PANOCHE WATER DISTRICT

REGULAR BOARD OF DIRECTORS MEETING
July 14, 2026 at 9:30 am

MEETING LOCATION
Panoche Water District Boardroom
52027 West Althea Ave.
Firebaugh, CA 93622

AGENDA

PRESIDENT'S ANNOUNCEMENT: Pursuant to Government Code Section 54952.3, Water Code sections 34740 and 34741, and the District's Bylaws, let it be known that Board members may receive either: A $100.00 stipend as compensation for participation in today's meeting and for each day's service rendered as a Director, not to exceed a total of $600.00 in any calendar month, or, as an Executive Officer of the District, a $500.00 per month stipend as compensation for their service to the District.

1. **CALL TO ORDER**

2. **ROLL CALL:** A quorum will be confirmed, and the Board will consider appointment of an acting Officer (s) in the event the President, Vice-President, and/or Secretary is absent from the meeting.

3. **POTENTIAL CONFLICTS OF INTEREST:** Any Board member who has a potential conflict of interest may now identify the Agenda Item and recuse themself from discussing and voting on the matter. [Government Code Section 87105]

4. **PUBLIC COMMENT:** The Board of Directors welcomes participation in Board meetings. The public may address matters under the jurisdiction of the Board that have not been posted in the Agenda. The public will be given the opportunity to address the Board on any item in the Agenda at this time or before the Board's consideration of that item. If members of the public desire to address the Board relative to a particular Agenda item at the time it is to be considered, they should so notify the President of the Board at this time. Please note, California Law prohibits the Board from taking action on any matter during a regular meeting that is not on the posted Agenda unless the Board determines that it is an emergency or one of the other situations specified in Government Code Section 54954.2. During a special meeting, the Board may not take action on any matter that is not on the posted Agenda. The President may limit the total amount of time allocated for public comment on particular issues to 3 minutes for each individual speaker.

ACTION ITEMS

5. **THE BOARD TO REVIEW AND CONSIDER APPROVING JUNE 9, 2026, REGULAR BOARD MEETING MINUTES** (Reyes)

6. **BOARD TO REVIEW AND CONSIDER DIFFERING COLLECTION OF OUTSTANDING INVOICE BALANCE OWED BY PANOCHE DRAINAGE DISTRICT** (McGowan/Brazil)

7. **BOARD TO REVIEW AND CONSIDER PROPOSAL FROM AGMONITOR FOR REAL-TIME FLOW MONITORING SYSTEM** (McGowan/Cadena)

8. **BOARD TO REVIEW AND CONSIDER APPROVING GARGIULO'S REQUEST TO TRANSFER WATER TO WESTLANDS WD** (McGowan/Reyes)

9. **BOARD TO REVIEW AND CONSIDER APPROVING MARV COIT FARM'S REQUEST TO TRANSFER WATER TO WESTLANDS WD** (McGowan/Reyes)

10. **BOARD TO REVIEW AND CONSIDER IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA WELL CENSUS AND REGISTRATION POLICY ONE** (McGowan)

11. **BOARD TO REVIEW AND CONSIDER IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA WELL METERING AND REPORTING POLICY TWO** (McGowan)

12. **BOARD TO REVIEW AND CONSIDER IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA ADMINISTRATIVE POLICY THREE** (McGowan)

13. **BOARD TO REVIEW AND CONSIDER APPROVAL OF WY 2023-24 USBR REFUNDS TO GROWERS** (McGowan/Reyes)

14. **BOARD TO REVIEW AND CONSIDER APPROVAL OF CHANGE ACKNOWLEDGEMENT REVIONS TO THE PURCHASE POWER AGREEMENT RATE WITH FOREFRONT POWER, LLC** (McGowan)

15. **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** (McGowan)

16. **FINANCIAL REPORTS** (Brazil)
    A. Accounts Payable
    B. Monthly Financials
    C. FYE 2024 Budget-to-Actual Report
    D. Other financial matters affecting the District

REPORT ITEMS

17. **DIVISION REPORTS**
    A. Water Supply Update (Reyes)
    B. Operations & Maintenance (Carlucci)
    C. Ethics, Compliance, and Risk Management Update (Marquez)
        I. Update on Forefront Solar Project
        II. Update on USBR Water Smart Grant Project for Contour Canal and Expenses
    D. Human Resources Update (Brazil)
    E. Other Matters

18. **BOARD TO RECEIVE UPDATES ON CROP REPORT/MAP AND WATER BUDGET (**Cadena)

19. **BOARD TO RECEIVE UPDATES FROM STAFF ON VARIOUS MATTERS AFFECTING THE DISTRICT** (McGowan)

20. **GENERAL MANAGER'S REPORT** (McGowan)

A. SGMA
   I. Central Delta Mendota GSA
   II. Delta Mendota JPA
B. Domestic Water Treatment Plant Update
C. USBR Contour Canal Reimbursement
D. Brackish Well Water Recovery Program
E. ForeFront Power Update
F. WIIN Act Overcollection
G. Water Supply, Storage, and Conveyance Discussions

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

22. **PANOCHE WATER & DRAINAGE DISTRICTS <u>JOINT</u> CLOSED SESSION:** Conference with Legal Counsel.

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Significant Exposure to Litigation pursuant to Section 54956.9(d), paragraph (2) or (3):
   Number of Cases: Three
B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to Section 54956.9(d)(1):
   <u>Names of Cases:</u>
   I. <u>PCFFA v. Glaser, et. al.</u>
   US District Court, E.D. Cal, Case No. 2:11-cv-02980

REPORT FROM JOINT CLOSED SESSION (GOVERNMENT CODE SCTION 54957.1)

23. **PANOCHE WATER DISTRICT CLOSED SESSION**

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Significant Exposure to Litigation pursuant to Section 54956.9(d), paragraph (2) or (3):
   Number of Cases: Four

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to Section 54956.9(d)(1):

   <u>Names of Cases:</u>

   i. <u>Center for Biological Diversity, et al. v. United States, et al.</u>
   US District Court, E.D. Cal, Case No. 1:20-CV-00760 DAD-EPG

   ii. <u>North Coast Rivers Alliance, et al. v. Kenneth Salazar, et al.</u>
   US District Court, E.D. Cal., Case No. 1:16-cv-00307-DAD-SKO

iii. <u>Firebaugh Canal Water District & Central California Water District v. United States, et al.</u> US District Court, E.D. Cal., Case 1:88-cv-00634-LJO-SKO

C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Section 54956.8
Property: Land and Associated Infrastructure
Agency Negotiator: Patrick McGowan, General Manager
Negotiating Parties: Panoche Water District
Under Negotiation: Price and Terms

Property: Water
Agency Negotiator: Patrick McGowan, General Manager
Negotiating Parties: Panoche Water District
Under Negotiations: Price and Terms

Property: Real Property
Agency Negotiator: Patrick McGowan, General Manager
Negotiating Parties: Panoche Water District, SLDMWA
Under Negotiations: Price and Terms

D. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Gov. Code Section 54957.6
Agency Designated Representative: Patrick McGowan, General Manager
Unrepresented
Employees: District Staff
Employee Organization: International Brotherhood of Electrical Workers

REPORT FROM CLOSED SESSION

24. FUTURE MEETING DATES

A. Next Regular meeting date: August 11, 2026.

25. ADJOURNMENT

- ❖ Items on the Agenda may be taken in any order.
- ❖ Action may be taken on any item listed on the Agenda.
- ❖ Writings relating to open session: Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.

<u>Americans with Disabilities Act of 1990:</u> Under this Act, a qualifying person may request that the District provide a disability-related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes alternative formats for the agendas and agenda packets used for any public meetings of the District. Requests for assistance shall be made in person, in written form, or via telephone by calling (209) 364-6136. Requests must be received at least 18 hours prior to a scheduled public meeting.

Investment Information Disclaimer: This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq., and has not been prepared with a view to informing an investment decision in any of the District's bonds, notes, or other obligations. Any projections, plans, or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the District's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the District on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at https://emma.msrb.org/.

PANOCHE WATER DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
June 9, 2026

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

Directors:	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 Chris Linneman Summers Engineering Palmer McCoy, Grassland Basin Authority Phil Williams, Legal Counsel

CALL TO ORDER
Chair Pro Tempore Correia called the meeting to order at 9:45 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 MAY 12, 2026, REGULAR BOARD MEETING MINUTES
Upon a motion by Director Callis and seconded by Secretary Fausone, the Board approved May 12, 2026, regular board meeting minutes as presented.
The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF ACCOUNTS RECEIVABLE DETERMINED UNCOLLECTIBLE

After discussion by the Board and upon a motion by Secretary Fausone and seconded by Director Western, the Board approved the accounts receivable as presented to be deemed uncollectible.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF THE USBR'S WINN ACT/SJRRP OVERPAYMENT

General Manager Patrick McGowan reported that the District had received some correspondence on Panoche Water District's (PWD) USBR WINN Act/SJRRP pending credit. Mr. Sabir /Ahmad, the Division Manager of the Department of Interior Financial Management, had let PWD know that it does not have an existing O&M Deficit owed to the USBR. As a result, the USBR is requesting a written response by the end of June 30th on PWD's decision to amortize the pending credit over a period of four years.

After discussion by the Board and upon a motion by Director Callis and seconded by Secretary Fausone, the General Manager was given the direction to submit a written response to the USBR.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF THE PROPOSED GROUNDWATER CONVEYANCE LICENSE AGREEMENT

General Manager Patrick McGowan presented the Board with a draft Groundwater Conveyance License Agreement for Water Year 2026. GM McGowan noted that the last amended date had been May 24, 2023.

After discussion by the Board and upon a motion by Director Callis and seconded by Director Western, the Board approved the proposed Groundwater Conveyance License Agreement.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF RESOLUTION # 859-26 STATE WATER RESOURCES CONTROL BOARD EXPEDITED DRINKING WATER GRANT FUNDING PROGRAM PROJECT PROPOSAL AUTHORIZATION

General Manager Patrick McGowan reported to the Board that following the submittal of the District's Engineering Report, the State Water Resources Control Board Division of Financial Assistance contacted the District to encourage participation in the Expedited Drinking Water Grant Program. The program is intended to accelerate funding for critical drinking water infrastructure projects by streamlining application and review processes. GM McGowan noted that Black Water Consulting Engineers had hired a new manager to handle this project. Approving Resolution #859-26 would allow the General Manager, or designee to file a Financial Assistance Application for the planning, design, and construction of the Panoche Water Treatment Plant Replacement.

After discussion by the board and upon a motion by Director Callis and seconded by Secretary Fausone, the board approved Resolution # 859-26 authorizing the General Manager, or designee to move forward with the application for the Expedited Drinking Water Grant Funding Program Project.
The vote on the motion was as follows:

Ayes:	Callis, Correia, Fausone, Western
Nays:	None
Absent:	Barcellos
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 Secretary Fausone and seconded by Director Callis, the board approved the financial reports as presented by Accounting Supervisor Mrs. Brazil.
The vote on the motion was as follows:

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

DIVISION REPORTS

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

San Luis Reservoir Total Storage:	1,502,980 AF
San Luis Reservoir Federal Storage:	727,147 AF
San Luis Reservoir % of Total Capacity	74% (100% = 2,041,000 AF)
San Luis Reservoir Federal % Share	49%

Average 1,409,457 AF – As of Jun 1 – Overall at 107% of average

Panoche Update as of June 1, 2026:

USBR 2026 Water Balance:	23,588 AF (20%)
USBR Resch. Water Balance	0 AF
May, 2026 Grower Deliveries: `	7,875 AF
Total Deliveries to date (Mar-May):	15,507 AF

The water figures do not include the Drought Pool of 2,262 AF.

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

- The April O&M billings, Interest billings, and M&I Water billings were completed and mailed out.
- May's Water Usage, Interest, and M&I Billings will go out on 6/15/2026.
- Colored and will report May'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 May.

- 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 May 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 Apr.
- 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 Supp'l Water Scenario spreadsheet for the board meeting.
- Updated the Water Forecast Scenario as of June 1st for the board meeting.
- Got online and completed the DWR Agricultural Aggregrated Farm-Gate Delivery Reports for both 2024 and 2025 for PWD and 2025 for MSWD.
- Verified the USBR's WINN Act Overpayments as specified on letter received.
- Will be billing the 1st Installment of the WY26-27 Land O&M Assessment this month $ 5.62/AC.
- Will also be billing the WY26-27 Groundwater Management Assessment of $ .93/AC.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for May for WY 26-27, a graph of the current reservoir conditions, as well as graphs specific to the San Luis Reservoir, a Supplemental Water Scenario 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 May, 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 May :**
   - General Maintenance.
   - Staff installed new trash rack screens for turnout # 204A (Lateral 2).
   - Staff made repairs to weir structure for turnout # 52 (50 gate).
   - Staff installed 2 extension boxes for turnout #48 (Lateral 1).
   - <u>Contour Canal Project</u> – Trash racks were delivered and installed. Just waiting for wintertime to install gates, once we can dewater the canal.
   - <u>Weed Control</u> – Staff sprayed Lateral 1, Lateral 5, and 11-E ditch. Staff also did canal treatments on the PWD main canal, Lateral 2, and Lateral 3.
   - <u>Water Treatment Plant</u> – No Activity to report.
   - <u>Pacheco WD</u> – Staff sprayed Lateral 3 and Lateral 6 canals. Staff also did canal treatment on the Main Lift Station and Lateral 6.
   - <u>GBA</u> - No Activity to report.
   - <u>Preventative Pump Maintenance Plan</u>. (work in progress)

C. **Contracts Administrator Josh Marquez, reported on the following ethics, compliance, and risk management activities that occurred in May:**
   I. Update on Forefront Solar Project
   II. Update on USBR Water Smart Grant Project for Contour Canal and Expenses

<u>Ethics and Compliance:</u>
- No calls were reported to the Hotline for the month of May.
- Trained staff on Alcohol and Drug Free Workplace Policy.

- Submitted Final Ethics and Compliance Report for the 2025 year.

Risk Management:

- Safety Compliance Company conducted safety training on Teamwork (all Staff), Chemical Safety and Electrical Safety (O&M Staff).
- PWD Annual Risk Assessment ACWA – Report received and attached. Good report; Experience Modification (e-mod) for Worker's Comp Program is 1.23; E-mod for Liability Program 0.94. Will plan on submitting for JPIA Risk Control Grant of $ 10,000 opening 10/1/26-12/1/26.
- PDD Annual Risk Assessment ACWA – Report received and attached. Also a good report; E-mod for liability program 0.97.

Contract Administration:

- Contour Canal – Matthew Stonebridge correspondence has begun last week to draw Funds.
- Forefront – No current updates; awaiting PTO from PG&E for office lot.

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 May:**

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.
- One claim was filed for May.

