

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
April 14, 2026**

A regular meeting of the Board of Directors was held on April 14th, 2026, 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
Marlene Brazil, Accounting Supervisor
Juan Cadena, Water Resources Manager
Chris Carlucci, Operations & Maintenance Manager
Josh Marquez, Contracts Administrator
Sandra Reyes, Water Master
- Others: Chase Hurley, Water and Land Solutions
Palmer McCoy, Grassland Basin Authority
Rachel McLaughlin, Forefront Power
Phil Williams, Legal Counsel

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

At this time, General Manager Patrick McGowan informed the Board that we would be discussing Agenda Item 8 and that Rachel McLaughlin from Forefront Power would be updating the Board on the next steps for the District's two solar projects.

BOARD TO RECEIVE AN UPDATE FROM FOREFRONT POWER, LLC RACHEL MCLAUGHLIN REGARDING POTENTIAL PPA RATE INCREASE AND REVIEW AND CONSIDER REQUEST TO EXTEND THE GUARANTEED COMMERCIAL OPERATION AND GUARANTEED CONSTRUCTION START DATES

Rachel McLaughlin of Forefront Power presented the Board with an update on the Office and Linneman Solar Project, noting that Panoche Water District (PWD) was forward thinking in contracting solar before policy changes, securing the Federal Investment Tax Credit and NEM2. PWD's early action resulted in

the District office which is nearing completion and Linneman which is through development and ready for FTNP, with both projects safe harbored for federal incentives. Ms. Laughlin pointed out that solar is going to provide an important budgetary tool to PWD for years to come. Ms. Laughlin explained the reasoning for the increase in PPA rates for both Projects, as well as the GCOD amendment needed. After discussion by the Board, it was decided that this Item would be discussed further in Closed Session.

At approximately 10:19 am, President Barcellos announced that the Water District meeting would be taking a five-minute break.

At approximately 10:24 am, President Barcellos announced that the Water District meeting would resume picking up on Agenda Item 5 – approving the board meeting minutes.

BOARD TO REVIEW AND CONSIDER APPROVING MARCH 10, 2026, REGULAR BOARD MEETING MINUTES

Upon a motion by Director Callis and seconded by Vice-President Correia, the Board approved March 10, 2026, 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 CONSIDER SETTING WY 2026-27 SUPPLEMENTAL WATER RATE

General Manager Patrick McGowan presented the Board with two proposed water cost budgets for fiscal year 2026-2027. The first budget was based on a USBR allocation of 25% and the second was based on a USBR Allocation of 30%.

After discussion by the Board and upon a motion by Vice-President Correia and seconded by Director Callis, the Board approved a Supplemental Water Rate of \$500/acre-foot for WY 2026-27.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER SETTING THE SOUTHERN DELTA-MENDOTA SUBSIDENCE MANAGEMENT AREA (SSMA) WY 2026-27 WATER RATE

General Manager Patrick McGowan presented the Board with an overview of the Southern Delta-Mendota Subsidence Management Area (SSMA) Policy, as well as a list of the growers located in the current SSMA zone eligible to participate in the SSMA Subsidence Pool. Mr. McGowan explained that the Subsidence Pool is first made available to those landowners, subject to the corrective safe yield restriction with any remaining water being made available to everyone else.

After discussion by the Board and upon a motion by Vice-President Correia and seconded by Director Callis, the Board approved an SSMA rate of \$ 415/acre-foot for WY 2026-27.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER ENTERING INTO AGREEMENT WITH TABES CONSULTING, LLC FOR CENTRAL VALLEY PROJECT OPERATIONS MONITORING AND REPORTING SERVICES

General Manager Patrick McGowan presented the Board with an agreement from TABES Consulting that represented another year of consulting services with Tom Boardman. GM McGowan stated that Mr. Boardman has provided the District with insight and knowledge that has proved valuable in navigating through these times. GM McGowan’s recommendation is that we may rely more on the analysis provided by this group in the months to come to ensure we maximize our water deliveries.

After discussion by the board and upon a motion by Director Western and seconded by Secretary Fausone, the board approved entering into an agreement with TABES Consulting, LLC for WY 2026-27.

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 Director Callis 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, Callis, Correia, Fausone, Western
Nays: None
Absent: None
Abstain: None

DIVISION REPORTS

A. Water Master Sandra Reyes gave the Water Supply Update as of April 1, 2026:

San Luis Reservoir Total Storage:	<u>1,809,264 AF</u>
San Luis Reservoir Federal Storage:	<u>769,905 AF</u>
San Luis Reservoir % of Total Capacity	<u>89% (100% = 2,041,000 AF)</u>
San Luis Reservoir Federal % Share	<u>43%</u>

Average 1,766,452 AF – As of April 1 – Overall at 102% of average

Panoche Update as of April 1, 2026:

USBR 2026 Water Balance:	<u>18,866 AF</u> (20%)
USBR Resch. Water Balance	<u>5,742 AF</u>
March, 2026 Grower Deliveries:	<u>3,529 AF</u>
Total Deliveries to date (Mar):	<u>3,529 AF</u>

The water figures do not include the Drought Pool of 2,308 AF.

