

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
June 11, 2024**

A regular meeting of the Board of Directors was held on June 11, 2024, starting at 10:43 am. Those present at the meeting were:

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

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

Others: Palmer McCoy, GBA
 Phil Williams, Legal Counsel
 Mr. Makram (Mark) Hanna, Landowner
 Maureen Hanna, Landowner

CALL TO ORDER

President Barcellos called the meeting to order at 10:43 am.

ROLL CALL

A quorum of the Board of Directors was present.

POTENTIAL CONFLICTS OF INTEREST

There were no conflicts of interest.

PUBLIC COMMENT

Mr. Makram (Mark) Hanna at this time addressed the Board of Directors. Mr. Hanna stated that he came into the District in 2015 and had purchased a section of land on Bullard that didn't have any access to getting water delivered until just this year. Mr. Chase Hurley and Mr. Chris Carlucci worked together to get water accessible to Mr. Hanna's ground. Because of the location, the water delivered is often full of debris. Maintenance Manager Chris Carlucci pointed out that the turnout on Lateral 3 had been installed without a filter and was a contributing factor. A few of the board members gave examples of how they handle cleaning their own ditches and turnouts. Mr. Hanna explained that they are installing their own screen and acknowledged the hard work of Mr. Hurley and Mr. Carlucci to deliver him water. Mr. Hanna also addressed that 700 acres appears to have dilapidated equipment and system and that there should be some infrastructure in place. He explained that he is farming 400 acres out of the 750 due to the lack of being able to deliver water. Mr. Hanna asked the board to consider having the District provide additional turnouts and a pipeline to convey water to areas on his property. The Board of Directors requested Mr. Hanna provide a proposal/quote and that they would take that into consideration and would also be reviewing and following policy for a determination of what the District could provide.

ACTION ITEMS

THE BOARD TO REVIEW AND CONSIDER APPROVING THE MAY 21, 2024, REGULAR BOARD MEETING MINUTES

Upon a motion by Vice-President Correia and seconded by Secretary Fausone, the board approved the May 21, 2024, regular board meeting minutes that Water Master Sandra Reyes had presented.

The vote on the motion was as follows:

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

FINANCIAL REPORTS

- A. Accounts Payable**
- B. Monthly Financials**
- C. FYE 2024 Budget-to-Actual Report**
- D. Other Financial Matters Affecting the District**

Upon a motion by Vice-President Correia and seconded by Secretary Fausone, the board approved the financial reports as presented by Accounting Supervisor Mrs. Brazil. The vote on the motion was as follows:

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

THE BOARD TO REVIEW AND GIVE DIRECTION TO STAFF CONCERNING PANOCHÉ WATER DISTRICT DRAFT SOLAR POLICY

General Manager Patrick McGowan stated that this Agenda Item had already been discussed and addressed in the Panoche Drainage District board meeting.

THE 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 informed the Board that he had recently spoken with Mr. Chase Hurley and a meeting to discuss future grower outreach will be determined soon.

THE BOARD TO DISCUSS AND CONSIDER ADOPTING RESOLUTION # 849-24 CALLING FOR A GENERAL ELECTION ON NOVEMBER 5, 2024, OF REPRESENTATIVES TO SERVE ON THE DISTRICT'S BOARD OF DIRECTORS

Contracts Administrator Josh Marquez explained that three positions will be up for re-election on November 5th. Currently the three positions are held by President Barcellos, Vice-President Correia, and Secretary Fausone.

After discussion by the board, and upon a motion by Secretary Fausone and seconded by Vice-President Correia, the Board approved Resolution # 849-24 calling for a General Election. The vote on the motion was as follows:

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

Abstain: None

DIVISION REPORTS

A. **Water Master Sandra Reyes gave the Water Supply Update as of June 1, 2024:**

San Luis Reservoir Total Storage:	<u>1,210,502 AF</u>
San Luis Reservoir Federal Storage:	<u>782,794 AF</u>
San Luis Reservoir % of Total Capacity	<u>58%</u>

Panoche Update as of June 1, 2024:

USBR 2024 Water Balance:	<u>47,738 AF</u>
USBR Resch. Water Balance	<u>0 AF</u>
May, 2024 Grower Deliveries:	<u>7,313 AF</u>
Total Deliveries to date (May):	<u>12,995 AF</u>

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

- The April O&M, Interest, and M&I billings were completed and mailed out mid-May.
- May's Billings will go out mid-June.
- Finalized the Water Inventory for the Auditor for WY 2024-25 & AJE for Resch. Water
- Colored and reported May's Water, M&I, and Transfer Usage for PWD for the DMC & SLC to SJRECWA/SLDMWA/USBR
- Need to allocate Grower transfer and well water for May Billings
- Working on the Water Payment Summaries to the USBR & SLDMWA for May
- Need to finish the PWD Board Minutes from 5-21-24
- Need to start implementing the Delinquency Policy on any past due accounts
- Need to issue credit to those that turned back their Supp'l Water
- Still working on: Tabulating Information for Crop Reports – Reconciling USBR FY2023 Water Deliveries and Charges

Water Resources Manager Juan Cadena presented the board with a water quality graph for the Main Station and another water quality graph for the T-Canal. Mr. Cadena explained that samples are being taken and monitored at two locations – the old station and station 2. Mr. Cadena also noted that the water quality graphs will be included from here on out in the board packet.