Employee Anniversaries:

- Mike Gonzalez: 12 years. Mike was hired on May 1, 2014.
- Ralph Marquez: 42 years. Mr. Ralph was hired on May 9, 1984.
- Chris Carlucci: 13 years. Chris was hired on May 13, 2013.
- Anthony Zavala Sr.: 19 years. Anthony was hired on May 23, 2007.

E. **Other Matters:**

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

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 for next month's meeting.

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 May 12th, 2026, and answered any questions that the Board had.

GENERAL MANAGER'S REPORT

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

A. SGMA:

I. Central Delta-Mendota GSA:

GM McGowan reported that the CDMGSA meeting held in May showed expenditures being below budget and discussion focused on the cost allocation for the model calibration.

Exhibit B was approved for model calibration only with all other costs remaining on the 1/7th split. Work is progressing as well on all wells throughout the group being registered.

II. **Delta Mendota JPA:**
GM McGowan reported that the USBR has discontinued DMC subsidence monitoring benchmarks and at the last meeting held they reviewed subsidence graphs and overdraft numbers.

B. **Domestic Water Treatment Plant PER Update:** GM McGowan noted that this had been touched upon earlier in the meeting.

C. **USBR Contour Canal Reimbursement:** GM McGowan noted that this had also been discussed earlier and upon review from District Engineer Project Manager Chris Linneman the drawdown request will be submitted to USBR.

D. **Brackish Well Water Recovery Program:** GM McGowan reported that PWD is currently bringing in 8 cfs and is working on ways to increase the amount of water coming in.

E. **Forefront Power Update:** GM McGowan reported that this would be discussed in Closed Session.

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

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 11:33 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 11:34 am, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHE WATER DISTRICT CLOSED SESSION:
At 11:40 am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:19 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

FUTURE MEETING DATES
A. Next Regular Board Meeting Date: July 14th, 2026, at 9:30 am.

ADJOURNMENT
With no further business, President Barcellos adjourned the meeting at 12:20 pm.

________________________________ ________________________________

Aaron Barcellos, President Steve Fausone, Secretary

PANOCHE WATER DISTRICT

52027 WEST ALTHEA AVE,FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING
MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: DEFERRAL OF COLLECTION OF OUTSTANDING RECEIVABLES FROM PANOCHE DRAINAGE DISTRICT

DATE: JULY 14, 2026

BACKGROUND

Panoche Drainage District currently has outstanding invoices payable to Panoche Water District. 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 currently anticipated to occur in March 2029.

Following satisfaction of the existing note, the outstanding invoice balance will be converted into a new note payable under terms to be negotiated and approved by both districts.

DISCUSSION

Deferring collection provides several benefits:

• Preserves the financial stability of Panoche Drainage District while its current debt obligations are being fulfilled.
• Prevents competing repayment obligations that could strain PDD's financial resources.
• Maintains the interagency partnership between the two districts while protecting Panoche Water District's financial interest.
• Allows the receivable to remain collectible through conversion into a formal long-term note after the existing obligation is retired.
• Supports proper accounting treatment by classifying the outstanding balance as a long-term receivable, reflecting management's expectation that payment will not be required before March 2029.

FISCAL IMPACT

The proposed action does not forgive or eliminate the debt owed to Panoche Water District. Rather, it postpones the timing of repayment. The outstanding balance will remain an asset of the District and is expected to be formalized as a new note payable following payoff of the existing obligation in March 2029. Accordingly, management will classify the receivable as a long-term asset for financial reporting purposes.

RECOMMENDATION

Staff recommends that the Board authorize the deferral of collection of the outstanding invoices owed by Panoche Drainage District until after March 2029 and authorize execution of the accompanying letter documenting the agreement between the districts.

PANOCHE WATER DISTRICT
52027 West Althea Ave.,Firebaugh, CA 93622 – (209) 364-6136 – panochewd.specialdistrict.org

July 14, 2026

To Whom It May Concern:

Panoche Water District has agreed to defer collection of the outstanding invoices owed by Panoche Drainage District and will not call for repayment in full until after March 2029. The parties have agreed that these outstanding balances will not require payment until the existing note payable between the districts has been fully satisfied, which is currently scheduled for March 2029.

Upon payoff of the current note payable, the outstanding invoice balance will be converted into a new note payable under terms to be agreed upon by both parties. Accordingly, management has classified these amounts as long-term obligations and does not anticipate any requirement for payment prior to March 2029.

Sincerely,

____

Aaron Barcellos
Board President

____

Patrick McGowan
General Manager

PANOCHE WATER DISTRICT

52027 WEST ALTHEA AVE,FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING
MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: AGMONITOR REAL-TIME MONITORING PROJECT

DATE: JULY 14, 2026

Background

Staff has received a proposal 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.

Project Scope

- Installation of telemetry hardware on each of the three existing flow meters.
- Wireless transmission of flow data using LoRa network technology.
- Integration with the existing LoRa gateway located at neighboring Pacheco Water District.
- Cloud-based data collection, storage, dashboard visualization, and reporting.
- Real-time monitoring of individual pump flows.
- Operational support for water delivery management and energy optimization.
- Staff training, troubleshooting documentation, and technical support.

Estimated Cost

One-Time Costs:
- rSight Solar Telemetry Nodes (3): $1,695
- FlowConnect Output Cables (3): $360
- Estimated Installation Labor: $375

<u>Total Estimated Cost: $2,430 plus applicable tax and shipping.</u>

Annual Recurring Cost:
• Data Service Subscription: $165/year

Benefits to Panoche Water District

• Real-time visibility into water deliveries from the Delta-Mendota Canal.
• Improved verification and accounting of delivered water volumes.
• Enhanced operational decision-making regarding pump scheduling and energy use.
• Historical data storage and reporting capabilities.
• Reduced need for manual flow checks and data collection.
• Foundation for future automation and operational optimization efforts.

Recommendation

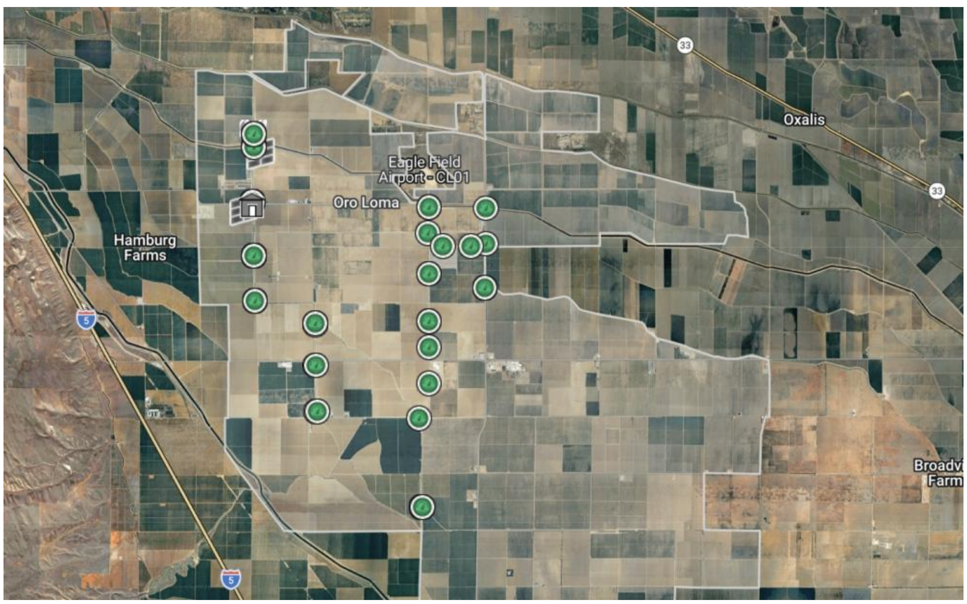
Staff recommends the Board authorize the General Manager to proceed with the AgMonitor/Pumpsight telemetry project at a cost not to exceed $2,430 plus applicable taxes and shipping, with annual data service costs of approximately $165 per year.

Project Scope

1. Project Overview

Panoche Water District (Panoche WD) has requested a project to improve visibility and management of water deliveries from the Delta-Mendota Canal by measuring real-time flow at the inlet point into the Panoche conveyance system. This inlet consists of three lift pumps, each equipped with a digital flow meter. The objective is to collect and transmit real-time flow data from each meter to enable water and energy optimization across Panoche WD operations.

AgMonitor will oversee implementation in collaboration with Pumpsight, which will provide and install telemetry hardware for real-time monitoring. LoRa network connectivity will be supported by the existing LoRa gateway at neighboring Pacheco WD, which has agreed to share network access.



2. Project Components

- **Flow Meter Telemetry Installation**. Pumpsight will install telemetry nodes on each of the three existing flow meters. Each node will capture digital pulse signals from the meter and transmit data wirelessly.
- **Network Integration.** Nodes will be connected to the LoRa network via Pacheco WD's existing LoRa gateway. Data will be transmitted to AgMonitor's cloud platform for analysis, reporting, and dashboard integration. Data will not be shared with Pacheco WD.
- **Coordination with SLDMWA**. Due to proximity to San Luis & Delta-Mendota Water Authority (SLDMWA) telemetry infrastructure, their IT Director Stewart Davis and Seth Harris have been briefed and confirmed no interference concerns. Seth Harris will be present during the installation for observation and hands-on training on node functionality, sensor reset procedures, and troubleshooting steps.

3. Training & Handover

- Pumpsight will provide:
  - On-site training to SLDMWA and Panoche WD staff at the time of installation.
  - Documentation for troubleshooting, data access, and routine maintenance.
- AgMonitor will provide:
  - Remote monitoring support, data access tools, and interpretation of flow data for energy and water optimization.
  - A dashboard login and technical support for PWD operations personnel.

4. Operational and Liability Considerations

- Pumpsight nodes are non-invasive and will not interfere with SLDMWA's SCADA or telemetry systems.
- In the event a flow meter requires physical maintenance (e.g., a stuck propeller), the node can be temporarily removed. Seth Harris will receive training on this removal process.

5. Project Timeline and Contacts

- Installation target date: April 2026
- Project Duration: we estimated 2 days for installation and training

Primary Contacts:

- AgMonitor: Olivier Jerphagnon at olivier@agmonitor.com
- Pumpsight: Morgan Halpenny at morgan.halpenny@pumpsight.com
- Panoche Water District: Juan Cadena at jcadena@panochewd.org
- SLDMWA: Seth Harris

Pumpsight Quote

QUOTE#:	PS-3722437-B
Preparer	Morgan Halpenny
Contact	morgan.halpenny@pumpsight.com
Phone	(213) 793-5894
Date:	06/17/26

Quote is valid for 30 Days

Sold By	Customer
Pumpsight 295 W Cromwell Ave Ste 107 Fresno, CA 93711	Panoche Water District

Name Nodes

Equipment

PN	Q	Description	Price	Ext Price
PS-5369092-A	3	rSight Node w/ Solar	$565.00	$1,695.00
	3	FlowConnect Output Cable	$120.00	$360.00
	3	Labor (Estimated)	$125.00	$375.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
			Subtotal	$2,430.00
			Tax	TBD
			Shipping	TBD
			Total	$2,430.00

Recurring Fees

PN	Q	Description	Price	ExtPrice/Yr
PS-5126531-A	3	rSight Node Data	$55.00	$165.00

Ship Method

TBD

Payment Method

Notes:
Installation not included
Estimated Labor: 30-60 min/node, pSight- 4 hours

PANOCHE WATER DISTRICT
52027 West Althea Ave.,Firebaugh, CA 93622 – (209) 364-6136 – panochewd.specialdistrict.org

MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: Sandra Reyes, Water Master

SUBJECT: Request to Transfer Water from Gargiulo Farms, Inc.

DATE: July 14, 2026

I received a phone call from Terry Doyle asking to transfer 300 AF of his 392 AF USBR Allocation to Westlands WD – balance remaining 92 AF.

Gargiulo Farms has a current rescheduled water balance of 80 AF and purchased 800 AF of Supplemental Water.

<u>District's Recommendation:</u>

As the proposed transfer poses no detriment to the District, we recommend approval of Mr. Doyle's request to transfer a portion of his USBR supply.

PANOCHE WATER DISTRICT

52027 West Althea Ave.,Firebaugh, CA 93622 – (209) 364-6136 – panochewd.specialdistrict.org

MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: Sandra Reyes, Water Master

SUBJECT: Request to Transfer Water from Marv Coit Farms, LP

DATE: July 14, 2026

I received an e-mail from Mitch Coit asking to transfer an additional 100 AF of his 566 AF USBR Allocation to Westlands WD – balance remaining 466 AF.

Marv Coit Farms has a current rescheduled water balance of 97 AF and purchased 900 AF of Supplemental Water.

The Board had approved a 600 AF water transfer out to Westlands in May's board meeting.

District's Recommendation:

As the proposed transfer poses no detriment to the District, we recommend approval of Mr. Coit's request to transfer a portion of his USBR supply.

PANOCHE WATER DISTRICT

52027 WEST ALTHEA AVE,FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING
MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: ADOPTION & IMPLEMENTION OF THE CENTRAL DELTA-MENDOTA GSA WELL CENSUS AND REGISTRATION POLICY ONE

DATE: JULY 14, 2026

BACKGROUND

The updated policy 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 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 assumptions or estimated pumping.

BENEFITS TO PANOCHE WATER DISTRICT

- Maintains consistency with CDMGSA policies and avoids conflicting requirements for landowners and growers.
- Improves the quality and accuracy of groundwater data used for groundwater modeling and future planning.
- Promotes science-based groundwater management by reducing reliance on estimated pumping.
- Supports localized groundwater management decisions rather than broad basin-wide assumptions.
- Positions Panoche for continued compliance with SGMA and implementation of the Delta-Mendota Subbasin GSP.
- Strengthens the District's ability to advocate for practical, data-driven groundwater management decisions that minimize unnecessary impacts to agriculture.

STAFF ASSESSMENT

While this policy does not establish new pumping allocations or immediately impose additional groundwater restrictions, it provides an important administrative foundation for implementing the Delta-Mendota Subbasin GSP. Accurate well registration is fundamental to effective groundwater management and helps ensure future decisions are based on reliable information rather than assumptions. Staff also believe adoption reinforces Panoche's commitment to coordinated regional groundwater management while preserving opportunities to advocate for practical, locally based implementation of SGMA.

RECOMMENDATION

Staff recommends the Panoche Water District Board 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. Adoption will ensure consistency between Panoche Water District and the CDMGSA while supporting implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan (GSP).

