

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
January 14, 2025**

A regular meeting of the Board of Directors was held on January 14, 2025, starting at 9:30 am. Those present at the meeting were:

Directors: Aaron Barcellos, President
 Beau Correia, Vice-President
 Steve Fausone, Secretary
 Neill Callis, Director
 Wayne Western, Director

Staff : Patrick McGowan, General Manager
 Juan Cadena, Water Resources Manager
 Chris Carlucci, Maintenance Manager
 Josh Marquez, Contracts Administrator
 Sandra Reyes, Water Master

Others: Phil Williams, Legal Counsel
 Palmer McCoy, Grassland Basin Authority (GBA)
 Chris Linneman, Summers Engineering, Inc.

CALL TO ORDER

President Barcellos called the meeting to order at 9:34 am.

ROLL CALL

A quorum of the Board of Directors was present.

POTENTIAL CONFLICTS OF INTEREST

There were no conflicts of interest.

PUBLIC COMMENT

There was no public comment.

ACTION ITEMS

BOARD TO REVIEW AND CONSIDER APPROVING THE DECEMBER 10, 2024, REGULAR BOARD MEETING MINUTES

Upon a motion by Vice-President Correia and seconded by Director Callis, the board approved the December 10th, 2024, regular board meeting minutes as presented.

The vote on the motion was as follows:

Ayes: Barcellos, Callis, Correia, Fausone, Western
Nays: None
Absent: None
Abstain: None

BOARD TO REVIEW AND GIVE DIRECTION TO STAFF REGARDING THE SUBSIDENCE MITIGATION POLICY ALONG THE DELTA-MENDOTA CANAL WITHIN THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT'S DELTA MENDOTA SUBBASIN

General Manager Patrick McGowan noted that there were no new changes to the policy.

BOARD TO REVIEW AND CONSIDER APPROVAL OF PANOCHÉ DRAINAGE DISTRICT / PANOCHÉ WATER DISTRICT JOINT DRAFT TILE LINE POLICY

General Manager Patrick McGowan reported that the tile line policy had been discussed during the Panoche Drainage District board meeting held earlier.

Upon a motion by Director Callis and seconded by Secretary Fausone, the board approved the Panoche Drainage District / Panoche Water District joint draft tile line policy.

The vote on the motion was as follows:

Ayes: Barcellos, Callis, Correia, Fausone, Western
Nays: None
Absent: None
Abstain: None

BOARD TO DISCUSS AND GIVE DIRECTION TO STAFF REGARDING THE PANOCHÉ WATER DISTRICT MODERNIZATION PROJECT

General Manager Patrick McGowan reported Chris Linneman of Summer's Engineering was present to give the board an update on the modernization project. Mr. Linneman explained that he is working to develop a list of potential projects. There was discussion over installing two large pipelines that intertie between the San Luis Canal and the Delta Mendota Canal. Mr. Linneman expressed his inability to devote significant time to the project with the continued workload of the Prop 84 projects at the SJRIP. The board would like to see the study complete by late Spring of 2025.

BOARD TO REVIEW AND CONSIDER APPROVAL OF M&I WATER APPLICATION AND TERM & CONDITIONS

General Manager Patrick McGowan presented the board with the M&I water application, as well as the terms and conditions covering the delivery of domestic water. After discussion by the board, it was decided that the board would table the M&I water application until further information is provided.

Upon a motion by Director Callis, and seconded by Vice-President Correia, the board approved the domestic water application terms and conditions.

The vote on the motion was as follows:

Ayes: Barcellos, Callis, Correia, Fausone, Western
Nays: None
Absent: None
Abstain: None

FINANCIAL REPORTS

- A. Accounts Payable**
- B. Monthly Financials**
- C. FYE 2025 Budget-to-Actual Report**
- D. Other Financial Matters Affecting the District**

After discussion by the Board and upon a motion by Vice-President Correia and seconded by Secretary Fausone, the board approved the financial reports as presented by Water Master Sandra Reyes for Accounting Supervisor Mrs. Brazil, who was absent.

The vote on the motion was as follows:

Ayes: Barcellos, Callis, Correia, Fausone, Western
Nays: None

Absent: None
Abstain: None

REPORT ITEMS

BOARD TO RECEIVE UPDATE FROM DISTRICT ENGINEER CHRIS LINNEMAN OF SUMMER'S ENGINEERING ON VARIOUS DISTRICT PROJECTS

General Manager Patrick McGowan reported that Engineer Chris Linneman was present to provide the board with an update on some projects that Summer's Engineering was currently working on. Mr. Linneman reported that the NEPA process for the Contour Canal has been delayed. The design is 80% complete. Mr. Linneman reported that he is currently working on a CEQA addendum to cover the changes for the new location and layout. Mr. Linneman concluded by noting that Summer's is also working on building permit issues.

At approximately 10:43 am, President Barcellos announced that the Water District meeting would be taking a five-minute break.

At approximately 10:48 am, President Barcellos announced that the Water District meeting would resume.

