

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
September 10, 2024**

A regular meeting of the Board of Directors was held on September 10, 2024, 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, Maintenance Manager
Sandra Reyes, Water Master
- Others: Chase Hurley, Water and Land Solutions
Palmer McCoy, GBA
Phil Williams, Legal Counsel

CALL TO ORDER

President Barcellos called the meeting to order at 9:57 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 AUGUST 13, 2024, REGULAR BOARD MEETING MINUTES

Upon a motion by Director Callis and seconded by Vice-President Correia, the board approved the August 13, 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

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

BOARD TO CONSIDER ADOPTING RESOLUTION # 850-24 CERTIFYING THE NO-CONTEST ELECTION AND REQUESTING THE COUNTY BOARD OF SUPERVISORS TO APPOINT THOSE CANDIDATES WHO FILED DECLARATIONS OF CANDIDACY

General Manager Patrick McGowan presented the Board with a letter received from the County of Fresno Board of Supervisors asking that a certification listing the qualified individuals who filed a Declaration of Candidacy with the District and a District Board of Resolution be submitted on the District’s behalf. Once the board has taken action on this item and returned the requested documentation, the office of the County of Fresno Board of Supervisors will submit letters of appointment to the appointees, along with a copy to the District. The Board also suggested changing the addresses noted to everyone’s business address.

Upon a motion by Secretary Fausone and seconded by Director Callis, the board approved Resolution # 850-24 certifying the no-contest election and requesting appointments 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 THE ADOPTION OF THE REVISED 2024 PANOCHÉ WATER DISTRICT EMPLOYEE HANDBOOK

General Manager Patrick McGowan reported that staff had been working diligently on the Panoche Water District (PWD) Revised Employee Handbook. Mr. McGowan referenced a notable change to the handbook was to extend the probationary period from 90 days to a year for new hires. Mr. McGowan stated that at the next scheduled safety meeting, it will be distributed to the employees for their review and signatures. Staff will be allotted as much time as needed to review the updated handbook prior to submitting. After discussion by the Board, it was noted that the handbook will be reviewed on an annual basis. Upon a motion by Director Callis and seconded by Director Western, the board adopted the Revised 2024 PWD Employee Handbook 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 LANDOWNER MARKHAM HANNA REQUEST FOR EXCEPTION FROM DISTRICT POLICY ON PROVIDING CONVEYANCE FACILITIES

General Manager Patrick McGowan presented the board with an overview of landowner Markham Hanna’s request to construct an additional turnout at his property on Oxford Avenue. The Board was unanimous in discussion that per our Districts rules and regulations Mr. Hanna is entitled to an additional turnout. The Board gave direction to staff to reach out to Mr. Hanna to try and schedule installation when watering schedule allows. Additionally, Mr. Hanna requested the District split the cost of constructing a property owner pipeline at 60/40 – meaning the District would pay no more than 40 % of the total cost. After discussion the Board took no action on Mr. Hanna’s request for exception from District policy on providing conveyance facilities.

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 and Mr. Chase Hurley with Water and Land Solutions provided the Board with an update on the Central Delta-Mendota Southern Subsidence Mitigation Area draft Policy. There is a meeting scheduled for September 11th, at 1:00 pm with the growers that will be affected within a half mile of the Delta Mendota Canal. The meeting is a joint meeting being held with Panoche Water District, San Luis Water District, and Pacheco Water District. The two mentioned their hope of gaining insight from the affected growers and potential solutions to this complex situation. The draft policy needs to be approved and implemented by each home district by November 1st, 2024. Each District is expected to provide mitigation water in place of the well water for growers affected. There are talks being had with other Districts about acquiring the mitigation water needed for this program.

DIVISION REPORTS

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

San Luis Reservoir Total Storage:	<u>929,566 AF</u>
San Luis Reservoir Federal Storage:	<u>417,728 AF</u>
San Luis Reservoir % of Total Capacity	<u>46% (100% = 2,041,000 AF)</u>
San Luis Reservoir Federal % Share	<u>45%</u>

Panoche Update as of September 1, 2024:

USBR 2024 Water Balance:	<u>27,341 AF</u>
USBR Resch. Water Balance	<u>0 AF</u>
August, 2024 Grower Deliveries:	<u>7,724 AF</u>
Total Deliveries to date (Mar-Aug):	<u>42,924 AF</u>

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

- The July O&M, Interest, and M&I billings were completed and mailed out mid-August.
- August’s Billings will go out on 9/16/24.
- Colored and reported August’s Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR.
- Need to allocate Grower transfer and well water for August billings.
- Working on the Water Payment Summaries to the USBR & SLDMWA for August.
- Finished the August 13th PDD Board Meeting Minutes and working on PWD’s Board Meeting Minutes for 8/13/24.
- Reconciled all the bank statements for the month of August for all Districts.
- Processed the Board Meeting AR Reports.
- Sent Letter and Application forms to Growers for the Tier 3 Supplemental Water – Billed everyone who responded as soon as request came in. (Spreadsheet Included).