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2026 - 02

RESOLUTION ADOPTING THE UPDATED CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY ADMINISTRATIVE POLICY NUMBER ONE WELL CENSUS AND REGISTRATION

A. **WHEREAS**, effective August 28, 2019, certain entities whose boundaries overlie a portion of the Delta-Mendota Subbasin number 5-22.07 of the San Joaquin Valley Groundwater Basin identified in the California Department of Water Resources ("DWR") Bulletin 118, formed a joint powers authority known as the Central Delta-Mendota Groundwater Sustainability Agency (the "CDMGSA"), which replaced a prior multi-agency groundwater sustainability agency. In 2026, two additional agencies joined the CDMGSA. The current 12 members of the CDMGSA are: Eagle Field Water District, Fresno Slough Water District, Mercy Springs Water District, Oro Loma Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Santa Nella County Water District, Tranquillity Irrigation District, Widren Water District, the County of Fresno, and the County of Merced (each a "Member Agency"); and

B. **WHEREAS**, the CDMGSA is a groundwater sustainability agency ("GSA") formed pursuant to the Central Delta-Mendota Groundwater Sustainability Agency Joint Powers Agreement, as amended, and the Joint Exercise of Powers Act for the purpose of implementing the Sustainable Groundwater Management Act ("SGMA") within the Central Delta-Mendota Region of the Delta-Mendota Subbasin ("Subbasin"); and

C. **WHEREAS**, in March 2023, DWR determined the revised Subbasin GSPs to be inadequate and the GSAs in the Subbasin subsequently developed a single, unified Delta-Mendota Subbasin GSP ("D-M Subbasin GSP"), which was finalized in November 2024 and supersedes and replaces the prior GSPs; and

D. **WHEREAS**, the D-M Subbasin GSP incorporates a Domestic Well Mitigation Program to address potential impacts to domestic and small community wells resulting from the chronic lowering of groundwater levels, requiring accurate registration and characterization of all wells within the Subbasin, including within the CDMGSA boundary; and

E. **WHEREAS**, the CDMGSA has the authority under the California Water Code, including but not limited to sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and the Joint Powers Agreement forming the CDMGSA, to adopt rules, regulations, and administrative policies, require registration of groundwater extraction facilities, regulate groundwater extractions, impose fees and penalties, and take any necessary and proper actions to implement SGMA and the D-M Subbasin GSP; and

F. **WHEREAS**, to effectively manage groundwater and implement the D-M Subbasin GSP, it is necessary for the CDMGSA to obtain accurate, consistent, and comprehensive well data through registration of all existing and new wells within its jurisdiction, including information regarding well type, location, and usage; and

G. **WHEREAS**, CDMGSA previously conducted a voluntary well registration effort and will continue to maintain and update well records to support the D-M Subbasin GSP, including monitoring, evaluation, and implementation of the Domestic Well Mitigation Program; and

H. **WHEREAS**, the CDMGSA may require inspections, metering, and reporting of groundwater use as necessary to ensure compliance with SGMA and the D-M Subbasin GSP, and may establish fees and penalties for non-compliance in accordance with applicable law; and

I. **WHEREAS**, on January 25, 2021, the CDMGSA adopted Administrative Policy Number One – Well Census and Registration, and is now updating such policy to better establish and achieve an accurate and comprehensive well census of all wells within its boundaries, require and enforce the registration of such wells, and allow for the imposition of fees and penalties for non-compliance; and

J. **WHEREAS**, on January 25, 2021, the CDMGSA, at a public hearing held in compliance with the California Water Code section 10730, adopted the fees identified as Exhibit "A" to the Administrative Policy Number One Well Census and Registration, which delineates the fees and penalties to be imposed upon landowners for non-compliance with the Well Census and Registration Policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency finds as follows:

1. The facts stated in the Recitals above are true and correct and the Board of Directors so finds, orders, and determines.

2. The Board of Directors hereby adopts the updated Administrative Policy Number One – Well Census and Registration ("Policy"), a copy of which is attached hereto as **Exhibit "1"** and incorporated herein by this reference. The Policy supersedes any prior well registration or census policies, including those associated with the Northern and Central Delta-Mendota Regions GSP.

3. The Policy applies to all groundwater wells located within the CDMGSA boundary, including active, inactive, abandoned, monitoring, and production wells. The Policy establishes requirements for registration, inspection, and reporting of wells, as well as fees and penalties for non-compliance.

4. The CDMGSA's staff, consultants, and legal counsel are authorized and directed to implement the Policy in accordance with SGMA, the D-M Subbasin GSP, and all applicable legal requirements, including establishing forms, schedules, fees, and procedures necessary for administration and enforcement.

5. The CDMGSA may take all actions authorized by law, including but not limited to administrative enforcement, civil penalties, and legal action, to ensure compliance with the Policy, consistent with the authorities granted under SGMA and the D-M Subbasin GSP.

/ / /

6. If any provision of this Resolution or the Policy is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of this Resolution or Policy, which shall remain in full force and effect.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency this 26th day of March, 2026, by the following vote:

AYES:	Aragona, Barcellos, McCoy, Montgomery, Ramirez, Silva, Western
NOES:	None
ABSTAIN:	None
ABSENT:	Miles, Salvador, Silveira, Sloan, Wade

____
Aaron Barcellos, Chairman

Attest:

______________________________ Date: 26 March 2026
Taylor Blakslee, Secretary

CERTIFICATION OF SECRETARY

I, Taylor Blakslee, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY, held on the 26th day of March, 2026.

IN WITNESS WHEREOF, I have executed this Certificate on this 26th day of March, 2026.

Taylor Blakslee

Taylor Blakslee, Secretary
Central Delta-Mendota Groundwater
Sustainability Agency

EXHIBIT "1"

Well Census and Registration Policy

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

Eagle Field W.D. ◆ Fresno County ◆ Fresno Slough W.D. ◆ Merced County ◆ Mercy Springs W.D. ◆ Oro Loma W.D. ◆ Pacheco W.D. ◆ Panoche W.D. ◆ San Luis W.D. ◆ Santa Nella County W.D. ◆ Tranquillity I.D. ◆ Widren W.D.

ADMINISTRATIVE POLICY

NUMBER ONE

WELL CENSUS AND REGISTRATION

Adopted: January 25, 2021
Revised: March 26, 2026

<u>POLICY STATEMENT</u>

In order for the Central Delta-Mendota Groundwater Sustainability Agency ("CDMGSA") to effectively administer and implement the Delta-Mendota Subbasin Groundwater Sustainability Plan ("D-M Subbasin GSP") within its area, it is necessary for the CDMGSA to understand groundwater conditions and usage within its boundaries. To gain a better understanding, the CDMGSA must obtain and maintain accurate and comprehensive information from all users of groundwater wells within the CDMGSA's boundaries.

The purpose of this Policy is to establish and achieve an accurate and comprehensive well census of all wells located within the CDMGSA boundary. As of March 1, 2026, all existing wells should be registered with the CDMGSA, using the form approved by the CDMGSA. Any new wells constructed after March 1, 2026, shall be registered with the CDMGSA within 30 days of the completion of drilling activities.

To provide constructive notice to the public and to ensure adoption and enforcement of this Policy is within the authorities provided by the Sustainable Groundwater Management Act of 2014 ("SGMA"), and any amendment thereto, the CDMGSA shall adopt a resolution prior to any revisions to this Policy becoming effective.

This Policy applies to all groundwater wells, including those that are active and non-active and those that are used solely for monitoring. This Policy outlines definitions of well types, the well registration process, timing for compliance and registration, and fees for non-compliance. This Policy further supports implementation of the Domestic Well Mitigation

Program adopted as part of the D-M Subbasin GSP and requires accurate well information to evaluate and respond to impacts associated with the chronic lowering of groundwater levels.

AUTHORITY:

This Policy is adopted pursuant to the authority granted to the CDMGSA by the California Water Code, including but not limited to Sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and through the Joint Powers Agreement that formed the CDMGSA, pursuant to the Joint Exercise of Powers Act.

BACKGROUND:

In 2014, the California Legislature passed and the Governor signed into law a three-bill legislative package (AB 1739, SB 1168, and SB 1319), collectively known as SGMA. SGMA required those subbasins designated by the California Department of Water Resources ("DWR") publication, Bulletin 118, as being medium to high priority to form Groundwater Sustainability Agency ("GSAs") by June 1, 2017, and then adopt and submit a Groundwater Sustainability Plan(s) ("GSP") to DWR by January 31, 2020.

The CDMGSA is located within the Delta-Mendota Subbasin (Basin number 5-022.07), a high priority subbasin (the "Subbasin"). The CDMGSA is one of 21[1] separate GSAs in the Subbasin that initially developed and coordinated six independent GSPs to cover the entire Subbasin. In March 2023, DWR determined the revised GSPs to be inadequate, prompting the GSAs to develop a single, unified GSP for the Subbasin. The single D-M Subbasin GSP was fully adopted by all GSAs in the Subbasin in November 2024 and supersedes and replaces the prior coordinated GSPs.

In addition, the Delta-Mendota Subbasin GSAs have adopted regional Pumping Reduction Plans (each a "PRP") as part of the single D-M Subbasin GSP. The Central Delta-Mendota PRP ("Central PRP") establishes temporary and permanent reductions in groundwater extractions during periods and in locations where groundwater levels are projected to decline below sustainability thresholds, particularly in areas identified as at risk for Chronic Lowering of Groundwater Levels ("CLGWL"). The Central PRP is designed to be implemented in coordination with the Domestic Well Mitigation Program and relies on well registration and extraction data to identify affected wells and ensure sustainable groundwater management.

Although not required by SGMA, to support Subbasin-wide coordination, the GSAs entered into a Memorandum of Agreement ("MOA"), replacing the prior Coordination Agreement. Effective December 1, 2025, the GSAs also formed the Delta-Mendota Subbasin GSAs Joint Powers Authority ("DM Authority") to provide coordinated administrative, financial, and technical support for SGMA implementation. Concurrently,

[1] All 12 members of the CDMGSA each individually elected to have the powers of a GSA. Widren Water District and Oro Loma Water District each joined the CDMGSA in January and February 2026, respectively. So, you could also state that there are 32 GSAs in the Delta-Mendota Subbasin.

prior agreements with the San Luis & Delta-Mendota Water Authority ("SLDMWA"), including the Activity Agreement and its amendments, were terminated.

Originally formed by 10 member agencies, effective August 28, 2019, the CDMGSA has expanded its membership and now consists of 12 member agencies. The CDMGSA participates in Subbasin-wide coordination through a single GSP and the DM Authority, but remains responsible for implementing SGMA within its jurisdiction.

As part of implementation of the D-M Subbasin GSP, the CDMGSA is committed to developing accurate information regarding groundwater extraction, water levels above and below the Corcoran clay, and evaluating the relationship between the Subbasin and the San Joaquin River. The D-M Subbasin GSP includes a Domestic Well Mitigation Program to address impacts to domestic and small community wells caused by the chronic lowering of groundwater levels. Implementation of this program requires accurate identification, location, and characterization of wells throughout the CDMGSA.

To provide specific solutions that are not overly burdensome, the CDMGSA needs to accurately assess the condition of the aquifers and identify those areas that may be considered Undesirable Results. In order to avoid a one-size-fits-all GSA-wide solution and to reduce dependence on assumptions in calculating groundwater balance, the CDMGSA needs to obtain accurate information. This information will be used to make area-specific determinations to resolve concerns about potential Undesirable Results, such as overdraft and subsidence, in order to achieve sustainability. Use of real-time groundwater use data will reduce or eliminate the reliance on potentially conservative estimations of groundwater use and lead to more accurate groundwater modeling.

PURPOSE & PROCEDURES:

The purpose of this Policy is to obtain accurate and consistent well data information by requiring all wells within its boundaries be registered with the CDMGSA. If deemed necessary by the CDMGSA, an inspection of a registered well may be required to verify data. Previously registered wells shall remain registered; however, the CDMGSA may require updated or additional information as necessary to support implementation of the D-M Subbasin GSP and Domestic Well Mitigation Program. Owners of remaining unregistered or new wells will need to comply with the following procedures.

The CDMGSA will follow these procedures to ensure adequate information is collected for all groundwater extractions as a commitment to evaluate and develop accurate data to implement the D-M Subbasin GSP.

1) **Well Types** (Definitions) - With regard to groundwater well types, registration is to include all existing wells and new wells, as defined by the following:
   - Domestic Well – A well primarily used to supply water for the domestic needs of a single-family homeowner for private utilization and consumption. Domestic wells will be considered a De-Minimis extractor under SGMA if the following conditions are met:

a. Not more than one domestic well per parcel equal to or less than 5 acres in size, or the ratio of number of domestic wells per parcel size does not exceed 1 well per 5 acres for parcels larger than 5 acres in size.

b. The pump discharge orifice at the well head does not exceed 2 inches in diameter.

c. Domestic well is not capable of producing a flow rate exceeding 10 gallons per minute.

d. Domestic well's casing size does not exceed 6 inches in diameter, as identified in the well's completion report.

e. The owner submits the well's Well Completion Report, which indicates the well type as a domestic well.

If a domestic well does not meet the above criteria, the well owner may petition the Board of Directors of the CDMGSA to designate the well as De-Minimis, based on information provided by the well owner, using reliable and verifiable metered records, that the well does not exceed two acre-feet per year of total extraction.

- Production Well – A well that is not considered a De-Minimis Well, nor a Monitoring Well, nor a Cathodic Protection Well, shall be considered a Production Well, including non-De-Minimis Domestic Wells.
- Monitoring Well – A well that is used to (a) monitor the fluctuations in groundwater levels, (b) monitor the quality of underground waters, (c) monitor the presence or concentration of contaminants in subsurface soil and water, or (d) monitor vapors. Monitoring wells include remediation wells. Any well with a casing diameter greater than four inches will be considered a domestic or production well, unless designated as a monitoring well under the discretion of the CDMGSA.
- Inactive or Standby Well – A well that is not routinely operated, but capable of being made operable with the placement of a pump or other appurtenances.
- Abandoned Well – A well that has not been in use for a period of one year, unless the owner demonstrates in writing his/her/its intention to use the well again for a water supply.
- Cathodic Protection Wells – Groundwater wells specified as cathodic protection wells on their well completion report and exclusively utilized for the purpose of providing cathodic protection will not be required to register and will not be considered by the CDMGSA for the purposes of SGMA.

2) **Use of Data** – Data collected through well registration and reporting will also be used to implement the D-M Subbasin GSP, including the Central PRP. The CDMGSA will identify wells subject to temporary or permanent extraction reductions and may coordinate with well owners to ensure compliance with extraction limits established under the Central PRP.

3) **Registration** – The owner of any groundwater well within the CDMGSA must register the well with the CDMGSA.

   a. Registration of existing wells shall be completed within 30 days of the date this Policy is revised.

   b. Registration of new wells shall be completed within 30 days of the completion of the drilling of such a well.

   c. Registration of any well shall be done on a form provided by the CDMGSA.