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

- The February O&M billings, Interest billings, and M&I Water billings were completed and mailed out.

- All quarterly and annual billings for WY 2025-26 were completed and mailed out.
- March's Water Usage, Interest, and M&I Billings will go out on 4/15/2026.
- Colored and will report March's Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR/DWR.
- Finalized the Water Payment Summaries for the DMC & SLC to the USBR & SLDMWA for March.
- 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 March and posted any interest in the GL for all Districts.
- Processed the Board Meeting AR Reports for PDD & PWD
- Reached out to growers regarding their delinquencies for both PDD & PWD
- Created a Supp'l Water Scenario spreadsheet for the board meeting.
- Will make sure the PWD WY 2025-2026 Water Inventory File is ready to go for Darryl.
- Still working on a project for Juan of the overall District map APN's and ownership / researching and updating to current / Currently on Division I out of V. (Juan has completed Sections 3, 4, and 5 already).
- Revised the PWD WY 2026-2027 Water Cost Budget and created a new one for a 25% scenario.
- Logged in all 700 Forms received and sent reminders for those who haven't submitted them yet.
- Put in the final request for Rescheduled Water to the USBR for MSWD & PWD – Also submitted the rescheduling fees to AP for the USBR for both Districts.
- Closed out 2025-2026 water year balances and created the WY 2026-2027 water balance statements.
- Finished reconciling both the DMC and SLC FY2025 USBR Water Deliveries and Charges by Month for CVP Water and responded to the USBR for both MSWD and PWD.
- Worked with Patrick, Bobby, & USBR to finalize the water transfer agreements between WSID and PWD.
- Worked with Jeff/FCWD to color the DC Water being brought in.
- Will be processing and mailing out the PDD 1st Installment of the Drainage Service Fee/ \$ 23.50/AC. (1/2 of \$47.00/AC)
- Still running point on MSWD audit and researching questions and e-mailing back-up as needed.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for March for WY 26-27, a graph of the current reservoir conditions, as well as graphs specific to the San Luis Reservoir, and a Supplemental Water Scenario spreadsheet. Ms. Reyes also presented the board with a preliminary draft budget of the water cost rates at 25% and 30% for discussion.

Water Resources Manager Juan Cadena presented the board with a total water delivery graph for the month of March, as well as water quality graphs for the District.

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

- General Maintenance.
- Staff installed a new gate for Lateral 3.
- Staff made repairs to the 10E2 gate. (Mile Point 101.48)
- Staff made repairs to the safety railing at Station T-6.

- Contour Canal Project – McElvany staff has finished the Contour Canal Lining Project. All Well pipeline crossings are in place. Just waiting for the 3 canal gates and all the trash racks to be installed. (The 3 gates are for the first weir next to Nees Ave., and the one for the Long-Crested Weir).
- Weed Control – Staff sprayed Lateral 3, 11E, and Russell turnout. Staff also did canal treatment for pondweed and algae on the PWD main canal. (Station 1 to Station 3)
- Water Treatment Plant – No Activity to report.
- Pacheco WD – No Activity to report.
- GBA - No Activity to report.
- Preventative Pump Maintenance Plan. (work in progress)

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

- 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 to the Hotline for the month of March.
- Trained staff on Alcohol and Drug Free Workplace.
- Completed Postings and mailings for Prop 218.

Risk Management:

- Safety Compliance Company conducted safety training on trenching and excavation.

Contract Administration:

- Contour Canal – Completion of construction and fully operational. Daily inspection reports completed. Working on final semi-annual report.
- USBR WaterSMART – Attended Small Scale Water Efficiency Program (SSWEP) webinar. SSWEP is intended for projects with a total cost no greater than \$250,000. Will explore if monitoring wells can be a project to qualify. In the meantime, will keep an eye out for Water Energy Efficient Grant (WEEG), no release date as of yet, but will keep up to date with USBR website for grant release and webinar.
- BCT – Worked with BCT for the installation of computers and software upgrades. All reported issues regarding software have been resolved.

Contracts Administrator Josh Marquez also presented the board with pictures of the Contour Canal project's progress.

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 March:**

Workers' Compensation Update: No Changes

Currently there is one active open workers' compensation claim:

- The employees' claim has been resolved with 0% permanent disability: however, the employee does have future medical. According to the labor code, the claim will remain open for 2 years from the last treatment, which was on 1/20/25, and can be closed as of 1/20/2027.
- There were no new claims in March.

Employee Anniversaries:

- Zach Huarte: has completed his one-year probationary period. Zach was hired in March 24, 2025.

Recognition:

Congratulations to Jose Pimentel. Jose has completed the QAL/QAC Testing, Category C exam with the California Department of Pesticide Regulation.

E. Other Matters:

GM McGowan noted that there was nothing further to report on for March.

