PANOCHE WATER DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
July 14, 2026

A regular meeting of the Board of Directors was held on July 14th, 2026, starting at 9:30 am. Those present at the meeting were:

Directors:	Aaron Barcellos, President Steve Fausone, Secretary Neill Callis, 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:	Jess Gonzales, J.F.B. Ranch, Inc. Chase Hurley, Water and Land Solutions Chris Linneman Summers Engineering Palmer McCoy, Grassland Basin Authority Phil Williams, Legal Counsel

CALL TO ORDER
President Barcellos called the meeting to order at 9:55 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 JUNE 9, 2026, REGULAR BOARD MEETING MINUTES
Upon a motion by Director Callis and seconded by Secretary Fausone, the Board approved the June 9, 2026, regular board meeting minutes as presented.
The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER DEFFERING COLLECTION OF OUTSTANDING INVOICE BALANCE OWED BY PANOCHE DRAINAGE DISTRICT
General Manager Patrick McGowan reported that Panoche Drainage District (PDD) currently has outstanding invoices payable to Panoche Water District (PWD). Staff working at the direction of the PWD

board evaluated the financial relationship between the two districts and recommends deferring collection of these amounts until the existing note payable between the districts has been fully satisfied, which is anticipated to occur in March 2029. Staff recommend deferring the collection and authorizing the execution of the accompanying letter documenting the agreement between the Districts.
After discussion by the Board and upon a motion by Director Callis and seconded by Secretary Fausone, the Board approved deferring collection of the outstanding invoice balance owed by PDD to PWD.
The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER PROPOSAL FROM AGMONITOR FOR REAL-TIME FLOW MONITORING SYSTEM
General Manager Patrick McGowan presented the Board with a quote received from AGMonitor and Pumpsight to implement a real-time flow monitoring system at the District's Delta-Mendota Canal pumping station. The project is intended to improve operational visibility, water accounting, and energy management by collecting and transmitting real-time flow data for three of the District's lift pumps.
After discussion by the Board and upon a motion by Secretary Fausone and seconded by Director Callis, the Board approved the proposal received from AgMonitor and Pumpsight to install the real-time flow monitoring system.
The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING GARGIULO'S REQUEST TO TRANSFER WATER TO WESTLANDS WD
General Manager Patrick McGowan and Water Master Sandra Reyes explained that they had received a phone call from Terry Doyle representing Gargiulo, Inc. asking to transfer a portion of his 2026-27 Central Valley Project water from his account in Panoche Water District to his account in Westlands Water District.
After discussion by the Board and upon a motion by Director Callis and seconded by Secretary Fausone, the Board approved Gargiulo's request to transfer water to Westlands WD.
The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING MARV COIT FARM'S REQUEST TO TRANSFER WATER TO WESTLANDS WD
General Manager Patrick McGowan and Water Master Sandra Reyes explained that they had received a request from Mitch Coit representing Marv Coit Farms asking to transfer a portion of his 2026-27 Central Valley Project water from his account in Panoche Water District to his account in Westlands Water District.
After discussion by the board and upon a motion by Secretary Fausone and seconded by Director Callis, the board approved Coit's request to transfer water to Westlands WD.
The vote on the motion was as follows:

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

Abstain: None

At this time, the Board decided the next three Agenda Items pertaining to the Central Delta-Mendota Groundwater Sustainability Agency's Policies and Resolutions would be voted on in one vote after the three items had been discussed.

BOARD TO REVIEW AND CONSIDER IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA WELL CENSUS AND REGISTRATION POLICY ONE

General Manager Patrick McGowan reported that the Central Delta-Mendota GSA's Well Census and Registration Policy One establishes uniform procedures for registering groundwater wells throughout the Central Delta-Mendota GSA. It applies to agricultural, domestic, monitoring, inactive, and abandoned wells and is intended to improve the quality and accuracy of groundwater information used to implement SGMA and the Delta-Mendota Subbasin GSP. The policy also supports the implementation of the Domestic Well Mitigation Program and the Central Pumping Reduction Plan by ensuring groundwater management decisions are based on actual well information rather than estimated pumping. Staff recommends that Panoche Water District adopt the Central Delta-Mendota Groundwater Sustainability Agency (CDMGSA) Administrative Policy No. 1 – Well Census and Registration, as adopted by CDMGSA Resolution No. 2026-02 on March 26, 2026.