4) **Notification** – The CDMGSA will provide notice of its adoption of this Policy as required by law.

5) **Meter Requirement** – Pursuant to the CDMGSA Well Metering Policy adopted January 23, 2023, and the Central PRP, all wells must contain a CDMGSA-approved meter installed no later than December 31, 2023. New wells are required to be registered within 30 days and have an approved meter installed prior to use. These requirements enable accurate assessment of groundwater use and the application of PRP measures in accordance with the D-M Subbasin GSP.

6) **Fees and Penalties for Non-Compliance** – The CDMGSA has established a fee schedule and penalty process for non-compliance. Non-compliance includes two separate penalties: (a) failing to register a well using the CDMGSA form, and (b) operating a well that has not been registered.

   Fees for failure to register a well in the prescribed time will result in a quarterly fee until such time as the well is registered. Penalties for activities such as operating an unregistered well could include legal action taken to cease and desist the use. In addition, the CDMGSA may impose administrative, civil, or other remedies authorized under SGMA, including but not limited to penalties pursuant to Water Code section 10732 and collection remedies pursuant to Water Code section 10730.6. Pursuant to Resolution No. 2021-01 on January 25, 2021, the CDMGSA adopted the attached fee schedule, included herein as **Exhibit "A."**

7) **GSA Issuance of Notice of Non-Compliance** – The CDMGSA will issue a notice of Non-Compliance to a well owner and, where appropriate, the applicable Member Agency for any non-compliant well that has been out of compliance for more than one quarter.

8) **Request for Additional Time; Penalty Waiver** – Requests for extensions shall be submitted within the compliance timeframe established by the CDMGSA. The chairman of the CDMGSA Board of Directors may grant the extension if a finding of good cause can be made. For purposes of this Policy, good causes include, but are not limited to, (a) a demonstrated undue financial hardship, or (b) factors outside the control of the owner.

9) **Amendment** – This Policy is subject to changes in the regular operation of the CDMGSA, as it may be revised from time to time by the Board of Directors.

10) **Policy Review** – This Policy shall be reviewed by the CDMGSA regularly, but in no event less than once every five (5) years or as necessary to ensure consistency with the D-M Subbasin GSP, SGMA, and applicable agreements, including the Subbasin MOA.

EXHIBIT A

Well Registration Policy Fee Schedule

Domestic/Monitoring Wells	
Failure to register by 4/1/21 Continual failure to register	$100 per unregistered well $100 per well; first day of each quarter
Non-Operational Production Wells	
Failure to register by 4/1/21 Continual failure to register	$100 per unregistered well $500 per well; first day of each quarter
Non-Operational Wells	
Failure to register by 4/1/21 Continual failure to register	$100 per unregistered well $500 per well; first day of each quarter
Operational Wells	
Failure to register by 4/1/21 Continual failure to register Maximum per day	$1,000 per unregistered well $90 per day; beginning 2nd quarter $1,800 daily fee 100% each quarter
A well owner may petition the Central Delta-Mendota GSA Board of Directors to reduce the fee if a pump test performed by a third party, demonstrates maximum flow rate using the following formula: $900 x max (cfs) x days late x quarters/10	

PANOCHE WATER DISTRICT

52027 WEST ALTHEA AVE,FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING
MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: ADOPTION & IMPLEMENTION OF THE CENTRAL DELTA-MENDOTA GSA WELL METERING AND REPORTING POLICY TWO

DATE: JULY 14, 2026

BACKGROUND

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.

BENEFITS TO PANOCHE

- Demonstrates local governance by having Panoche formally adopt and administer the policy within its own jurisdiction rather than relying solely on CDMGSA action.
- Provides consistency with the Delta-Mendota Subbasin GSP and SGMA implementation requirements.
- Creates clear expectations for growers regarding meter installation, reporting timelines, and compliance.
- Improves groundwater accounting by replacing estimates with measured pumping data, leading to better groundwater modeling and management decisions.
- Supports targeted management by identifying localized groundwater concerns instead of relying on basin-wide assumptions.
- Strengthens Panoche's legal and administrative position by establishing a locally adopted policy before enforcement becomes necessary.
- Improves transparency and fairness by applying uniform requirements to all affected groundwater users.

- Helps reduce regulatory risk by documenting good-faith implementation of SGMA and supporting future DWR reviews.
- Provides flexibility for future Board amendments as SGMA implementation evolves.

CONCLUSION

Adopting this policy locally aligns Panoche 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.

RECOMMENDATION

Staff recommends the Panoche Water District Board adopt & implement the Central Delta-Mendota Groundwater Sustainability Agency (CDMGSA) Administrative Policy No.2– Well Metering and Reporting, as adopted by CDMGSA Resolution No. 2026-03 on March 26, 2026. Adoption will ensure consistency between Panoche Water District and the CDMGSA while supporting implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan (GSP).

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2026 - 03

RESOLUTION ADOPTING THE UPDATED CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY ADMINISTRATIVE POLICY NUMBER TWO WELL METERING AND REPORTING

A. **WHEREAS**, effective August 28, 2019, certain entities whose boundaries overlie a portion of the Delta-Mendota Subbasin number 5-22.07 of the San Joaquin Valley Groundwater Basin identified in the California Department of Water Resources ("DWR") Bulletin 118, formed a joint powers authority known as the Central Delta-Mendota Groundwater Sustainability Agency (the "CDMGSA"), which replaced a prior multi-agency groundwater sustainability agency. In 2026, two additional agencies joined the CDMGSA. The current 12 members of the CDMGSA are: Eagle Field Water District, Fresno Slough Water District, Mercy Springs Water District, Oro Loma Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Santa Nella County Water District, Tranquillity Irrigation District, Widren Water District, the County of Fresno, and the County of Merced (each a "Member Agency"); and

B. **WHEREAS**, the CDMGSA is a groundwater sustainability agency ("GSA") formed pursuant to the Central Delta-Mendota Groundwater Sustainability Agency Joint Powers Agreement, as amended, and the Joint Exercise of Powers Act for the purpose of implementing the Sustainable Groundwater Management Act ("SGMA") within the Central Delta-Mendota Region of the Delta-Mendota Subbasin ("Subbasin"); and

C. **WHEREAS**, in March 2023, DWR determined the Subbasin's prior Groundwater Sustainability Plans ("GSPs") to be inadequate, and the GSAs subsequently developed and adopted a single Delta-Mendota Subbasin Groundwater Sustainability Plan ("D-M Subbasin GSP"), which was finalized in November 2024 and supersedes and replaces the prior GSPs; and

D. **WHEREAS**, the GSAs entered into a Memorandum of Agreement ("MOA") to coordinate Subbasin-wide implementation and, effective December 1, 2025, formed the Delta-Mendota Subbasin GSAs Joint Powers Authority ("DM Authority") to provide administrative, financial, and technical coordination for implementation of SGMA within the Subbasin; and

E. **WHEREAS**, the D-M Subbasin GSP includes management actions and programs, including a Domestic Well Mitigation Program and regional Pumping Reduction Plans ("PRPs"), including a Central PRP, which require accurate and reliable measurement and reporting of groundwater extractions; and

F. **WHEREAS**, accurate groundwater extraction data is necessary to evaluate basin conditions, prevent undesirable results such as chronic lowering of groundwater levels, and implement management actions, including pumping reductions and mitigation measures; and

G. **WHEREAS**, on January 25, 2021, the CDMGSA adopted Administrative Policy Number One – Well Census and Registration to establish a comprehensive inventory of groundwater wells within its jurisdiction. On March 26, 2026, the CDMGSA adopted revisions to Policy Number One; and

H. **WHEREAS**, the CDMGSA now seeks to update and adopt Administrative Policy Number Two – Well Metering and Reporting ("Policy") to establish requirements for measurement and reporting of groundwater extractions consistent with SGMA and the D-M Subbasin GSP; and

I. **WHEREAS**, the CDMGSA has authority under California Water Code, including but not limited to sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and its Joint Powers Agreement, to require measurement and reporting of groundwater extractions, regulate groundwater use, impose fees and penalties, and take all necessary and proper actions to implement SGMA and the D-M Subbasin GSP; and

J. **WHEREAS**, adoption of the Policy will provide public notice, ensure transparency, and establish a consistent framework for metering, reporting, and enforcement necessary to achieve sustainable groundwater management.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency finds as follows:

1. The facts stated in the Recitals above are true and correct and the Board of Directors so finds, orders, and determines.

2. The Board of Directors hereby adopts the updated Administrative Policy Number Two – Well Metering and Reporting ("Policy"), a copy of which is attached hereto as **Exhibit "1"** and incorporated herein by this reference. The Policy supersedes any prior well metering and reporting policies, including those associated with the Northern and Central Delta-Mendota Regions GSP.

3. The Policy applies to groundwater extraction wells within the CDMGSA boundary, as specified therein, and establishes requirements for measurement, reporting, and verification of groundwater extractions necessary to implement SGMA and the D-M Subbasin GSP, including the Central PRP and the Subbasin Domestic Well Mitigation Program.

4. The CDMGSA staff, consultants, and legal counsel are authorized and directed to implement and administer the Policy in accordance with SGMA, including developing forms, procedures, schedules, and technical requirements for metering and reporting, consistent with applicable law.

5. The CDMGSA may take all actions authorized by law to enforce the Policy, including but not limited to administrative enforcement, imposition of fees and penalties, and legal action, to ensure compliance with the Policy, consistent with SGMA and the D-M Subbasin GSP.

6. If any provision of this Resolution or the Policy is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of this Resolution or Policy, which shall remain in full force and effect.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency this 26th day of March, 2026, by the following vote:

AYES:	Aragona, Barcellos, McCoy, Montgomery, Ramirez, Silva, Western
NOES:	None
ABSTAIN:	None
ABSENT:	Miles, Salvador, Silveira, Sloan, Wade

____
Aaron Barcellos, Chairman

Attest:

Taylor Blakslee

______________________________ Date: 26 March 2026

Taylor Blakslee, Secretary

CERTIFICATION OF SECRETARY

I, Taylor Blakslee, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY, held on the 26th day of March, 2026.

IN WITNESS WHEREOF, I have executed this Certificate on this 26th day of March, 2026.

Taylor Blakslee

____
Taylor Blakslee, Secretary
Central Delta-Mendota Groundwater
Sustainability Agency

EXHIBIT "1"

Well Metering and Reporting Policy

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

Eagle Field W.D. ◆ Fresno County ◆ Fresno Slough W.D. ◆ Merced County ◆ Mercy Springs W.D. ◆ Oro Loma W.D. ◆ Pacheco W.D. ◆ Panoche W.D. ◆ San Luis W.D. ◆ Santa Nella County W.D. ◆ Tranquillity I.D. ◆ Widren W.D.

ADMINISTRATIVE POLICY

NUMBER TWO

WELL METERING AND REPORTING

Adopted: January 23, 2023
Revised: March 26, 2026

POLICY STATEMENT

In order for the Central Delta-Mendota Groundwater Sustainability Agency ("CDMGSA") to effectively administer and implement the Delta-Mendota Subbasin Groundwater Sustainability Plan ("D-M Subbasin GSP") within its area, it is necessary for the CDMGSA to monitor and understand groundwater conditions and usage, including groundwater extractions, within its boundaries.

To gain this better understanding, the CDMGSA Board of Directors ("Board") adopted CDMGSA's Administrative Policy Number One – Well Census and Registration ("Well Registration Policy") to obtain specific information from all users of groundwater wells and require that all wells be registered in accordance with timelines established by the CDMGSA.

The purpose of this Well Metering and Reporting Policy ("Well Metering Policy") is to build upon the Well Registration Policy by establishing a requirement for the measurement of groundwater extractions from all wells located within the CDMGSA boundary, with certain exceptions. Therefore, the CDMGSA requires meters, reporting, or other reasonable methods of determining groundwater extraction, as necessary to implement the D-M Subbasin GSP. Any new wells constructed after the effective date of this Well Metering Policy shall be registered with the CDMGSA within 30 days of the completion of drilling activities and have a CDMGSA-approved meter installed prior to use of the well.

This Well Metering Policy further supports implementation of the D-M Subbasin GSP, including the Domestic Well Mitigation Program and the regional Pumping Reduction Plan ("PRP"), specifically the Central PRP, which rely on accurate groundwater extraction data to identify impacts, evaluate conditions, and ensure compliance with sustainability objectives.

To provide constructive notice to the public and to ensure adoption and enforcement of this Well Metering Policy is within the authorities provided by the Sustainable Groundwater Management Act of 2014 ("SGMA"), and any amendment thereto, the CDMGSA shall adopt a resolution prior to this Well Metering Policy becoming effective.

This Well Metering Policy applies to all wells used for groundwater extraction, including those that are inactive, except for *de minimus* wells, as defined below. This Well Metering Policy outlines the well metering and reporting process, timing for compliance, and actions for non-compliance.

AUTHORITY:

This Well Metering Policy is adopted pursuant to the authority granted to the CDMGSA by California Water Code, including but not limited to sections 10725, 10725.2, 10725.4, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and through the Joint Powers Agreement that formed the CDMGSA, as amended, pursuant to the Joint Exercise of Powers Act. These provisions authorize the CDMGSA to require measurement and reporting of groundwater extractions, regulate groundwater use, implement sustainability programs (including pumping reductions), impose fees and penalties, and take all actions necessary or proper to carry out SGMA and the D-M Subbasin GSP.

BACKGROUND:

In 2014, the California Legislature passed and the Governor signed into law a three-bill legislative package (AB 1739, SB 1168, and SB 1319), collectively known as SGMA. SGMA required those subbasins designated by the California Department of Water Resources ("DWR") publication Bulletin 118 as being medium to high priority to form Groundwater Sustainability Agency ("GSAs") by June 1, 2017, and then adopt and submit Groundwater Sustainability Plans ("GSPs") to DWR by January 31, 2020.

The CDMGSA is located within the Delta-Mendota Subbasin (Basin number 5-022.07), a high priority subbasin (the "Subbasin"). The CDMGSA is one of 21[1] separate GSAs in the Subbasin that initially developed and coordinated six independent GSPs to cover the entire Subbasin. In March 2023, DWR determined the revised GSPs to be inadequate, prompting the GSAs to develop a single, unified GSP for the Subbasin. The single D-M Subbasin GSP was fully adopted by all GSAs in the Subbasin in November 2024 and supersedes and replaces the prior coordinated GSPs.

[1] All 12 members of the CDMGSA each individually elected to have the powers of a GSA. Widren Water District and Oro Loma Water District each joined the CDMGSA in January and February 2026, respectively. So, you could also state that there are 32 GSAs in the Delta-Mendota Subbasin.

