provided an update on the District's water supply. The District hit capacity in May, usually we do not hit capacity until June or July. The uncontrolled season is expected to end in July. The residual Class 2 allocation may be reduced after the uncontrolled season ends. The District anticipates running water into the fall and will be looking at our revenues to determine if a reduced rate can be offered if the Board chooses.

Director Janzen questioned if Friant Power Authority generators have been full to allow control of the canal. GM Greci replied the power plants are pretty much running at capacity. They are all online as well as the MCWPA power plants.

GM Greci stated the District's recharge basins have been offline when the District is at capacity during peak demand periods. It is more important to turn off wells than recharge during the irrigation season.

The District participated in a Grower Experience Workshop put on by NRCS, Sustainable Conservation, and RCD. There is one scheduled for Chowchilla soon. The District was featured on NPR and other publications and highlighted for recharge.

GM Greci stated the California Farm Bureau organized a tour with Assemblymember Soria at several recharge locations including the Markarian basin.

5. NEW BUSINESS

5a. Discussion / possible action on 2023 Incentive Program for Dedicated Recharge Basins for Madera Irrigation District Landowners, Resolution No. 2023-19

MOTION: Director Janzen / Director Loquaci to approve Resolution No. 2023-19 to provide a 2023 incentive program for dedicated recharge basins for MID landowners.

DISCUSSION /PUBLIC COMMENT: AGM Nolan stated in 2022 the Board approved an incentive program for those landowners that were participating in the NRCS pilot program, which consisted of recharge and on-farm recharge. The Board approved a 15% cost share that was shown as an offset on those growers' accounts. It was 15% of the NRCS project cost. The Board approved \$100,000 in 2022 for the program with everyone that applied and was approve \$62,000 was utilized.

Staff is proposing utilizing the remaining funds of \$38,000 to fund a 2023 incentive program for dedicated recharge basins only. AGM Nolan stated in the Board Packet there was a draft flyer included for the 2023 incentive program. The requirements for the incentive program would be: must be a NRCS approved, fully constructed dedicated recharge basin (no dual use facilities will be eligible), must have a dedicated MID turnout and meter for the basin (no shared turnouts or meters will be eligible), and basin must be ready, and landowner must be authorized, to receive District water in 2023. The due date for applying for the program would be June 30, 2023 with the same submittal requirements as previously. AGM Nolan stated rather than the offset be to a specific account, the offset will go to the specific turnout.

Jennifer and Robert Markarian commented they are grateful for the offset, but they currently have a dry basin because the cost of water is \$72.50. Ms. Markarian stated it does not work economically for them to fill the basin. She stated the District can take over the basin.

Director Loquaci stated we are currently in irrigation season, and it is better to service growers than put water in a basin. He added this year is an anomaly because there is so much water and decisions cannot be made on an anomaly.

Ms. Markarian stated she can fill the basin if she is willing to pay \$72.50 per acre foot. Director Loquaci questioned if it was ever implied the District would fill the Markarian basin. The District provided the offset for the 2022 incentive program.

Director Loquaci stated maybe the District needs a wet year policy for recharge water. GM Greci stated the District has been handling it when there is extra water available for recharge the Board of Directors set a reduced or zero water rate. GM Greci stated it has worked well and is equitable. Ms. Markarian stated when the water is available at a lower cost, they will fill it. Director Loquaci stated most years we would not be having this conversation because it is dry.

AGM Nolan stated there were two dedicated recharge basins approved by the NRCS, however, the status of the other basin is unknown. GM Greci stated any programs the District develops we leave it up to the grower to decide, we do not force decisions. GM Greci stated he hopes the District has a fall recharge program, but it is up to the grower to participate or not.

AGM Nolan stated 15% of the project cost would be available to the Markarians, not the entire \$38,000. Ms. Markarian stated she appreciates what everyone at the District does for the growers and SGMA. Mr. Markarian stated he never thought he would agree to put in a basin, but he has gotten on board with the concept of recharge.

Director Davis stated he is a “recharger” and it can be challenging. Director Loquaci stated recharging is only part of the solution and we also need to ensure growers are not turning on their wells by utilizing surface water during the irrigation season. AGM Nolan stated these things continue to evolve and have evolved since the District starting on-farm recharge programs 8 years ago.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson

NOES:

ABSTAIN:

ABSENT:

5b. Discussion / possible action on revised 2023 Budget, Resolution No. 2023-20

MOTION: Director Janzen / Director Davis to approve the revised 2023 Budget as presented, Resolution No. 2023-20.