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

- General Maintenance.
- Staff installed new flow meter cage at Turnout 500 West.
- Staff made repairs to Russell weir (fixed rails for boards).
- Staff welded chains to Turnout gates 203,204 and Russell Turnout gates.
- Staff installed catwalk at Russell turnout for water treatment.
- Weed Control – Staff sprayed Contour canal and 93 ditch.
- Canal Treatments – PWD Main canal, Direct Connect, Station 2, T-Canal, T-2, T-3, Russell lift, and 11-E ditch.
- Preventative Pump Maintenance Plan. (work in progress)
- Equipment Replacement Forecast Plan. (work in progress)

- Domestic Water Treatment Plant – Ordered new Backflow apparatus for Bennett’s Chemical shop. (Location #3).
- Submitted application form for gasoline dispensing to San Joaquin Valley APCD.
- Pacheco WD – PWD staff repaired pipeline for 601 box.
- Pacheco WD Weed Control – PWD staff sprayed Pacheco solar panels.

C. **Domestic Water Treatment Plant:** There was nothing new to report for May.

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

Ethics and Compliance:

- No calls were reported on the Speak-Up Hotline for the month of May.
- Compilation of information on trainings and all updates for settlement agreement report to monitor.
- Compliance training for this month focused on the Alcohol and Drug Free Workplace District policy.

Risk Management:

- Safety Compliance Company conducted safety training on Wildfire Smoke and Valley Fever.

Contract Administration:

- Contour Canal – Registered with State Clearing House for myself and Summers Engineering to submit CEQA reports.

Other Matters: No Other Matters to report.

THE BOARD TO RECEIVE AN UPDATE ON THE FOREFRONT SOLAR PROJECT FOR THE DISTRICT

Contracts Administrator Josh Marquez provided the Board with a solar project update that meetings had been attended with Forefront Power regarding the next steps that needed to be taken. General Manager Patrick McGowan and Legal Counsel Phil Williams are to meet with the Forefront team to discuss the Purchase Power Agreement amendment that will include Board agreed upon cost increases associated with needed substation upgrades.

THE BOARD TO RECEIVE AN UPDATE ON THE USBR WATER SMART GRANT PROJECT FOR THE CONTOUR AND CANAL EXPENSES

Mr. Marquez noted that he had covered this item in his Ethics report that was given.

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 May 21, 2024. General Manager Patrick McGowan reported that the District had received the AgMonitor Project Proposal. Explaining AgMonitor is an asset management program for pump efficiency with several benefits, such as energy costs and pump maintenance. AgMonitor is projecting that for every \$1 spent they are looking at \$3 in savings for you. Mr. McGowan explained that currently Mr. Cadena is working with them on going out to multiple sites. President Barcellos noted that AgMonitor can also help us to implement SGMA in the future.

GENERAL MANAGER’S REPORT

GM McGowan gave the following manager update for May:

- A. **Outreach Efforts:** Nothing to report at this time.
- B. **Sustainable Groundwater Management Act**

- I. **Central Delta Mendota SSMA** - Mr. McGowan reported that he had participated in a coordination meeting regarding SGMA. Mr. McGowan also noted that the public review comment period for the GSP would be ending June 28, 2024. A meeting has been scheduled for July 22, 2024, to accept the final review of the GSP. The implementation date of the GSP will be in January of 2025 and discussions are being held on the process of moving forward and implementing subsidence and pumping reduction.
- C. **Los Vaqueros Expansion Project** Mr. McGowan reported that the Project recently received the Contra Costa Water District facilities usage agreement which is in it's public comment period now. The service fees and language are still being finalized and resolution has not yet been reached. Mr. McGowan explained that the goal is to have a representative come address the board over the next couple of months to help Panoche make its business case decision.
- D. **Water Storage and Conveyance Discussions:** Nothing to report at this time.
- E. **San Luis Delta Mendota Water Authority (SLDMWA)**
 Mr. McGowan reported that the SLDMWA's Board meeting was held last week and a discussion was had regarding possibly revising the SLDMWA O&M rates and that these rates would be retro-active to March 1st.
 Mr. McGowan also reported that the SLDMWA is looking at 4 individual 10 days of O'Neill outages, instead of a straight 45 day outage as originally anticipated for vital transformer rehabilitation work.
 Mr. McGowan reported that he, Mr. Chase Hurley, and Mr. Lon Martin met to have discussions on representing the Northern San Luis Unit that consists of Pacheco Water District, Panoche Water District, and San Luis Water District – to be able to have a more unified representation and voice.
- F. **Other:**
 No other matters to report.

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

No other items.

FUTURE MEETING DATES

- A. Next Adjourned Regular Meeting Date: July 15, 2024

PANOCHÉ WATER AND DRAINAGE DISTRICTS JOINT CLOSED SESSION: Conference with Legal Counsel

At 12:57 pm, the Boards met in Closed Session to meet with legal counsel related anticipated litigation. At 1:18 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

At 1:19 pm, the board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 1:39 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 1:40 pm.

Aaron Barcellos, President

Steve Fausone, Secretary