Although not required by SGMA, to support Subbasin-wide coordination, the GSAs entered into a Memorandum of Agreement ("MOA"), replacing the prior Coordination Agreement. Effective December 1, 2025, the GSAs formed the Delta-Mendota Subbasin GSAs Joint Powers Authority ("DM Authority") to provide coordinated administrative, financial, and technical support for SGMA implementation. Concurrently, prior agreements with the San Luis & Delta-Mendota Water Authority ("SLDMWA"), including the Activity Agreement and its amendments, were terminated.

Originally formed by 10 member agencies, effective August 28, 2019, the CDMGSA has expanded its membership and now consists of 12 member agencies. The CDMGSA participates in Subbasin-wide coordination through a single GSP and the DM Authority, but remains responsible for implementing SGMA within its jurisdiction.

As part of implementation of the D-M Subbasin GSP, the CDMGSA is committed to developing accurate information regarding groundwater extraction, water levels above and below the Corcoran clay, and evaluating the relationship between the Subbasin and the San Joaquin River. The D-M Subbasin GSP includes a Domestic Well Mitigation Program to address impacts caused by the chronic lowering of groundwater levels, as well as regional PRPs to reduce groundwater extractions in areas and periods where sustainability thresholds may be exceeded. These programs require accurate and reliable extraction data obtained through metering, reporting, or other reasonable methods.

To provide specific solutions that are not overly burdensome, the CDMGSA needs to accurately assess the condition of the aquifers and identify those areas showing impacts that may be considered Undesirable Results. In order to avoid a one-size-fits-all GSA-wide solution and to reduce dependence on assumptions in calculating groundwater balance, the CDMGSA needs to obtain accurate information. This information will be used to make area-specific determinations to resolve concerns about potential Undesirable Results, such as overdraft and subsidence, in order to achieve sustainability. Use of real-time groundwater use data will reduce or eliminate the reliance on potentially conservative estimations of groundwater use and lead to more accurate groundwater modeling.

PURPOSE & PROCEDURES:

The purpose of this Well Metering Policy is to obtain accurate and consistent well data information by requiring all wells to have a meter installed and that data from the meter be available for review and reported to CDMGSA no less than annually.

Data collected under this Well Metering Policy will be used to implement the D-M Subbasin GSP, including the Central PRP and the Domestic Well Mitigation Program, and to evaluate compliance with groundwater extraction limits or other management actions.

The CDMGSA will follow these procedures to ensure adequate information is collected for all groundwater extractions as a commitment to evaluate and develop accurate data to implement the D-M Subbasin GSP.

1) **Definitions** – Unless indicated otherwise, all capitalized terms herein shall have the same meaning as the definitions in the Well Registration Policy.

2) **Meter Requirement** – CDMGSA requires an approved meter to be installed on existing or new Production (including Inactive or Standby) Wells (collectively, "Production Wells") within CDMGSA's boundaries. This Well Metering Policy shall not apply to *De-Minimus* Domestic Wells (as defined in SGMA), Abandoned Wells, solely Monitoring Wells, or Cathodic Production Wells, as defined in the Well Registration Policy. The CDMGSA may prioritize metering requirements and enforcement for wells located in areas subject to a PRP or identified as contributing to Chronic Lowering of Groundwater Levels.

3) **Meter Installation** – The owner of any Production Well within the CDMGSA ("Well Owner") shall install a CDMGSA-approved meter at Well Owner's sole cost and expense. Meters shall be installed, operated, and maintained in accordance with CDMGSA requirements and may be supplemented by alternative measurement methods approved by the CDMGSA pursuant to Water Code section 10725.8. The meter must meet the following criteria:

    i. Be a flowmeter consistent with in-line meters meeting AWWA[2] C700 series standards. Totalizers shall read in 0.00 acre-feet ("af"), in cubic feet ("cf") or in gallons ("gal").

    ii. Data must be able to be readily accessible and viewable by CDMGSA-authorized agents; and

    iii. Be calibrated according to manufacturer's specifications at installation and calibrated no less than once every five (5) years thereafter.

4) **Reporting Requirements** – The Well Owner shall be required to provide the following information to the CDMGSA:

    a. <u>At Installation</u>: When a meter is installed by the Well Owner, the following information shall be provided to the CDMGSA, no later than thirty (30) days after installation:

        i. Manufacturer and model of flowmeter;

        ii. Date flow meter installed;

        iii. Nominal diameter of pipe, pipe material, wall thickness of pipe, and size of flow meter;

        iv. Name and business (if applicable) of person installing and calibrating flowmeter;

        v. Pictures of flowmeter to verify installed correctly;

        vi. Location of well (including County, Assessor's Parcel Number(s) ["APN"], and latitude/longitude or map of locations);

[2] American Water Works Association.

vii. Type of crop, age of crop, irrigation methodology (e.g., flood, drip, sprinkler) for the irrigated acres served by the applicable Production Well; and

viii. A statement signed by the Well Owner granting access to the CDMGSA to the property to verify the installation, operation, and/or readings of the meter(s).

b. Annual Reporting: The Well Owner shall be required to report the quantity of groundwater extraction by month for the period beginning October 1 and ending September 30 to the CDMGSA, by no later than October 31 of each year following the applicable year ("Annual Reports"). Well Owners shall report any changes to the information described above (e.g., well abandonment, new flowmeter, different crops) in such Annual Report. Annual Reports shall be in Microsoft Excel format and e-mailed to CDMGSA at administration@cdm-gsa.com. Fillable Excel forms can be found on the CDMGSA website.

c. The CDMGSA may require more frequent reporting, additional data, or alternative reporting formats for wells subject to a PRP or other GSP management actions.

5) **CDMGSA Right to Inspect** – Under the authority granted by SGMA, including but not limited to Water Code sections 10725.2, 10725.4, and 10725.8, the CDMGSA or its agents may conduct an inspection of a well to verify data, compliance with this Policy, or applicability of this Policy to a particular well.

6) **Timing for Compliance** – The owner of any well used for groundwater extraction within the CDMGSA must install a CDMGSA-approved meter pursuant to section 3 above as follows:

a. Installation of meters on existing wells shall be completed by December 31, 2023.

b. Meters must be installed on new wells shall be completed prior to use of the well.

c. Wells with existing meters that do not comply with the requirements of this Well Metering Policy shall become compliant by December 31, 2023 by replacing any existing meter with a meter that is compliant with this Well Metering Policy.

d. Additional deadlines may be established by the CDMGSA based on implementation needs of the D-M Subbasin GSP.

7) **Costs, Fees and Penalties**:

a. The Well Owner shall be responsible for all costs for purchasing, installing, maintaining, record-keeping, and calibrating the meter on any of its groundwater wells that it installs.

b. The CDMGSA shall not impose any fees for field reviews, collection and recordation of data, landowner communication, and related activities.

c. The CDMGSA may establish fees, charges, or penalties associated with metering, reporting, or non-compliance, consistent with SGMA and applicable law.

d. Failure to comply with metering or reporting requirements may also constitute non-compliance with the PRP and may result in enforcement actions, including penalties pursuant to Water Code section 10732 or collection remedies under section 10730.6.

8) **Notification** – The CDMGSA will provide notice of its adoption of this Well Metering Policy as required by law.

9) **GSA Issuance of Notice of Non-Compliance** – The CDMGSA will issue a notice of Non-Compliance to the Well Owner and, where appropriate, the applicable Member Agency for any non-compliant Production Well that has been out of compliance for more than one quarter. The Non-Compliance notification will serve as an official request of the local member agency to enact its powers of enforcement for non-compliance.

10) **Request for Additional Time; Penalty Waiver** – The Well Owner may submit a written request to CDMGSA for a single extension of time to comply with Section 3 above. A request for an extension of time must be submitted within the compliance timeframe established by the CDMGSA to avoid penalties as described in Section 6 above and a grant of an extension of time, in total, shall not exceed a period of six (6) months. The Board of Directors of the CDMGSA may grant the extension if a finding of good cause can be made. For purposes of this Well Metering Policy, good cause includes, but is not limited to, (a) a demonstrated undue financial hardship, (b) factors outside the control of the Well Owner, or (c) proof that the Well Owner was not properly notified of the requirement.

11) **Amendment** – This Well Metering Policy is subject to changes in the regular operation of the CDMGSA, as it may be revised from time to time by the Board.

12) **Policy Review** – This Well Metering Policy shall be reviewed by the CDMGSA regularly, but in no event less than once every five (5) years or as necessary to maintain consistency with the D-M Subbasin GSP, PRP, Domestic Well Mitigation Program, and applicable agreements, including the MOA.

PANOCHE WATER DISTRICT

52027 WEST ALTHEA AVE,FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING
MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: ADOPTION & IMPLEMENTATION OF CENTRAL DELTA-MENDOTA GSA ADMINISTRATIVE POLICY THREE – SURFACE WATER PRIORITIZATION AND GROUNDWATER EXTRACTION MANAGEMENT

DATE: JULY 14, 2026

BACKGROUND

On March 26, 2026, the Central Delta-Mendota Groundwater Sustainability Agency (CDMGSA) adopted Resolution No. 2026-04 approving Administrative Policy Number Three – Surface Water Prioritization and Groundwater Extraction Management. The policy was adopted to support implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan (GSP) and associated Pumping Reduction Plans (PRPs).

DISCUSSION

The 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 expressly contemplates implementation by individual member agencies, including Panoche Water District. Panoche Board action provides a clearer administrative record, better due process, stronger legal defensibility, clear direction to staff, and demonstrates that Panoche exercised independent discretion.

ANALYSIS

- Clear Local Authority – A Panoche Board action would establish a clear administrative record demonstrating independent review and implementation.
- Local Implementation Flexibility – Panoche can tailor implementation to local infrastructure, water availability, and economic conditions.

- Improved Defensibility – Future SGMA-related actions may be better supported if backed by both CDMGSA and Panoche Board actions.
- Coordination with Existing Programs – The District can integrate implementation with existing water delivery, supplemental water, and accounting programs.
- Future PRP Compliance – Local implementation may assist the District in meeting future Pumping Reduction Plan requirements while maximizing available surface water supplies.

RECOMMENDATION

Staff recommends the Panoche Water District Board adopt & implement the Central Delta-Mendota Groundwater Sustainability Agency (CDMGSA) Administrative Policy No.3– Surface Water Prioritization and Groundwater Extraction Management, as adopted by CDMGSA Resolution No. 2026-04 on March 26, 2026. Adoption will ensure consistency between Panoche Water District and the CDMGSA while supporting implementation of the Delta-Mendota Subbasin Groundwater Sustainability Plan (GSP).

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2026 - 04

RESOLUTION ADOPTING THE CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY ADMINISTRATIVE POLICY NUMBER THREE SURFACE WATER PRIORITIZATION AND GROUNDWATER EXTRACTION MANAGEMENT

A. **WHEREAS**, effective August 28, 2019, certain entities whose boundaries overlie a portion of the Delta-Mendota Subbasin number 5-22.07 of the San Joaquin Valley Groundwater Basin identified in the California Department of Water Resources ("DWR") Bulletin 118, formed a joint powers authority known as the Central Delta-Mendota Groundwater Sustainability Agency (the "CDMGSA"), which replaced a prior multi-agency groundwater sustainability agency. In 2026, two additional agencies joined the CDMGSA. The current 12 members of the CDMGSA are: Eagle Field Water District, Fresno Slough Water District, Mercy Springs Water District, Oro Loma Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Santa Nella County Water District, Tranquillity Irrigation District, Widren Water District, the County of Fresno, and the County of Merced (each a "Member Agency"); and

B. **WHEREAS**, the CDMGSA is a groundwater sustainability agency ("GSA") formed pursuant to the Central Delta-Mendota Groundwater Sustainability Agency Joint Powers Agreement, as amended, and the Joint Exercise of Powers Act for the purpose of implementing the Sustainable Groundwater Management Act ("SGMA") within the Central Delta-Mendota Region of the Delta-Mendota Subbasin ("Subbasin"); and

C. **WHEREAS**, in March 2023, DWR determined the revised Subbasin GSPs to be inadequate and the GSAs in the Subbasin subsequently developed a single, unified Delta-Mendota Subbasin GSP ("D-M Subbasin GSP"), which was finalized in November 2024 and supersedes and replaces the prior GSPs; and

D. **WHEREAS**, the D-M Subbasin GSP includes management actions and programs, including regional Pumping Reduction Plans ("PRPs"), which require reductions in groundwater extraction and increased reliance on alternative water supplies, including surface water; and

E. **WHEREAS**, the CDMGSA has previously adopted Administrative Policy Number One – Well Census and Registration and Administrative Policy Number Two – Well Metering and Reporting, which, inter alia, establish the framework for identifying wells and measuring groundwater extraction; and

F. **WHEREAS**, the CDMGSA now seeks to adopt Administrative Policy Number Three – Surface Water Prioritization and Groundwater Extraction Management (this "Policy") to provide a framework for implementation of applicable regional PRPs and for prioritizing the use of reasonably available surface water supplies, as defined, in lieu of groundwater extraction; and

G. **WHEREAS**, the CDMGSA has the authority under the California Water Code, including but not limited to sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and the Joint Powers Agreement forming the CDMGSA, to adopt rules, regulations, and administrative policies, require registration of groundwater extraction facilities, regulate groundwater extractions, impose fees and penalties, and take any necessary and proper actions to implement SGMA and the D-M Subbasin GSP; and

H. **WHEREAS**, adoption of this Policy will provide guidance to Member Agencies and groundwater users and will support coordinated implementation of the D-M Subbasin GSP and applicable regional PRPs; and

I. **WHEREAS**, the Board of Directors finds that adoption of this Policy is necessary and appropriate to support sustainable groundwater management and to avoid undesirable results within the Subbasin.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency finds as follows:

1. The facts stated in the Recitals above are true and correct and the Board of Directors so finds, orders, and determines.

2. The Board of Directors hereby adopts Administrative Policy Number Three – Surface Water Prioritization and Groundwater Extraction Management (the "Policy"), a copy of which is attached hereto as **Exhibit "1"** and incorporated herein by this reference.

3. The Policy establishes a framework to prioritize the use of reasonably available surface water supplies, as defined, prior to groundwater extraction and to support implementation of the D-M Subbasin GSP, including the applicable regional PRPs.

4. The CDMGSA staff, consultants, and legal counsel are authorized and directed to implement and administer the Policy, including coordinating with Member Agencies, developing procedures, and facilitating programs necessary to carry out the Policy.

5. Member Agencies are encouraged to implement the Policy within their respective jurisdictions through rules, regulations, ordinances, and water service programs consistent with applicable law and the D-M Subbasin GSP.

6. The CDMGSA may exercise any authority granted under SGMA and other applicable law to implement and enforce the Policy, including coordination with Member Agencies. Nothing in this Resolution or the Policy shall be construed as a final determination of water rights.