BOARD TO REVIEW AND CONSIDER IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA WELL METERING AND REPORTING POLICY TWO

General Manager Patrick McGowan reported that the CDMGSA policy establishes standardized requirements for groundwater well metering, annual reporting of groundwater extraction, meter installation standards, inspection authority, and enforcement procedures. It supports implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan, including the Central Pumping Reduction Plan (PRP) and Domestic Well Mitigation Program by ensuring reliable groundwater extraction data. Adopting this policy locally aligns PWD with CDMGSA requirements while preserving local oversight and accountability. It provides growers with a consistent regulatory framework, improves the quality of groundwater data used for management decisions, and positions the District to successfully implement future SGMA requirements. GM McGowan also noted that Panoche Water District's well are all metered and reporting as of April 26, 2026. Staff recommends that Panoche Water District adopt the CDMGSA Administrative Policy No. 2 – Well Metering and Reporting, as adopted by CDMGSA Resolution No. 2026-03 on March 26, 2026.

BOARD TO REVIEW AND CONSIDER IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA ADMINISTRATIVE POLICY THREE

General Manager Patrick McGowan reported that the CDMGSA policy establishes a framework intended to reduce groundwater extraction by prioritizing the use of reasonably available surface water supplies before groundwater pumping occurs. The policy supports the implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan (GSP) and associated Pumping Reduction Plan (PRP). Staff recommends that Panoche Water District adopt the CDMGSA Administrative Policy No. 3 – Surface Water Prioritization and Groundwater Extraction Management, as adopted by CDMGSA Resolution No. 2026-04 on March 26, 2026.

After discussion by the Board and upon a motion by Director Callis and seconded by Secretary Fausone, the board approved the three CDMGSA Policies and Resolutions as presented.
The vote on the motion was as follows:
Ayes: Barcellos, Callis, Fausone
Nays: None
Absent: Correia, Western
Abstain: None

BOARD TO REVIEW AND CONSIDER APPROVAL OF WY 2023-24 USBR REFUNDS TO GROWERS

General Manager Patrick McGowan reported to the Board that in FY2023-2024 the U.S. Bureau of Reclamation (USBR) had made the District aware of a refund after the Central Valley Project Contractor Annual Accounting Analysis for Irrigation and M&I Water had been completed. Initially the District had planned to issue the growers in that timeframe their pro-rata share of the credit, but at the same time, an invoice was received from the San Luis & Delta-Mendota Water Authority (SLDMWA) after they had performed their Final Water Year 2023-2024 Final Accounting. GM McGowan explained that the SLDMWA invoice received was the result of an overall underbilling due to the Lower/Pool volumes being projected at 64% higher that the actual volumes delivered, the O'Neill storage volumes projected at 43% higher than actual volumes, the projected percentage splits between the O'Neill direct and storage budgeted costs were not realized, and last but not least the Project Use Energy true-up billings. As a result, the Board agreed to utilize the refund from the USBR to offset the invoice owed to the SLDMWA.

BOARD TO REVIEW AND CONSIDER APPROVAL OF CHANGE ACKNOWLEDGEMENT REVISIONS TO THE PURCHASE POWER AGREEMENT RATE WITH FOREFRONT POWER, LLC

General Manager Patrick McGowan reported that Forefront Power has requested amendments due to increased security costs from copper theft risk, utility upgrade delays, permitting delays, potential loss of the Low-Income Community Bonus (LICB) tax credit, and potential property tax assessments on the Linneman project. The Office Solar Project proposes a revised fixed PPA rate of $0.1242/kWh while the Linneman Solar Project's current contracted PPA rate is $0.1175/kWh would be revised to between $0.1300 - $0.1636/kWh depending on the LICB tax credit and property assessments.

After discussion by the board and upon a motion by Secretary Fausone and Director Callis, the board approved the change acknowledgement revisions and authorized the General Manager to execute the agreements and related documents as presented.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING RESOLUTION #860-26 AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW FIVE-YEAR WARREN ACT CONTRACT WITH THE UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION FOR THE CONVEYANCE OF YUBA ACCORD WATER

General Manager Patrick McGowan reported that Panoche Water District is in the process of entering into a five-year (2026-2031) Warren Act contract with the USBR that could help supplement our water supply by up to 5,400 acre-feet annually of YUBA Accord non-project water.