DISCUSSION: Controller Furstenburg reviewed the proposed budget increases due to additional water supplies this year. GM Greci stated we did not expect this water season in December 2022. The water cost budget was increased to \$17 million, the meter budget to \$70,000, distribution System Maintenance and Repairs to \$150,000, vehicle maintenance and repairs to \$110,000, equipment maintenance and repairs to \$120,000, outside equipment rental to \$40,000, gas and electric to \$120,000 and overtime expenses increased to \$60,000. Also, included is a transfer of \$75,000 from consulting to groundwater management to fund, in part, the incentive program just approved.

For Capital Expenses, \$140,000 was added for the Adobe property purchase from the Board approval on March 2, 2023. Also added, a 2015 Cat Excavator engine repair for \$65,000 and 2009 John Deere tractor for \$20,000. A vehicle for the Operations and Maintenance Manager was also included for \$65,000.

Director Davis questioned if the revenue has increased. GM Greci stated we anticipate increased revenues from water sales and power generation. AGM Nolan stated, we believe that the District can stay at \$72.50, the lowest in the County, and still close the budget.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson

NOES:

ABSTAIN:

ABSENT:

Director Erickson voluntarily recused himself from the dais and participated as a member of the public 3:25 p.m. – 3:35 p.m.

5c. Discussion / possible action on approval of Purchase and Sale Agreement for Madera County APN 047-060-018 and 047-060-006, Resolution No. 2023-21

MOTION: Director Loquaci / Director Davis to approve the Purchase and Sale Agreement for Madera County APN 047-060-018 and 047-060-006, Resolution No. 2023-21.

DISCUSSION: AGM Nolan stated the District released an RFP for potential property purchase similarly to what the District did a few years ago successfully. Two parcels were purchased and developed into basins through the process.

The proposals were due by May 26, 2023 and 10 were received. One proposal was withdrawn, so 9 were looked at by the Selection Committee. The Selection Committee included the Engineering and Operations Departments, GM Greci, and AGM Nolan. One property stood out above the rest based on the selection criteria.

The properties are located off the MC&I system and surrounded by District facilities. The District does not have any basins or regulation off the system. The soil and location look good. The Purchase Agreement includes APNs 047-060-018 and 047-060-006, which are adjacent to each other. There are currently crops on the parcels that will need to be removed.

The parcels are 44.62 acres together and the asking price is \$1,428,000. The District had \$200,000 budgeted for 2023 and \$615,000 in carryover for recharge basins. Staff is requesting the Board authorize taking \$1,000,000 from reserves for the remaining needed funds for the purchase and improvements.

Director Loquaci stated the parcels are exactly where the District needs a basin and a better spot couldn't be picked. OMM Contreras stated it is a great spot. GM Greci stated it shows the commitment of the Board to recharge and SGMA. AGM Nolan stated escrow will be opened tomorrow and it is a 75 day escrow.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE: ROLL CALL

AYES: Director Loquaci, Davis, Janzen, and DaSilva
NOES:
ABSTAIN:
ABSENT: Director Erickson (due to conflict of interest)

- 5d. Discussion / possible action on Regional Water Management Group revised Bylaws and Rules of Order, Resolution No. 2023-22

MOTION: Director Janzen / Director Davis to approve the revised RWMG bylaws, Resolution No. 2023-22.

DISCUSSION: Director Janzen stated the Regional Water Management Group has been a group since 2008. RWMG had more participation during COVID due to remote meetings being an option. The revisions to the Bylaws include the ability for the group to continue meeting via Zoom by removing the Brown Act requirements. The group is not a public agency and is only a group, so they do not need to follow the Brown Act.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE: ROLL CALL

AYES: Director Loquaci, Janzen, Davis, DaSilva, and Erickson
NOES:
ABSTAIN:
ABSENT:

- 5e. Discussion / possible direction on handling of requests for out-of-District facilities

MOTION: Director Loquaci / Director DaSilva to provide direction that the District will not approve or enter into agreements for permanent facilities with private landowners to serve land outside of the District, although it would consider that potentially with other public agencies, such as GSAs. However, because the District has an interest in providing water supplies to the subbasin generally, the District will consider annual agreements for temporary facilities.