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7. If any provision of this Resolution or the Policy is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of this Resolution or Policy, which shall remain in full force and effect.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Central Delta-Mendota Groundwater Sustainability Agency this 26th day of March, 2026, by the following vote:

AYES:	Aragona, Barcellos, McCoy, Montgomery, Ramirez, Silva, Western
NOES:	None
ABSTAIN:	None
ABSENT:	Miles, Salvador, Silveira, Sloan, Wade

____
Aaron Barcellos, Chairman

Attest:

Taylor Blakslee

____________________ Date: 26 March 2026

Taylor Blakslee, Secretary

CERTIFICATION OF SECRETARY

I, Taylor Blakslee, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY, held on the 26th day of March, 2026.

IN WITNESS WHEREOF, I have executed this Certificate on this 26th day of March, 2026.

Taylor Blakslee

____

Taylor Blakslee, Secretary
Central Delta-Mendota Groundwater
Sustainability Agency

EXHIBIT "1"

Surface Water Prioritization and Groundwater Extraction Management Policy

Santa Nella County Water District 12931 S Hwy 33, Santa Nella, CA 95322 Phone: (209) 826-4043

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

Eagle Field WD ◆ Fresno County ◆ Fresno Slough WD ◆ Merced County ◆ Mercy Springs WD ◆ Oro Loma WD ◆ Pacheco WD ◆ Panoche WD ◆ San Luis WD ◆ Santa Nella County WD ◆ Tranquillity I.D. ◆ Widren WD

ADMINISTRATIVE POLICY

NUMBER THREE

SURFACE WATER PRIORITIZATION AND GROUNDWATER EXTRACTION MANAGEMENT POLICY

Adopted: March 26, 2026

POLICY STATEMENT

In order for the Central Delta-Mendota Groundwater Sustainability Agency (“CDMGSA”) to effectively implement the Delta-Mendota Subbasin Groundwater Sustainability Plan (“D-M Subbasin GSP”), including the applicable regional Pumping Reduction Plans (“PRPs”), and to avoid undesirable results such as the chronic lowering of groundwater levels, it is necessary to reduce reliance on groundwater where feasible and prioritize the use of available surface water supplies.

Accordingly, it is the policy of the CDMGSA that landowners and groundwater extractors within the CDMGSA’s jurisdiction shall utilize available surface water supplies made available by the CDMGSA or its Member Agencies, where Reasonably Available (as defined below), prior to extracting groundwater, consistent with the provisions of this Policy and applicable law.

Nothing in this Policy prevents Member Agencies from implementing programs, rules, regulations, or ordinances consistent with this Policy and the D-M Subbasin GSP.

AUTHORITY:

This Policy is adopted pursuant to the authority granted to the CDMGSA under the Sustainable Groundwater Management Act ("SGMA"), including, but not limited to, Water Code sections 10725, 10725.2, 10725.6, 10725.8, 10726.2, 10726.4, 10726.5, 10730.6, and 10732, and through the Joint Powers Agreement that formed the CDMGSA, as amended, pursuant to the Joint Exercise of Powers Act.

This Policy is further supported by the legislative intent of SGMA to achieve sustainable groundwater management and avoid undesirable results (Wat. Code, § 10720.1), and by applicable authority of Member Agencies under the Water Code, including but not limited to sections 35400, 35401, 35423, and 35413.

BACKGROUND:

In 2014, the California Legislature passed and the Governor signed into law a three-bill legislative package (AB 1739, SB 1168, and SB 1319), collectively known as SGMA. SGMA required those subbasins designated by the California Department of Water Resources ("DWR") publication Bulletin 118 as being medium to high priority to form Groundwater Sustainability Agencies ("GSAs") by June 1, 2017, and then adopt and submit Groundwater Sustainability Plans ("GSPs") to DWR by January 31, 2020.

The CDMGSA is located within the Delta-Mendota Subbasin (Basin number 5-022.07), a high priority subbasin (the "Subbasin"). The CDMGSA is one of 21[1] separate GSAs in the Subbasin that initially developed and coordinated six independent GSPs to cover the entire Subbasin. In March 2023, DWR determined the revised GSPs to be inadequate, prompting the GSAs to develop a single, unified GSP for the Subbasin. The single D-M Subbasin GSP was fully adopted by all GSAs in the Subbasin in November 2024 and supersedes and replaces the prior coordinated GSPs.

Originally formed by 10 member agencies, effective August 28, 2019, the CDMGSA has expanded its membership and now consists of 12 member agencies. The CDMGSA participates in Subbasin-wide coordination through the Delta-Mendota Subbasin GSAs Joint Powers Authority ("DM Authority"), but remains responsible for implementing SGMA within its jurisdiction.

The D-M Subbasin GSAs have adopted regional PRPs as part of the single D-M Subbasin GSP. The PRPs establish temporary and permanent reductions in groundwater extractions during periods and in locations where groundwater levels are projected to decline below sustainability thresholds, particularly in areas identified as at risk for Chronic Lowering of Groundwater Levels ("CLGWL"). A Dashboard has been developed to track and view data for the Subbasin, which is divided into four zones,

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[1] All 12 members of the CDMGSA each individually elected to have the powers of a GSA. Widren Water District and Oro Loma Water District each joined the CDMGSA in January and February 2026, respectively. So, you could also state that there are 32 GSAs in the Delta-Mendota Subbasin.

including Zone 1 (Aliso, Farmers, Tranquillity, and Fresno GSA Group), Zone 2 (Grassland, and SJREC GSA Groups), Zone 3 (Northern DM GSA Group), and Zone 4 (Central DM GSA). The PRPs are designed to be implemented in coordination with the Domestic Well Mitigation Program and rely on well registration and extraction data to identify affected wells and ensure sustainable groundwater management.

Implementation of the PRPs requires accurate data, reduced groundwater pumping, and increased reliance on alternative water supplies. Surface water is a key component of that strategy. This Policy supports those objectives by prioritizing the use of surface water where available. A copy of the CDMGSA PRP adopted February 27, 2025, is incorporated by this reference and may be found on the CDMGSA website at cdm-gsa.com.

PURPOSE

The purpose of this Policy is to support implementation of the D-M Subbasin GSP and the PRPs. This Policy is also intended to reduce groundwater extraction where alternative surface water supplies are available. This Policy provides a consistent framework for Member Agencies. It also provides tools to avoid undesirable results, including overdraft and impacts to domestic wells.

POLICY AND GUIDELINES

1. **Surface Water Prioritization Requirement** – Landowners and groundwater extractors shall use surface water before extracting groundwater when surface water is Reasonably Available. Surface water is considered “Reasonably Available” when (i) delivery is physically possible and (ii) legally authorized. Whether or not surface water is considered Reasonably Available may also depend on water quality, cost, and operational feasibility. This requirement applies to the extent feasible, and does not override existing contractual obligations or physical limitations. For example, applicable Central Valley Project Contract Municipal and Industrial (“M&I”) shortage policies and applicable requirements pursuant to the California Health & Safety Code shall not be overridden by this Policy.

2. **Burden of Proof** – Where surface water is determined by the CDMGSA or the applicable Member Agency to be Reasonably Available, it shall be presumed that the landowner or groundwater extractor can utilize such surface water as the primary water supply. The burden shall rest on the landowner or groundwater extractor to demonstrate, to the reasonable satisfaction of the CDMGSA Board or its designee, that the use of surface water is infeasible or otherwise excused due to physical, contractual, economic, or other relevant constraints.

3. **Member Agency Implementation** – Member Agencies may implement this Policy through local rules, regulations, or ordinances. They may also incorporate this Policy into existing water delivery programs. Member Agencies may require landowners to use available surface water as a condition of groundwater extraction. They may also limit or allocate groundwater pumping. Member Agencies may adopt

rules governing water delivery under their existing authority. This includes the ability to condition or withhold service in appropriate circumstances and charge a fee per acre-foot.

4. **Integration with Pumping Reduction Plan** – This Policy incorporates the CDMGSA Pumping Reduction Plan by reference. Implementation of this Policy must be consistent with an applicable PRP, including consistency with groundwater reduction targets, implementation phases, and monitoring requirements. Member Agencies may use this Policy as a tool to achieve PRP objectives and sustainability goals.

5. **Relationship to Other CDMGSA Policies** – This Policy is intended to supplement other CDMGSA policies, including Administrative Policy Number One – Well Census and Registration, and Administrative Policy Number Two – Well Metering and Reporting. These policies provide the data necessary to implement this Policy by allowing the CDMGSA and its Member Agencies to identify wells, measure groundwater use, and manage extraction.

6. **Compliance and Enforcement –** The CDMGSA and its Member Agencies may take all actions authorized by law to implement and enforce this Policy, particularly in areas where groundwater extraction reductions are required under the D-M Subbasin GSP, including a PRP, and related CDMGSA policies. To ensure compliance with the requirement to utilize Reasonably Available surface water prior to groundwater extraction, the CDMGSA and/or its Member Agencies may take the following actions:

a. Adopt and enforce rules, regulations, ordinances, or resolutions that condition, limit, or prohibit groundwater extraction where surface water is Reasonably Available, pursuant to SGMA, including but not limited to Water Code sections 10725.2 and 10726.4. Such measures may include requiring participation in surface water delivery programs as a condition of groundwater use.

b. Establish and enforce groundwater extraction allocations, pumping restrictions, or rotational pumping requirements consistent with the D-M Subbasin GSP and applicable PRP pursuant to SGMA, including but not limited to Water Code sections 10726.2 and 10726.4. Groundwater extractions may be reduced, suspended, or conditioned on the use of Reasonably Available surface water supplies.

c. Require or implement programs under which groundwater extractors must accept and use Reasonably Available surface water supplies in lieu of groundwater pumping, consistent with Water Code section 10726.2(d), including agreements to reduce or cease groundwater extraction.

d. Utilize data collected under Administrative Policy Number One – Well Census and Registration, and Administrative Policy Number Two – Well Metering and Reporting to verify compliance. The CDMGSA may require reporting, conduct audits, and perform inspections to confirm that surface water is being utilized prior to groundwater extraction, consistent with Water Code section 10725.4.

e. Impose fees, charges, and civil penalties for non-compliance, including for unauthorized groundwater extraction where surface water is Reasonably Available, pursuant to SGMA, including but not limited to Water Code sections 10730.6 and 10732. Penalties may include monetary assessments and ongoing daily penalties for continuing violations.

f. Initiate administrative or judicial enforcement actions, including actions for injunctive relief or civil penalties. The CDMGSA may also order the cessation of groundwater extraction following notice and hearing, as authorized by law.

g. Member Agencies, who all retain the powers of GSAs, may exercise their independent authorities to enforce this Policy, including adopting rules governing water service, conditioning or withholding delivery of water, and enforcing compliance through administrative or judicial remedies pursuant to applicable provisions of the Water Code.

h. The CDMGSA may coordinate with Member Agencies to issue notices of non-compliance and to facilitate local enforcement. Member Agencies are required to take timely enforcement action within their jurisdictions to ensure consistency with the D-M Subbasin GSP and the applicable PRP.

i. All enforcement actions taken pursuant to this Policy shall be consistent with SGMA, the D-M Subbasin GSP, and applicable law. Nothing in this Policy shall be construed as a final determination of water rights.

7. **Agreements and Programs** – The CDMGSA and Member Agencies may enter into agreements to implement this Policy, including arrangements with landowners, water districts, or other entities; develop incentive programs to encourage the use of surface water in lieu of groundwater; and coordinate with other entities in and outside the Subbasin to implement this Policy.

8. **Local Control** – This Policy is intended to preserve local control. Member Agencies may tailor implementation based on local conditions, including infrastructure, water availability, and economic considerations. Pursuant to Water Code section 10725(b), a GSA has the power to provide the maximum degree of local control and flexibility consistent with the sustainability goals of SGMA.

9. **Amendment –** This Policy is subject to changes in the regular operation of the CDMGSA, as it may be revised from time to time by the Board of Directors.

10. **Policy Review** – This Policy shall be reviewed by the CDMGSA regularly, but in no event less than once every five (5) years or as necessary to ensure consistency with the D-M Subbasin GSP, SGMA, and applicable agreements, including the MOA.

PANOCHE WATER DISTRICT

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BOARD MEETING MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: SLDMWA WY 2023-24 RESERVES TRUE-UP

DATE: JULY 14, 2026

BACKGROUND

On June 15, 2026, Panoche Water District received its Final Water Year 2023 Final Accounting invoice from SLDMWA totaling **$611,958.61**. The invoice reflects the reconciliation of estimated versus actual operation, maintenance, power, conveyance, reserves, and other cost pool charges incurred during Water Year 2023.

Raymond Tarka of SLDMWA explained that rates were formulated on higher estimated volumes than what was delivered. The published rates assumed the costs would be spread over a larger volume of water deliveries. This resulted in an overall underbilling. The Lower/Pool volumes were projected 64% higher than the actual volumes delivered. The O'Neill Storage volumes were projected 43% higher than actual volumes. In addition, the projected percentage split between O'Neill Direct and Storage budgeted costs were not realized. This resulted in the deliveries billed with a rate that included O'Neill Direct being significantly lower than the actual realized cost per AF and the deliveries billed with a rate that included O'Neill Storage were significantly higher than the realized cost per AF. The actual O'Neill Direct volume was twice that of the O'Neill Storage, so the underbilling was significantly higher than the overbilling.

In addition to the underbilling caused by using higher delivery volumes than realized; there was a material difference in realized costs above some of the budgeted costs used in rate setting.

The large swing was in PUE. This is the result of the FY23 and FW24 PUE True Up billings. The FY23 True Up resulted in $ 8,054,075 allocated to WY23/24. The FY24 True Up resulted in $ 1,819,756 allocated to WY23/FY24. The total underbilling on WY23 because of the two PUE True Ups was $ 9,873,831.

Intertie Variable Costs for DWR Water Conveyance were budged at $ 1,885,683, actual costs incurred were $ 3,773,722, a difference of $ 1,888,039.

SLC DWR O&M Costs were budged at $ 12,242,258; actual costs incurred were $ 14,659,882, a difference of $ 2,417,624.

Reserves were also underbilled based on the volume estimates used and the omission of a $2M project for the reserve total in calculating the reserve rate component.

UPPER COST POOL TRUE-UP

On June 29, 2026, SLDMWA notified the District that it had discovered an accounting error in the original Final Accounting. During implementation of the Second Amended and Restated MOU with Friant Water Authority, minimum participation volumes were inadvertently included in one contractor's delivery volumes. This error overstated the total Upper Cost Pool delivery volume used to calculate cost allocations.

After correcting the error, the Upper Cost Pool delivery volume decreased from 2,427,188 acre-feet to 2,270,771 acre-feet. Because Upper Cost Pool costs are allocated on a per-acre-foot basis, the reduction increased the cost per acre-foot for participating contractors at an additional cost of $412,263.14.