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for August for WY 24-25 , the District's Power and Reclaimed Water spreadsheet for August, and a Tier 3 Supplemental Water spreadsheet for August.

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 August:

- General Maintenance.
- Staff made staircases for T-Canal – Russell lift pumping stations for oil cans.
- Staff cleaned Lateral 2 203 ditch.
- Staff made repairs to Lateral 1 101 A weir turnout.
- The siphon line for the Domestic Water Treatment Plant was powder coated.
- Staff worked on Water Treatment Plant -Tank #1 (Welding plates to stop leaks).
- Weed Control – Staff sprayed PWD Main Canal, T-Canal, Contour Canal, Laterals 2 & 3 ditch, 11E ditch, and 34 ditch. For Canal Water Treatment, PWD Main Station 4, Russell Lift, T-Canal station 3, Lateral #3 Main.
- Preventative Pump Maintenance Plan. (work in progress)
- Equipment Replacement Forecast Plan. (work in progress)
- Started working on Winter Project List.
- Started working on Chemical Budget for WY 2025-26.
- Completed the Confined Space Program for annual reports

Mr. Carlucci also presented the board with a report from AgMonitor and informed the Board that he, Patrick, and Juan had met with Matt and reviewed the report. Mr. Carlucci pointed out that the RL Station #1 pump currently showed a 31% average efficiency which is low and costs the District more to operate than TC Station #4 pump that is currently running at a 67% average efficiency.

C. Domestic Water Treatment Plant:

General Manager Patrick McGowan reported that Jim Gartung Engineering is finalizing the Preliminary Engineering Report. In conversation it was mentioned that the District is consuming more potable treated water than is appropriate for the existing 46 service connections. With the assistance of the Cross Connection Survey that was performed by Westside Water Conditioning, PWD was able to identify the potential for large reductions in our potable treated water usage which will help us gain an accurate account of treated water demand and additionally size our proposed treatment plant upgrade. Panoche staff have begun to install backflow preventers throughout our District and will also install backflow preventers on our existing potable treated water mains. Mr. McGowan noted that PWD's Preliminary Engineering Report and our extensive efforts to reduce potable treated water use, will assist in gaining a larger percentage of State Grant funding to complete our Surface Water Treatment Plant Project.

Mr. McGowan also mentioned that Westside Water Conditioning was here last month assisting our District in an emergency leak situation and water storage tank repair. McGowan expressed his appreciation to the Board on WWC response, and professionalism throughout the process.

D. General Manager Patrick McGowan, in the absence of Contracts Administrator Josh Marquez, reported on the following ethics, compliance, and risk management activities that occurred in August:

Ethics and Compliance:

- No calls were reported on the Speak-Up Hotline for the month of August.
- Compliance training for this month will be focused on the 2hr Ethics & Compliance Training
- Elections – Candidacy form information submitted via certification form to Fresno County.

Risk Management:

- Safety Compliance Company conducted safety training on workplace violence and indoor heat and illness. This month’s training will focus on basic first aid and COVID 19.

Contract Administration:

- Contour Canal – Engineer Chris Linneman with Summers Engineering met with PWD staff and the Reclamation’s environmental specialists to provide a status on environmental compliance. Reclamation staff indicated that despite our best efforts, they have been unable to meet our original construction schedule, which would require NEPA compliance by September 30th. Reclamation expects to be fully complete with the NEPA compliance work by the end of this year, which would push our schedule to bid the project in the Fall of 2025 and begin construction shortly after.
- Forefront – Juan has filed a Notice of Exemption. DIR Website experiencing issues, job ticket submitted to their IT Department.
- Verizon – New GPS Units installed and staff trained on network access. Two new trucks will receive units as well.
- WaterSMART Grant – Attended applicant webinar to explore possibility of application for assistance with Domestic Water Treatment Plant. Spoke with Taylor Blakslee from Hallmark Group; he will be reviewing and advising Mr. McGowan of the following steps.

E. Accounting Supervisor Marlene Brazil, in the absence of Human Resources Diana Moses, reported on the following human resources activities that occurred in August:

- We have six open workers compensation claims:
 - All employees have returned to work.
 - One employee has returned with modified duties and hours.
 - The other employees have returned to work with no restrictions, but still under medical care.
 - We had one claim in June and 3 claims in July.