BOARD TO RECEIVE UPDATES ON PERMANENT CROP MAP AND SUPPLEMENTAL WATER NEEDS FOR WATER YEAR 2026-2027

General Manager Patrick McGowan reported that Mr. Juan Cadena has been working with different agencies such as Cal Poly IRTC, Pacheco Water District, EKI, and multiple growers to further update the Crop Map and determine our Supplemental Water Needs. Mr. McGowan noted that Mr. Cadena has put a lot of work into the back end of this project.

BOARD TO RECEIVE UPDATE FROM DISTRICT ENGINEER

Engineer Chris Linneman reported to the Board that the Contour Canal had already been discussed but added that flow control gates need to be installed and there are a few areas that need touchup. Mr. Linneman also addressed the Modernization Plan noting that Summers Engineering is currently working on power requirements analysis which includes estimating power demand and comparing that to existing. Other items being reviewed are interim projects that are likely good candidates for grant projects. Such as a new ditch to reduce/eliminate pumping from 6E into new ditch, 6E pipeline replacement that will help reduce pumping costs, and a Lateral 2 pipeline that will address head issues at the lower end of Lateral 2.

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

General Manager Patrick McGowan reported on various items that had been completed, or were ongoing, on the Action Items List presented – dated March 10th, 2026, and answered any questions that the Board had.

GENERAL MANAGER'S REPORT

GM McGowan gave the following manager update for the month of March.

A. SGMA:

I. Central Delta-Mendota GSA:

GM McGowan reported that the CDMGSA meeting will be held next week. President Aaron Barcellos holds the Chair, with General Manager of Santa Nella County Water District, Amy Montgomery holding the position of Vice-President. There will be continued discussion regarding the group's cost share as it relates to the proposed model calibration. The updated well census has been distributed to individual GSAs for review and edits.

II. Delta Mendota JPA:

GM McGowan reported that budget and technical committee meetings are needed to discuss both the costs of model calibration and cost share splits.

B. Domestic Water Treatment Plant PER Update: GM McGowan reported that Black Water Engineering group has completed their revisions to the Preliminary Engineering Report and it is currently under technical review. A meeting has been scheduled with the state for Friday. GM McGowan also noted that Black Water Engineering is bringing in an additional manager to help with grant funding applications.

C. Proposition 218 Process:

I. Notice to Landowners & Growers:

GM McGowan presented the Board with a copy of the letter and official protest form that the District had mailed out noting that the District had received one protest form back.

- D. **Supplemental Water Application & Letter to Growers:** GM McGowan presented the Board with a copy of the letter and Supplemental Water Application that had been mailed out.
- E. **DMC Subsidence Correction Project Federal Funding:** GM McGowan reported on the \$235 million that was awarded that will support rehabilitation of the upper canal, including raising canal embankments, repairing check structures, and advancing potential construction of a new concrete-lined canal segment.
- F. **Grant Funding Assistance:** GM McGowan reported that discussions are taking place on acquiring grant funding for future projects. Panoche Water District has reached out to the Hallmark Group, Summers Engineering, and Water and Land Solutions for grant funding assistance. Water and Land Solutions was willing to discuss the possibility of helping the District in acquiring grant funding in the future. The goal would be to eventually handle grant funding internally.
- G. **Development of Internship Program:** GM McGowan discussed with the Board whether an internship program was needed in future years.
- H. **WINN Act Underpayment/Overpayment Workgroup – April 7, 2026:** GM McGowan reported a zoom meeting had been held by the USBR to discuss the payments that had been made for the WINN Act contract and the status of any overpayments/underpayments. GM McGowan noted that he and Ms. Sandra Reyes had joined the meeting and the USBR conveyed that overpayments made could only be utilized in the way of credit in future years.
- I. **Water Supply, Storage, and Conveyance Discussions:** GM McGowan reported that conditions have shifted and the SLDMWA is now expecting to be able to deliver YUBA Transfer Water. Delta conditions and SWP operations will play a critical role in determining how much water can ultimately be delivered. GM McGowan also reported on the Brackish Water Well Recovery Project and being able to increase available irrigation water resources annually.

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

No other items.

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

At 12:09 pm, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 12:10 pm, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

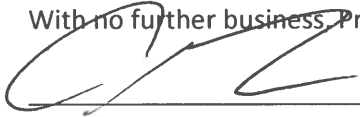
At 12:27 pm, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:46 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

FUTURE MEETING DATES

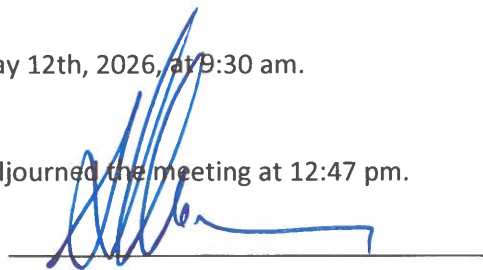
- A. Next Regular Board Meeting Date: May 12th, 2026, at 9:30 am.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 12:47 pm.



Aaron Barcellos, President



Steve Fausone, Secretary