FINANCIAL IMPACT

The original Final Accounting invoice totaled $611,958.61. Following the revised accounting, Panoche Water District received an additional Upper Cost Pool true-up invoice of $12,263.14.

In total PWD's WY 2023-24 true-up is $624,221.75. This additional billing represents an unbudgeted expense resulting from SLDMWA's accounting correction. The combined financial impact exceeds $1.23 million for the final reconciliation of Water Year 2023 costs.

PANOCHE WATER DISTRICT USBR REFUNDS - September, 2023, thru October, 2024

Grower Name	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Transfers Out	Total AF Delivered	USBR Refund ($561,734)
A-Bar Ag Enterprises	**156**	**13**		**137**		**35**	**216**	**308**	**405**	**472**	**333**	**318**		**2,393**	**$ 32,309**
Almendra Properties III, LP															
Gopher Ridge I, LP	169	67				38	121			195	2	159		751	$ 10,140
Gopher Ridge II, LP	117	51				66	134	64	197	310	147	60		1,146	$ 15,473
Gopher Ridge Entities Total	**286**	**118**				**104**	**255**	**64**	**197**	**505**	**149**	**219**		**1,897**	**$ 25,613**
Hugh Bennett Ranch, Inc.		69		6	48	58	44	138	389	388				1,140	$ 15,392
JFB Ranch, Inc.		1				394	264		1,403	1,455				3,517	$ 47,485
Bennett Entities Total		**70**		**6**	**48**	**452**	**308**	**138**	**1,792**	**1,843**				**4,657**	**$ 62,877**
Bethel, Kenneth 2015 Trust	**34**					**33**	**9**	**63**	**77**	**129**	**36**	**21**		**402**	**$ 5,428**
Correia, Beau & Katherine	10	42				6	31		9	141	133	34		406	$ 5,482
KB Family Farm								37	53		32	12		134	$ 1,809
Correia 2015 Living Trust															
Correia Entities Total	**10**	**42**				**6**	**31**	**37**	**62**	**141**	**165**	**46**		**540**	**$ 7,291**
LAT Farming Trust	283	65		1		101	222	410	282	484				1,848	$ 24,951
WMD Farming, Et Al #1							57	188						245	$ 3,308
Del Don Entities Total	**283**	**65**		**1**		**101**	**279**	**598**	**282**	**484**				**2,093**	**$ 28,259**
Diedrich, William Living Trust						**4**								**4**	**$ 54**
Echeveste, Cecilia Survivors Trust	**45**						**31**	**70**	**78**	**66**	**51**	**7**		**348**	**$ 4,699**
Epic Farms (Creekside)															
Gargiulo, Inc.	**55**	**13**			**30**		**5**	**15**	**148**	**21**	**198**	**173**		**658**	**$ 8,884**
Gil Management, Inc.															
Hammonds Ranch, Inc.	73			172	54	79	134	185		339	250	3		1,289	$ 17,404
Homeland Ranch	69			137	59	40	78	209		334	435	126		1,487	$ 20,077
Mar-Hi Farms	76			16	166	9	108	147			133	117		772	$ 10,423
San Joaquin West Ranch	91	10		69	317	40	86	175			150	176		1,114	$ 15,041
Hammonds Entities Total	**309**	**10**		**394**	**596**	**168**	**406**	**716**		**673**	**968**	**422**		**4,662**	**$ 62,945**
John S. Diedrich Farms	**68**					**37**	**36**	**4**	**69**	**138**	**44**	**71**		**467**	**$ 6,305**
Linneman Ranch, Inc.	250	22	74			58	204	221	324	325	110	155		1,743	$ 23,533
Tierra Loma Ranch, Inc.															
Linneman Entities Total	**250**	**22**	**74**			**58**	**204**	**221**	**324**	**325**	**110**	**155**		**1,743**	**$ 23,533**
Little Green Nut, LLC			**13**			**2**	**19**	**40**	**54**	**64**				**192**	**$ 2,592**
Marv Coit Farms, LP	**120**	**266**	**160**	**61**	**253**	**90**	**320**	**414**	**70**	**66**	**63**	**81**	**500**	**2,464**	**$ 33,268**
Nees Avenue Farms	**73**						**19**	**152**	**271**	**274**	**156**	**134**		**1,079**	**$ 14,568**
Nellore Farms, LLC							**14**	**48**	**75**	**79**	**96**	**69**		**381**	**$ 5,144**
Grandland Pistachio, LP								82	81	189	248	73		673	$ 9,087
Kariz, LP	52								83	169	105	89		498	$ 6,724
Pardis, LP	72		66	179					103	37	192	76		725	$ 9,789
Yazd, LP	22		229	279			4	17	78	63	198	136		1,026	$ 13,853
NIA Investments Entities Total	**146**		**295**	**458**			**4**	**99**	**345**	**458**	**743**	**374**		**2,922**	**$ 39,453**
Nyman, Brad & Kristi	14	43	132	8	8	19	14	14	5	48	156	12		473	$ 6,386
Nyman, Rebecca		22	82											104	$ 1,404
Nyman Entities Total	**14**	**65**	**214**	**8**	**8**	**19**	**14**	**14**	**5**	**48**	**156**	**12**		**577**	**$ 7,790**

Grower Name	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Out		Delivered	($561,734)
Olam West Coast, Inc.																
Peri & Sons Farms of CA, LLC												**12**			**12**	**$ 162**
Redfern Ranches, Inc.	**114**	**59**	**37**		**245**	**203**	**196**	**322**	**627**	**437**					**2,240**	**$ 30,244**
Thiel Air Care, Inc.																
AJS Farms, Inc.							7	19	2	44	4				76	$ 1,026
Donald J. Smith Farms, Inc.					35	52	28	40	13	169	189	38			564	$ 7,615
J.W. Palmer Farms, Inc.					46	134	85	90	87	234	5				681	$ 9,195
S.H. Smith Farms	113	111	223		35	95	106	182	299	321	245	77			1,807	$ 24,397
SHS Family Limited Partnership			44		5	6	81	116	196	249	89	46			832	$ 11,233
SSR Farms		10	20				52	10	46	93	32	6			269	$ 3,632
Stuart J. Smith Farms			33												33	$ 446
Turlock Fruit Company					7			44			7				58	$ 783
Turlock Fruit Entities Total	**113**	**121**	**320**		**128**	**287**	**359**	**501**	**643**	**1,110**	**571**	**167**			**4,320**	**$ 58,327**
USC Farms, LLC						**47**			**59**						**106**	**$ 1,431**
Dehbala Orchards, LP	75	11			47	41	74	9	185	190	13				645	$ 8,709
Fadak Orchards, LP	16	11			7	3	14	23	35	97	51				257	$ 3,470
Sisters Ranch, LP	7	15	2		25	25	38	17	29	55	25	25			263	$ 3,551
West Hills Entities Total	**98**	**37**	**2**		**79**	**69**	**126**	**49**	**249**	**342**	**89**	**25**			**1,165**	**$ 15,730**
Green Nut, LLC	22	3	94	79				33	51	133	138	115			668	$ 9,019
Hanza Farms	14	1		25				69	92	169	286	128			784	$ 10,585
Zagros Farms, LLC	36						3	32	44	72	111	67			365	$ 4,928
Western Farm Entities Total	**72**	**4**	**94**	**104**			**3**	**134**	**187**	**374**	**535**	**310**			**1,817**	**$ 24,532**
Westside Transplant	**1**			**1**	**2**	**5**	**6**	**7**	**7**	**4**					**33**	**$ 446**
Wood Farming, Doug	**64**	**32**			**17**	**19**	**113**	**168**	**174**	**258**	**320**	**182**			**1,347**	**$ 18,187**
Grand Totals	**2,311**	**937**	**1,209**	**1,170**	**1,406**	**1,739**	**2,973**	**4,182**	**6,200**	**8,311**	**4,783**	**2,798**	**500**		**38,519**	**$ 520,068**

All Entities No Longer w/District																
Creekside Farming Co, Inc.	**31**						**18**	**63**	**87**	**12**	**162**	**14**			**387**	**$ 5,225**
CSU Farms, Inc.	**19**					**18**	**102**	**194**	**184**	**270**	**375**				**1,162**	**$ 15,689**
Eagle Loma Farms	**3**														**3**	**$ 41**
Franco/Miles/Soares Partnership						**15**									**15**	**$ 203**
Hanna M&M Family Trust						**141**	**201**	**134**		**3**		**22**			**501**	**$ 6,764**
Oro Loma Ranch	**40**	**39**	**335**	**145**											**559**	**$ 7,547**
Rancho De La Esperanza	**20**	**28**													**48**	**$ 648**
Rancho Las Margueritas	**29**	**16**		**203**	**163**										**411**	**$ 5,549**
Totals of All Others	**142**	**83**	**335**	**348**	**163**	**174**	**321**	**391**	**271**	**285**	**537**	**36**			**3,086**	**$ 41,666**
													13.5015984		41,605	$ 561,734

PANOCHE WATER DISTRICT

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BOARD MEETING
MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: PROPOSED AMENDMENTS TO THE LINNEMAN AND OFFICE SOLAR POWER PURCHASE AGREEMENTS

DATE: JULY 14, 2026

BACKGROUND

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.

LINNEMAN SOLAR PROJECT

The current contracted PPA rate is $0.1175/kWh. Four potential rates are proposed depending on whether the project receives the LICB tax credit and whether property taxes are assessed:

- Rate 1: $0.1300/kWh – LICB awarded and property tax exempt.
- Rate 2: $0.1428/kWh – LICB awarded and property taxes assessed.
- Rate 3: $0.1508/kWh – LICB not awarded and property tax exempt.
- Rate 4: $0.1636/kWh – LICB not awarded and property taxes assessed.

The agreement initially defaults to Rate 4 until the developer confirms the final tax credit and property tax status, after which the applicable lower rate will be implemented if warranted.

OFFICE SOLAR PROJECT

The Office Solar Project proposes a revised fixed PPA rate of $0.1242/kWh. The increase reflects additional security costs and schedule impacts related to permitting and utility upgrades.

SCHEDULE CHANGES

The Linneman project construction start date will be the later of 60 days following execution or September 30, 2026. Commercial operation will occur the later of 90 days after utility permission to operate or December 22, 2026. Similar schedule extensions are proposed for the Office Project.

EARLY TERMINATION

Both amendments revise the early termination fee schedules. Fees decrease annually throughout the 20-year agreement and continue to provide options for either taking ownership of the systems or terminating without acquiring the assets.

STAFF ANALYSIS

While the proposed rates are higher than originally negotiated, the increases are largely driven by external factors including utility delays, permitting, security requirements, and uncertainty surrounding federal tax incentives and property taxes. The Board should evaluate the revised rates against anticipated PG&E electric costs, expected long-term savings, and the potential consequences of delaying or canceling the projects.

FISCAL IMPACT

Linneman rates increase from $0.1175/kWh to between $0.1300 and $0.1636/kWh depending on final conditions. The Office Project rate increases to $0.1242/kWh.

RECOMMENDED BOARD ACTION

Approve the proposed amendments to the Linneman and District Office Solar Energy Service Agreements and authorize the General Manager to execute the agreements and related documents.

Upgrades, Scope and/or Schedule Change Acknowledgment

This Acknowledgment is made in accordance with Section 11 of the Special Conditions, as defined in that Energy Service Agreement – Solar between Panoche Water District ("Purchaser") and FFP BTM Solar, LLC ("Provider"), dated June 20, 2023 (the "Agreement") for the Panoche Water District – Linneman Project located at 11000-11140 N. Russell Ave., Firebaugh, CA 93622. Upon execution by both Purchaser and Provider, this Acknowledgment shall be effective as of ____________, 2026 (the "Acknowledgment Effective Date").

1. Type of Change:

   ☐ Distribution Upgrades (ITC Eligible)
   ☐ Scope Changes (ITC Eligible)
   ☒ Scope Changes (Non-ITC Eligible)
   ☐ Day for Day Extension
   ☒ Extension for Good Cause
   ☐ Other:

2. Description of Change

   Increase in kWh rate to account for possible loss of ITC Low Income Community Bonus (LICB), potential levying of property taxes on the System, and additional security costs due to increased copper wire theft risk in the area. Extension based on utility upgrade delays impacting the Guaranteed Commercial Operation Date.

   Rate 1, with accompanying termination values table, applies in the in scenario where LICB is awarded and the System is exempt from property taxes. Rate 1 reflects an increase for security costs related to copper wire theft risk, with no rate increase for loss of LICB or assessed property taxes.Rate 2, with accompanying termination values table, applies in the scenario where LICB is awarded and property taxes are assessed on the System. Rate 2 reflects an increase for security costs related to copper wire theft risk and assessed property taxes, with no rate increase for loss of LICB.

   Rate 3, with accompanying termination values table, in scenario that LICB is not awarded and the System is exempt from property taxes. Rate reflects increase for security costs related to copper wire theft risk and possible loss of LICB, with no rate increase for assessed property taxes.

   Rate 4, with accompanying termination values table, applies in the scenario where LICB is not awarded and property taxes are assessed on the System. Rate 4 reflects an increase for security costs related to copper wire theft risk, loss of LICB and assessed property taxes.

Description	Current PPA Rate	Total PPA Increase	New PPA
Rate 1: LICB awarded and property taxes exempt.	$0.1175	$0.0125	$0.1300
Rate 2: LICB awarded and property taxes assessed.	$0.1175	$0.0253	$0.1428
Rate 3: LICB not awarded and property taxes exempt.	$0.1175	$0.0333	$0.1508
Rate 4: LICB not awarded and property taxes assessed.	$0.1175	$0.0461	$0.1636

3. kWh Rate and Early Termination Fee.

a. **Rate 1**: LICB awarded and property taxes exempt.

b. PPA Rate Table

Term Year	kWh Rate ($/kWh)	Term Year	$/kWh Rate ($/kWh)
1	$0.1300	11	$0.1300
2	$0.1300	12	$0.1300
3	$0.1300	13	$0.1300
4	$0.1300	14	$0.1300
5	$0.1300	15	$0.1300
6	$0.1300	16	$0.1300
7	$0.1300	17	$0.1300
8	$0.1300	18	$0.1300
9	$0.1300	19	$0.1300
10	$0.1300	20	$0.1300

Early Termination Fees:

Early Termination Occurs in Year:	Column 1 Early Termination Fee where Purchaser does not take Title to the System ($/Wdc including costs of removal)	Purchase Date Occurs on the 91st day following: (Each "Anniversary" below shall refer to the anniversary of the Commercial Operation Date)	Column 2 Early Termination Fee where Purchaser takes Title to the System ($/Wdc, does not include costs of removal)
Year 1	$5.69		--
Year 2	$5.27		--
Year 3	$4.86		--
Year 4	$4.50		--
Year 5	$4.17		--
Year 6	$4.14	5th Anniversary	$3.64
Year 7	$4.10	6th Anniversary	$3.60
Year 8	$4.07	7th Anniversary	$3.57
Year 9	$4.04	8th Anniversary	$3.54
Year 10	$4.01	9th Anniversary	$3.51
Year 11	$3.98	10th Anniversary	$3.48
Year 12	$3.95	11th Anniversary	$3.45
Year 13	$3.92	12th Anniversary	$3.42
Year 14	$3.89	13th Anniversary	$3.39
Year 15	$3.86	14th Anniversary	$3.36
Year 16	$3.83	15th Anniversary	$3.34
Year 17	$3.81	16th Anniversary	$3.31
Year 18	$3.78	17th Anniversary	$3.28
Year 19	$3.75	18th Anniversary	$3.25
Year 20	$3.72	19th Anniversary	$3.22

At Expiration (the end of the Initial Term), the amount in Column 1 shall be deemed to be zero (0).
*Includes Early Termination prior to the Commercial Operation Date.

c. **Rate 2**: LICB awarded and property taxes assessed.