On August 13th, 2024, Diana Moses attended “A Frank Discussion on Audits” seminar hosted by California Special District Association, Central Division (CSDA) at the Fresno Metropolitan Flood Control District Office. The panel speakers were:

- DeAnn Stork (Hailey), Controller from Fresno Irrigation District / North Kinds GSA Office
- Ashley Green, CPA Partner from Brown Armstrong Accountancy Corporation, Stockton Office.
- Rochelle Garcia, MBA, Accounting & Financial Division Chief, Fresno County
- Jeffrey Hightower, San Joaquin LAFCO Office

Where the topics covered were:

- What purpose do audits serve
- How to prepare for an audit

- What are the common auditing mistakes
- What resources are available through CSDA

On August 22, 2024, Diana Moses and I attended a 6-hour Summer Regional HR Group Meeting hosted by ACWA JPIA in Roseville. We were able to do some networking with approximately 21 of our peers from other Water Agencies. We were updated on some of the industry trends in the Northern CA area and it helped to enhance our HR knowledge. We met:

- Adam Dedmon, JPIA’s Employee Benefits Manager – Discussing hot topics surrounding employee benefits, such as upcoming Open Enrollment, AI in the Workplace, use of generic drugs, covered programs such as Hinge, Carrum & EAP & coverage for weight loss medications.
- Robert Greenfield, JPIA’s General Counsel and Cassie Crittenden, JPIA’s HR Specialist – They covered tricky employment scenarios such as leaves of absences, fitness for duty, reasonable accommodations for religious beliefs and discussion of what’s legal or illegal.
- Kammy Haynes, Ph. D, Project Consultant for CPS HR Consulting – We discussed succession planning, strategic planning, and leadership development. We covered roles and responsibilities of HR and Business Development, potential barriers, and challenges, how to overcome them, current trends and best practices for the public and private sector, key elements to include when presenting a business case for succession planning.

F. Other Matters: Mr. McGowan and President Aaron Barcellos attended the U.S House of Representatives Natural Resources Subcommittee on Water, Wildlife & Fisheries Field hearing that was also attended by Congressman McClintock & Duarte. Mr. Barcellos expressed what a great job Congressman Duarte did in representing the growers. It was mentioned by McGowan that the Bureau of Reclamation declined the invitation to attend the hearing.

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

General Manager Patrick McGowan, in the absence of Contracts Administrator Josh Marquez, provided a Forefront Solar Project update under the Contract Administration report.

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

General Manager Patrick McGowan, in the absence of Contracts Administrator Josh Marquez, provided a Contour and Canal Expenses update under the Contract Administration report. McGowan and Summers Engineering associate Chris Linneman recently participated in a scheduled meeting with the USBR. It was regrettably mentioned due to environmental review needed it is not feasible to begin this vital system upgrade this year.

GENERAL MANAGER’S REPORT

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

A. Sustainable Groundwater Management Act

I. Central Delta Mendota SSMA: Mr. McGowan reported that the meeting held was focused on pumping reduction plans for each individual zone with unique differences and interests. The goal is to aid in adding uniformity to the GSP being presented to the State Water Resource Board.

- B. Los Vaqueros Expansion Project:** Mr. McGowan has been in contact with Mizuno Consulting on finalizing PWD’s business case scenario.
- C. Tier 3 Water Sales:** Mr. McGowan reported that the sales of the Tier 3 Supplemental Water went well – growers were provided affordable water and the costs collected helped to supplement the water expenses already incurred.
- D. Contour Canal Lining Project:** Mr. McGowan noted that the report had already been given under the Contracts Administration report.
- E. Water Supply, Storage, and Conveyance Discussion:** Mr. McGowan noted that this would be discussed as a Closed Session item.
- F. San Luis & Delta-Mendota Water Authority (SLDMWA):** There was nothing new to report at this time that hadn’t already been covered.
- G. Other:** Nothing new to report at this time.

At approximately 11:40 am, President Barcellos announced that the Water District meeting would be taking a five-minute break.

At approximately 11:45 am, President Barcellos announced that the Water District meeting would resume.

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 August 13th, 2024. General Manager Patrick McGowan also reviewed this list with the Board and answered any questions they had.

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

No other items.

FUTURE MEETING DATES

- A. Next Adjourned Special Meeting Date: October 15th, 2024, at 9:30 am.

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

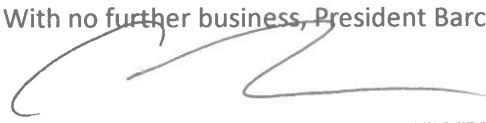
There was no Panoche Water and Drainage District Joint Closed Session held.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

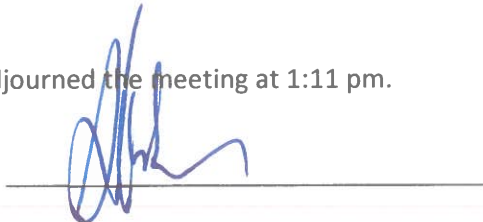
At 12:08 pm, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 1:10 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 1:11 pm.



Aaron Barcellos, President



Steve Fausone, Secretary