DIVISION REPORTS

A. Water Master Sandra Reyes gave the Water Supply Update as of January 1, 2025:

San Luis Reservoir Total Storage:	<u>1,408,327 AF</u>
San Luis Reservoir Federal Storage:	<u>520,033 AF</u>
San Luis Reservoir % of Total Capacity	<u>69% (100% = 2,041,000 AF)</u>
San Luis Reservoir Federal % Share	<u>37%</u>

Panoche Update as of January 1, 2025:

USBR 2024 Water Balance:	<u>17,307 AF</u>
USBR Resch. Water Balance	<u>0 AF</u>
December, 2024 Grower Deliveries:	<u>240 AF</u>
Total Deliveries to date (Mar-Dec):	<u>50,643 AF</u>

Ms. Reyes also reported on the following water department activities that occurred in December:

- The November O&M, Interest, and M&I billings were completed and mailed out mid-December.
- December's Water Usage, Interest, and M&I Billings will go out on 1/15/2025.
- Colored and reported December's Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR.
- Working on the Water Payment Summaries to the USBR & SLDMWA for December.
- Finalized the PDD and PWD Board Meeting Minutes for last month's meetings.
- Reconciled all the bank statements and Fresno County Fund for the month of December for all Districts.
- Processed the Board Meeting AR Reports for PDD & PWD
- Have credited the Turnback water for USBR & Supp'l (Tier 3)
- Allocated and billed out any additional Tier 3 Supp'l water purchased
- Reached out to growers regarding their delinquencies

- Started working on Grower workshop items, as well as WY 2025-26 Grower forms required.
- Will be sending out the link to everyone with the 700 Forms information this month

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for December for WY 24-25, the District's Power and Reclaimed Water spreadsheet for December, and a current conditions map of the major water supply reservoirs. Water Resources Manager Juan Cadena presented the board with a total water delivery graph, a water quality graph for the Main Station and another water quality graph for the T-Canal.

B. Maintenance Manager Chris Carlucci reported on the following operations and maintenance activities that occurred in December:

- General Maintenance.
- Staff started cleaning out T-Canal to station T-4.
- Staff made repairs to old station 1 trash racks .
- Staff have installed a new head gate at turnout 71N off Herndon Ave and Oxford Rd.
- Staff finished catwalk and flow meter rack for CCID direct connect to PWD main canal.
- Staff started pulling district flow meters for yearly repairs and calibrations.
- Weed Control – Staff sprayed weed sterilant on Main Canal.
- Water Treatment Plant – Bennetts have made the transition and switch their landscaping water into using raw water. Next is the chemical site that will be switched to raw water.
- Preventative Pump Maintenance Plan. (work in progress)
- Staff have started working on the Winter Project List.
- Started working on PWD chemical cost estimate for 2025 /26 spray program.
- Started pulling pumps on PWD main canal for yearly maintenance & repairs.

Mr. Carlucci also let the Board know that he and GM McGowan have been working with our Chemical Applicator Manager Mr. Anthony Zavala on the maintenance of the meters and calibrations.

C. Contracts Administrator Josh Marquez, reported on the following ethics, compliance, and risk management activities that occurred in December:

- I. Update on Forefront Solar Project
- II. Update on USBR Water Smart Grant Project for Contour Canal and Expenses

Ethics and Compliance:

- No calls were reported on the Speak-Up Hotline for the month of December.
- Trained employees in Industrial and Office Ergonomics.
- Sexual Harassment Prevention Training – To be scheduled for all employees, management, and BOD that need completion. SCC available dates – 1/29 or 30 and 2/4.
- Annual Risk Assessment will be conducted and available for February BOD meeting.

Risk Management:

- Safety Compliance Company was unable to provide safety training due to an illness. SCC provided training Driver Safety, Cell Phone Use and Texting material and Josh covered along with Ethics and Compliance training. This month's training will focus on accident and incident reporting.

- ACWA Wellness Program- This year’s grant is being allocated as a \$45 reimbursement to all employees for the purchase of sneakers to promote a healthy lifestyle. Employees providing a receipt for sneakers \$45+ will be reimbursed.

Contract Administration:

- Contour Canal – No significant updates. Monthly calls are postponed due to holiday and no significant updates from USBR. The January meeting is scheduled for January 21st.
- Forefront – Monthly meeting attended. Forefront has submitted to Fresno County for permit. Concerns with Fresno County violations needing to be remediated. Forefront still anticipates Phase 1 completion 12/31/2025. Phase 2 results have been delayed to week of 1/13 by P.G. & E.

Mr. Marquez also discussed sexual harassment training and inquired if the board would like to participate in district training. Josh reminded everyone to turn in any certificates received.

D. Accounting Supervisor Marlene Brazil, in the absence of Human Resources Diana Moses, reported on the following risk management and human resources activities that occurred in December:

WMC: Current Update

Currently there are two open workers compensation claims:

- One employee continues to be on modified duties & hours. The treating physician requested a referral to pain management to write a final permanent & stationary report which includes addressing work status (regular work vs permanent work restrictions.)
- The other employee has returned to work with no restrictions but is still under medical care.
- There are two prior claims that will soon be closed once ACWA has received and paid all billings.
- There were no new claims in December.