DISCUSSION / PUBLIC COMMENT: GM Greci stated the District continuously receives requests for out-of-District turnouts and facilities, especially since the implementation of SGMA. GM Greci explained these are growers who would like to connect to MID facilities to service property outside of the District boundary. Most of the District facilities near the border of the District are owned by the Bureau of Reclamation.

In the past, growers wanting to install out-of-District facilities were hung up by the USBR process, which included an environmental review. That is where these projects have stayed historically.

There have been growers that have come before the Board to complain about the USBR permitting process. The issue that hung it up was USBR would want to study a water supply with the project, and most do not have one. The District does not support providing a permanent MID supply to these out-of-District facilities. GM Greci stated recently USBR has approved one of these permits and it caught us off guard. It sets a precedent especially with SGMA. The goal for MID is to bring as much water as possible to the Madera Subbasin and a draft document was started.

This is a policy decision, and an Ad Hoc Committee meeting was held to discuss. The Ad Hoc Committee consists of Directors Erickson and Loquaci. It was determined that the process to approve out-of-District facilities is too complicated and would create a liability for the District. From a lengthy discussion with the Ad Hoc Committee, it was recommended the District continue only allowing, as it has, one year agreements with temporary facilities.

Director Erickson stated looking at what we have been doing the past several years and the number of District growers starting to use water each year, it is difficult to commit to anything. The District cannot commit to out-of-District growers on a permanent basis. Director Loquaci stated just looking at the current climate our water rights are being threatened every day. Our mission is to provide surface water to our growers. Director Loquaci stated he has a problem entering into a long term agreement into perpetuity. Director Loquaci stated he is not opposed to providing water on an annual basis. Director Loquaci stated he does not have an issue entering into an agreement with another public agency. GM Greci stated allowing temporary facilities on an annual basis has worked well for the District.

Roy Catania commented he does not have any intent on trying to acquire a new water right, he understands water is only available on wet years. GM Greci stated the opportunity for one year agreements and facilities is still available.

Director Janzen stated the other issue is the realtors that will try to sell the land later down the road. They are trying to make a deal. Director DaSilva stated he agrees with Directors Loquaci and Janzen. Director Davis stated the temporary facilities will get the job done. Director Davis stated conditions may change and the Board later down the road may not want to be in a long term agreement if they were approved. GM Greci stated the Ad Hoc Committee did not reach this recommendation lightly. Director DaSilva stated we are at capacity at it's a wet year.

Sean Smith, Provost & Pritchard commented that the Dalena turnout NEPA has been pending since 2022. Mr. Smith clarified the Country Club Orchards project was approved by USBR and the Dalena project was right behind it. Mr. Smith stated the Dalena project would likely receive the same consideration as the Country Club Orchards project.

VOTE:

AYES: Unanimously approved

NOES:

ABSTAIN:

ABSENT:

6. **DIRECTOR REPORTS, COMMITTEE REPORTS, FUTURE AGENDA ITEMS**

Director DaSilva reported on the RMC meeting.

Director Davis reported on the ACWA conference.

Director Janzen reported on the RWMG meeting and Friant Power Authority meetings.

Director Loquaci commented the City of Madera has been working great with MID and he cannot say enough about the team work we have with the City. The District has the Ellis Street Basin in cooperation with the County of Madera and not a drop has been put into it due to the County. AGM Nolan stated we have offered.

Director Erickson reported on ACWA and the Friant Water Authority meetings.


The Board reconvened to Closed Session at 4:10 p.m.

There was no reportable action taken during Closed Session.

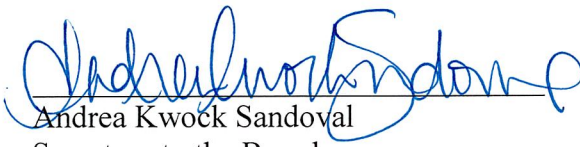
7. **ADJOURNMENT**

President Erickson adjourned the meeting at 4:50 p.m.

APPROVED FOR THE BOARD:



James Erickson
President



Andrea Kwock Sandoval
Secretary to the Board

Date: 8/15/23