After discussion by the board and upon a motion by Director Callis and seconded by Secretary Fausone, the board approved Resolution #860-26 authorizing the General Manager to execute the YUBA Accord non-project water warren act contract and any related documents.

The vote on the motion was as follows:

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

DIVISION REPORTS

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

San Luis Reservoir Total Storage:	1,198,273 AF
San Luis Reservoir Federal Storage:	579,935 AF
San Luis Reservoir % of Total Capacity	59% (100% = 2,041,000 AF)
San Luis Reservoir Federal % Share	49%

Average 1,105,633 AF – As of Jul 1 – Overall at 108% of average

Panoche Update as of July 1, 2026:

USBR 2026 Water Balance:	22,973 AF (20%)
USBR Resch. Water Balance	0 AF
June, 2026 Grower Deliveries:	10,720 AF
Total Deliveries to date (Mar-Jun):	26,227 AF

The water figures do not include the Drought Pool of 2,242 AF, or the banked water of 1,500 AF.

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

- The May O&M billings, Interest billings, and M&I Water billings were completed and mailed out.
- June's Water Usage, Interest, and M&I Billings will go out on 7/15/2026.
- Worked with CCID/FCWD to color SJRECWA transfers, colored all other water, and will report June's Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR/DWR.
- Will finalize the Water Payment Summaries for the DMC & SLC to the USBR & SLDMWA for June.
- 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 June 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
- Verified USBR BORWORKS Delivery & Charges Reports for the DMC/SLC for May.
- 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).
- Updated the Water Forecast spreadsheet as of 7/1/26 for the board meeting.
- Billed an additional 1,265 AF of Supplemental Water sold 6-16-26 (Total of $ 632,500)
- Billed Westside Transplant for their Mar-May quarterly billing.

- Processed the water transfer paperwork for Marv Coit & e-mailed it over to Jose at Westlands WD.
- Billed the 1st Installment of the WY26-27 Land O&M Assessment this month $ 5.62/AC 6/24/26 (Total of $ 215,847.66).
- Billed the WY26-27 Groundwater Management Assessment of $ .93/AC on 6/19/26 (Total of $ 35,718.55)
- Allocated all transfer in water and well water pumped to growers prior to billing.
- Typed up Letters for Insurance Co. for three growers (Water allocation information and acreage totals).
- Worked on gathering some revenue test sampling for the auditor.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for June for WY 26-27, a graph of the current reservoir conditions, as well as graphs specific to the San Luis Reservoir, a Water Forecast as of 7/1/26 spreadsheet, and a USBR water grower delivery spreadsheet for USBR FY 2023-2024.
Water Resources Manager Juan Cadena presented the board with a total water delivery graph for the month of June, 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 June:**
- General Maintenance.
- Staff made repairs to the trash racks at station 7W (Main Canal).
- Staff made repairs to Turnout #13 discharge pipe. (Main Canal).
- Staff cleaned Lateral 3 ditch. (Millux Ave to Davidson Ave).
- Contour Canal Project – Just waiting for wintertime to install gates, once we can dewater the canal.
- Weed Control – Staff sprayed PWD main canal, contour canal, 10E-2 ditch, and Lateral 5. Staff also did canal treatments at Russell Lift, T-Canal, 500E ditch, Russell Turnout, and Old Station 1.
- Water Treatment Plant – Staff made repairs to the Raw water line, made repairs to the PWD treated water line, and pulled and cleaned the Siphon screen.
- Pacheco WD – Staff did a canal treatment on Lateral 5.
- GBA - No Activity to report.
- Preventative Pump Maintenance Plan. (work in progress)

Mr. Carlucci presented the board with a spreadsheet noting the dates that sample testing was done and at what depth. Mr. Carlucci also presented the board with pictures of the small amount of golden mussels found.

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

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 June.
- Conducted make up trainings for Staff.

Risk Management:
- Safety Compliance Company conducted safety training on Housekeeping, Slips, Trips, and Falls (All Staff). Traffic Control/Flagger (O&M Staff).