PWD/PDD Recognition:

PWD and PDD received ACWA JPIA’s Resident’s Special Recognition Award, announced at the Board of Director’s Meeting in Palm Desert, for achieving the following:

- July 1, 2020 – June 30, 2023, for a low ratio of “Paid Claims and Case Reserves” to “Deposit Premiums” in the Property Program.
- October 1, 2020 – September 30, 2023, for a low ratio of “Paid Claims and Case Reserves” to “Deposit Premiums” in the Liability Program.

Employee Anniversary / Recognition:

- Josh Marquez – 15 years. Josh was hired on December 1, 2009.

E. Other Matters:

GM McGowan reported to the Board that the District will be posting for maintenance position.

BOARD TO RECEIVE UPDATES FROM STAFF ON VARIOUS MATTERS AFFECTING THE DISTRICT

Staff reported on various items that had been completed, or were ongoing, on the Action Items List presented - dated December 10th, 2024.

GENERAL MANAGER'S REPORT

GM McGowan gave the following manager update for the month of December:

- A. Sustainable Groundwater Management Act:** GM McGowan reported that the SGMA Coordination Committee was held yesterday afternoon. There has been a re-organization of the committee. McGowan reported that the committee was optimistic in their discussions with the State Board staff. Water quality within the SGMA remains the point of contention in conversations. The GSP is scheduled for review this Spring.
- I. Central Delta Mendota SSMA:** GM McGowan reported that he, Chase Hurley of Pacheco, and Mr. Lon Martin of San Luis WD had met to discuss the pumping reduction plan for the subbasin. Mr. McGowan explained that by 2030 within our zone, groundwater extraction must be reduced by twenty percent annually. If not met, then an allocation backstop will be implemented.
- B. Los Vaqueros Expansion Project:** GM McGowan reported they are currently working on the dissolution of the JPA.
- C. Domestic Water Treatment Plant**
 - I. Corrective Action Plan** – WWC completed the corrective action plan for the State.
 - II. Engineering Services** – GM McGowan reported meeting with Black Water Engineering Services. He is hopefully to have a proposal for engineering services and the project management and finalization of the Preliminary Engineering Report by February's meeting.
 - III. DWR/SWRCB Discussions** - GM McGowan reported that Mr. Marquez and Mr. Cadena had submitted technical study identifying our community we serve as a disadvantaged community.
 - IV. Transition From Treated to Raw Water** – GM McGowan noted that Mr. Carlucci had already briefed the board on the updates during his report.
- D. Water Supply, Storage, and Conveyance Discussions**
- E. SLDMWA:** GM McGowan reported that the SLDMWA held their meeting and there was continued discussion on the Healthy Rivers and Land Landscape Program Implementation. By participating in this program, we become a covered entity with protections in place.
 - I. DMC subsidence Correction Project Workshop 1/16/2025.** GM McGowan reported that the SLDMWA would be hosting the workshop at the Mission De Oro.
- F. Employee Evaluations:** GM McGowan reported that he will be working with staff in the next month and a half and conducting the employee's evaluations.
- G. 2025 / 2026 Budgets:** GM McGowan reported that staff had already held a preliminary Budget meeting and would be holding a second one tomorrow.
- H. Growers Workshop 1/21/2025:** GM McGowan noted the invitations had been sent and we have already started receiving RSVP's.
- I. Mid-State Water User's Conference 1-29 – 1/31/2025:** GM McGowan reported that he and Ms. Reyes would be attending the water users conference.

REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)

No other items.

FUTURE MEETING DATES

- A. Next Regular Board Meeting Date:** February 11th, 2025, at 9:30 am.

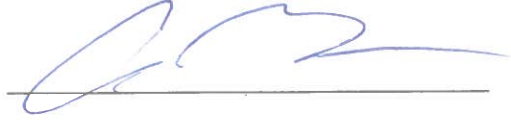
PANOCHÉ WATER DISTRICT CLOSED SESSION:

At 11:50 am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:30 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

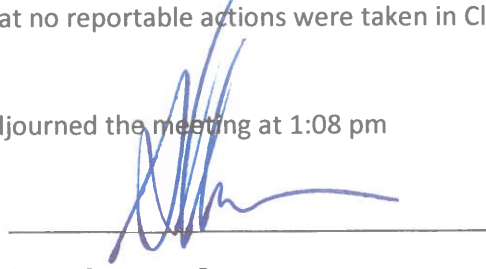
PANOCHÉ WATER AND DRAINAGE DISTRICTS JOINT CLOSED SESSION: Conference with Legal Counsel
At 12:31pm, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 1:00 pm, Mr. Williams reported that no reportable actions were taken in Closed Session.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 1:08 pm



Aaron Barcellos, President



Steve Fausone, Secretary