Contract Administration:

- Contour Canal – Engineer Chris Linneman reviewed financial report, summary updated to Matthew Stonebridge (USBR) funds to be drawn this week.
- Forefront – Patrick providing update.
- PWD- Working with Fresno and Merced Counties regarding assessments.
- PDD- Working with Fresno and Merced Counties regarding assessments.

Mr. Marquez noted that the deadlines for both Merced and Fresno counties is tomorrow.

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 June:**

Workers' Compensation Update: No Changes

Currently there are two 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.

Employee Anniversaries:

- Joseph Westbrook: 28 years. Joey was hired on June 23, 1998.

E. **Other Matters:** GM McGowan and Legal Counsel Mr. Williams announced that Panoche Water District will be holding a General Election on November 3rd, 2026, to fill two vacant seats on the Board of Directors.

BOARD TO RECEIVE UPDATES ON CROP REPORT/MAP AND WATER BUDGET

Water Resources Manager Juan Cadena reported that he and Engineer Chris Linneman are waiting on some information from growers and would have the map updated as soon as possible.

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 June 9th, 2026, and answered any questions that the Board had.

GENERAL MANAGER'S REPORT

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

A. SGMA:

I. Central Delta-Mendota GSA:

GM McGowan reported that the CDMGSA discussions have focused on the different policies and resolutions that were discussed earlier in the board meeting. A commitment has been made to move towards volumetric pumping this year, so even more reason for getting the polices and resolutions established and in place were so important.

II. Delta Mendota JPA:

GM McGowan reported that the USBR has discontinued handling the DMC subsidence monitoring benchmarks, however, Provost & Pritchard recently submitted a proposal to continue the work along the San Joaquin River Restoration Program. Mr. Chase Hurley also explained that the JPA is waiting for some model calibration costs from EKI to complete the second installment billing. GM McGowan also reported upcoming meetings to educate various groups on the Central Delta-Mendota GSA pumping reduction plan.

At approximately 11:25 am, President Barcellos announced that the Water District would be taking a short break.

At approximately 11:32 am, President Barcellos announced that the Water District meeting would resume picking up on Agenda Item 20 – Item B the Domestic Water Treatment Plant PER Update.

B. **Domestic Water Treatment Plant PER Update:** GM McGowan reported that Black Water Consulting Engineers has provided an update on Panoche Water District's Expedited Drinking Water Grant application letting us know that the application has officially entered the State review process. Based on discussions with the SWRCB Division of Financial Assistance Project Manager, the State intends to execute the funding agreement during FY 2026-2027. Due to the current state workload, the review process may take up to one year. Staff will continue coordinating with Black Water Consulting to ensure timely responses to future State requests and to position the District for successful execution of the Funding agreement.

C. **USBR Contour Canal Reimbursement:** GM McGowan reported that $1.7 million in non-reimbursable grant assistance funding will be drawn down this week.

D. **Brackish Well Water Recovery Program:** GM McGowan reported that GBA and PWD have worked well on maximizing this water source while maintaining water quality standards.

E. **Forefront Power Update:** GM McGowan noted that his had already been discussed earlier in the meeting.

F. **WINN Act Overcollection:** GM McGowan noted that there was nothing new to report.

G. **Water Supply, Storage, and Conveyance Discussions:** GM McGowan reported that PWD continues to maximize the delivery of our water supply and transfers in the most efficient and economical way possible.

H. **Other:** GM McGowan and Legal Counsel Mr. Williams announced that Panoche Water District will be holding a General Election on November 4th, 2026, to fill two vacant seats on the Board of Directors. Board directed staff to move forward working within the election timeline.

REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)
No other items.

PANOCHE WATER AND DRAINAGE DISTRICTS JOINT CLOSED SESSION: Conference with Legal Counsel
At 11:41 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 11:45 am, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHE WATER DISTRICT CLOSED SESSION:
At 11:46 am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:23 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

FUTURE MEETING DATES

A. Next Regular Board Meeting Date: August 11th, 2026, at 9:30 am.

ADJOURNMENT
With no further business, President Barcellos adjourned the meeting at 12:25 pm.

Aaron Barcellos, President

Steve Fausone, Secretary