PPA Rate Table

Term Year	kWh Rate ($/kWh)	Term Year	$/kWh Rate ($/kWh)
1	$0.1428	11	$0.1428
2	$0.1428	12	$0.1428
3	$0.1428	13	$0.1428
4	$0.1428	14	$0.1428
5	$0.1428	15	$0.1428
6	$0.1428	16	$0.1428
7	$0.1428	17	$0.1428
8	$0.1428	18	$0.1428
9	$0.1428	19	$0.1428
10	$0.1428	20	$0.1428

Early Termination Fees:

Early Termination Occurs in Year:	Column 1 Early Termination Fee where Purchaser does not take Title to the System ($/Wdc including costs of removal)	Purchase Date Occurs on the 91st day following: (Each "Anniversary" below shall refer to the anniversary of the Commercial Operation Date)	Column 2 Early Termination Fee where Purchaser takes Title to the System ($/Wdc, does not include costs of removal)
Year 1	$5.80		--
Year 2	$5.39		--
Year 3	$5.00		--
Year 4	$4.66		--
Year 5	$4.34		--
Year 6	$4.29	5th Anniversary	$3.79
Year 7	$4.25	6th Anniversary	$3.75
Year 8	$4.20	7th Anniversary	$3.70
Year 9	$4.15	8th Anniversary	$3.65
Year 10	$4.10	9th Anniversary	$3.60
Year 11	$4.06	10th Anniversary	$3.56
Year 12	$4.01	11th Anniversary	$3.51
Year 13	$3.97	12th Anniversary	$3.47
Year 14	$3.92	13th Anniversary	$3.42
Year 15	$3.88	14th Anniversary	$3.38
Year 16	$3.83	15th Anniversary	$3.34
Year 17	$3.79	16th Anniversary	$3.30
Year 18	$3.75	17th Anniversary	$3.25
Year 19	$3.71	18th Anniversary	$3.21
Year 20	$3.66	19th Anniversary	$3.17

At Expiration (the end of the Initial Term), the amount in Column 1 shall be deemed to be zero (0).
*Includes Early Termination prior to the Commercial Operation Date.

d. **Rate 3**: LICB not awarded and property taxes exempt.

PPA Rate Table

Term Year	kWh Rate ($/kWh)	Term Year	$/kWh Rate ($/kWh)
1	$0.1508	11	$0.1508
2	$0.1508	12	$0.1508
3	$0.1508	13	$0.1508
4	$0.1508	14	$0.1508
5	$0.1508	15	$0.1508
6	$0.1508	16	$0.1508
7	$0.1508	17	$0.1508
8	$0.1508	18	$0.1508
9	$0.1508	19	$0.1508

10	$0.1508	20	$0.1508

Early Termination Fees:

Early Termination Occurs in Year:	**Column 1 Early Termination Fee where Purchaser does <u>not</u> take Title to the System ($/Wdc including costs of removal)**	**Purchase Date Occurs on the 91st day following: (Each "Anniversary" below shall refer to the anniversary of the Commercial Operation Date)**	**Column 2 Early Termination Fee where Purchaser takes Title to the System ($/Wdc, does <u>not</u> include costs of removal)**
Year 1	$5.99		--
Year 2	$5.63		--
Year 3	$5.28		--
Year 4	$4.99		--
Year 5	$4.72		--
Year 6	$4.68	5th Anniversary	$4.18
Year 7	$4.63	6th Anniversary	$4.13
Year 8	$4.59	7th Anniversary	$4.09
Year 9	$4.54	8th Anniversary	$4.04
Year 10	$4.50	9th Anniversary	$4.00
Year 11	$4.46	10th Anniversary	$3.96
Year 12	$4.41	11th Anniversary	$3.92
Year 13	$4.37	12th Anniversary	$3.87
Year 14	$4.33	13th Anniversary	$3.83
Year 15	$4.29	14th Anniversary	$3.79
Year 16	$4.25	15th Anniversary	$3.75
Year 17	$4.21	16th Anniversary	$3.71
Year 18	$4.17	17th Anniversary	$3.67
Year 19	$4.13	18th Anniversary	$3.63
Year 20	$4.09	19th Anniversary	$3.59

At Expiration (the end of the Initial Term), the amount in Column 1 shall be deemed to be zero (0).
*Includes Early Termination prior to the Commercial Operation Date.

e. <u>**Rate 4:** LICB not awarded and property taxes assessed.</u>

<u>PPA Rate Table</u>

Term Year	**kWh Rate ($/kWh)**	**Term Year**	**$/kWh Rate ($/kWh)**
1	$0.1636	11	$0.1636
2	$0.1636	12	$0.1636
3	$0.1636	13	$0.1636
4	$0.1636	14	$0.1636
5	$0.1636	15	$0.1636
6	$0.1636	16	$0.1636
7	$0.1636	17	$0.1636
8	$0.1636	18	$0.1636
9	$0.1636	19	$0.1636
10	$0.1636	20	$0.1636

Early Termination Fees:

Early Termination Occurs in Year:	Column 1 Early Termination Fee where Purchaser does not take Title to the System ($/Wdc including costs of removal)	Purchase Date Occurs on the 91st day following: (Each "Anniversary" below shall refer to the anniversary of the Commercial Operation Date)	Column 2 Early Termination Fee where Purchaser takes Title to the System ($/Wdc, does not include costs of removal)
Year 1	$6.10		--
Year 2	$5.75		--
Year 3	$5.42		--
Year 4	$5.15		--
Year 5	$4.90		--
Year 6	$4.84	5th Anniversary	$4.34
Year 7	$4.77	6th Anniversary	$4.27
Year 8	$4.71	7th Anniversary	$4.21
Year 9	$4.65	8th Anniversary	$4.15
Year 10	$4.59	9th Anniversary	$4.09
Year 11	$4.53	10th Anniversary	$4.04
Year 12	$4.48	11th Anniversary	$3.98
Year 13	$4.42	12th Anniversary	$3.92
Year 14	$4.36	13th Anniversary	$3.87
Year 15	$4.31	14th Anniversary	$3.81
Year 16	$4.25	15th Anniversary	$3.76
Year 17	$4.20	16th Anniversary	$3.70
Year 18	$4.14	17th Anniversary	$3.65
Year 19	$4.09	18th Anniversary	$3.60
Year 20	$4.04	19th Anniversary	$3.55

At Expiration (the end of the Initial Term), the amount in Column 1 shall be deemed to be zero (0).
*Includes Early Termination prior to the Commercial Operation Date.

4. Updated Guaranteed Construction Start Date and Guaranteed Commercial Operation Date

The Parties hereby agree that the Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date as defined in the Agreement are updated as follows:

Guaranteed Construction Start Date:	the later of (i) sixty (60) days following execution of this Agreement, or (ii) September 30, 2026
Guaranteed Commercial Operation Date:	the later of (i) Permission to Operate from the Local Electric Utility plus 90 days, or (ii) December 22, 2026

5. As of the Acknowledgment Effective Date, the applicable kWh rate shall be Rate 4, $0.1636/kWh, unless and until Provider confirms in writing that Rate 1, Rate 2 or Rate 3 applies based on the final determination of LICB award status and property tax assessment status for the System.

6. If Provider determines that LICB has been awarded or that property taxes will not be assessed on the System, Provider shall provide Purchaser with written confirmation of the applicable rate and corresponding early termination fee table. Upon delivery of such written confirmation, the applicable kWh rate and early termination fee table shall be the rate and table identified in such confirmation, effective as of the date stated in Provider's written confirmation.

The Parties hereby acknowledge and confirm the terms set forth herein as of the Acknowledgment Effective Date.

Panoche Water District	FFP BTM Solar, LLC
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________

Upgrades, Scope and/or Schedule Change Acknowledgment

This Acknowledgment is made in accordance with Section 11 of the Special Conditions, as defined in that Energy Service Agreement – Solar, between Panoche Water District ("Purchaser") and FFP Fund IX P1 ProjectCo1, LLC, as successor-in-interest to FFP BTM Solar, LLC ("Provider"), dated September 30, 2022 (the "Agreement") for the Panoche Water District- Water District Office Lot located at 52027 Althea Ave, Firebaugh, CA 93622. Upon execution by both Purchaser and Provider, this Acknowledgment shall be effective as of , 2026 (the "Acknowledgment Effective Date").

1. Type of Change:

- ☐ Distribution Upgrades (ITC Eligible)
- ☐ Scope Changes (ITC Eligible)
- ☒ Scope Changes (Non-ITC Eligible)
- ☐ Day for Day Extension
- ☒ Extension for Good Cause
- ☐ Other:

2. Description of Change
Increase in kWh rate to account for costs in security due to increasing copper wire theft risk in the area. Extension based on permitting delays impacting the guaranteed construction start date and utility upgrade delays impacting the guaranteed commercial operation date.

3. kWh Rate and Early Termination Fee

PPA Rate 1 Table

Term Year	kWh Rate ($/kWh)	Term Year	$/kWh Rate ($/kWh)
1	$0.1242	11	$0.1242
2	$0.1242	12	$0.1242
3	$0.1242	13	$0.1242
4	$0.1242	14	$0.1242
5	$0.1242	15	$0.1242
6	$0.1242	16	$0.1242
7	$0.1242	17	$0.1242
8	$0.1242	18	$0.1242
9	$0.1242	19	$0.1242
10	$0.1242	20	$0.1242

Rate 1 Early Termination Fees:

Early Termination Occurs in Year:	**Column 1 Early Termination Fee where Purchaser does <u>not</u> take Title to the System ($/Wdc including costs of removal)**	**Purchase Date Occurs on the 91st day following: (Each "Anniversary" below shall refer to the anniversary of the Commercial Operation Date)**	**Column 2 Early Termination Fee where Purchaser takes Title to the System ($/Wdc, does <u>not</u> include costs of removal)**
Year 1	$5.40		--
Year 2	$4.84		--
Year 3	$4.43		--
Year 4	$4.08		--
Year 5	$3.73		--
Year 6	$3.70	5th Anniversary	$3.20
Year 7	$3.67	6th Anniversary	$3.17
Year 8	$3.65	7th Anniversary	$3.15
Year 9	$3.62	8th Anniversary	$3.12
Year 10	$3.59	9th Anniversary	$3.09
Year 11	$3.56	10th Anniversary	$3.06
Year 12	$3.53	11th Anniversary	$3.03
Year 13	$3.51	12th Anniversary	$3.01
Year 14	$3.48	13th Anniversary	$2.98
Year 15	$3.45	14th Anniversary	$2.95
Year 16	$3.42	15th Anniversary	$2.93
Year 17	$3.40	16th Anniversary	$2.90
Year 18	$3.37	17th Anniversary	$2.87
Year 19	$3.34	18th Anniversary	$2.85
Year 20	$3.32	19th Anniversary	$2.82

At Expiration (the end of the Initial Term), the amount in Column 1 shall be deemed to be zero (0).
*Includes Early Termination prior to the Commercial Operation Date.

The Parties hereby acknowledge and confirm the terms set forth herein as of the Acknowledgment Effective Date.

Panoche Water District

By: ______________________
Name: ______________________
Title: ______________________

FFP Fund IX P1 ProjectCo1, LLC

By: ______________________
Name: ______________________
Title: ______________________

PANOCHE WATER DISTRICT
RESOLUTION NO. 860-26

RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF 5-YEAR CONTRACT BETWEEN THE UNITED STATES AND PANOCHE WATER DISTRICT PROVIDING FOR STORAGE AND CONVEYANCE OF YUBA ACCORD NON-PROJECT WATER, PURSUANT TO WARREN ACT, AND AUTHORIZING OTHER ACTIONS RELATED THERETO

RECITALS

WHEREAS, since approximately 1990, the Panoche Water District (the "District") has suffered chronic shortages in the water supply available from the Central Valley Project ("CVP") to the District pursuant to its water service contract with the United States.

WHEREAS, the District's CVP contract supply is a supplemental supply, providing up to 94,000 acre-feet for irrigation at full contract quantity, which is an inadequate supply for many crops.

WHEREAS, Reclamation's current allocation to south-of-Delta CVP water service contractors for irrigation for the water year commencing March 1, 2026, is 15%; to date significant regulatory constraints on CVP operations affecting the water supply available to the District are expected to continue; and therefore, the District's water service contract allocation for irrigation is not expected to reach the full contract quantity.

WHEREAS, the District anticipates that hydrologic and/or regulatory constraints are likely to continue and that the District is not likely receive its full contract quantity at any time during the next five years.

WHEREAS, that certain Temporary Contract Between the United States and Panoche Water District Providing for Storage and/or Conveyance of Yuba Accord Non-Project Water, Contract No. 26-WC-20-6400, of up to 5,440 acre-feet of water.

WHEREAS, Reclamation has indicated it will enter into new 5-year Warren Act Contract for 2026-2031 under substantially similar terms and conditions as the 2018-2023 Warren Act Contract.

WHEREAS, the District's action in negotiating and executing the 2026-2031 Warren Act Contract will allow for conveyance of Yuba Accord non-project water in federal facilities when and if such water is developed or acquired by the District to help offset shortages in District supplies.

WHEREAS, the District has policies in place to discourage the production of drain water, to manage subsurface drainage, and to promote the efficient use of water to meet crop demand within the District, such that use of water transferred into the District will not increase drainage production, degrade existing groundwater, cause the conversion of lands not previously farmed or increase the supply of water utilized within the District above the District's historic crop demand.

WHEREAS, Reclamation's policy requires the District to reimburse certain costs incurred by Reclamation at the request of the District, such as costs associated with development and administration of Warren Act contracts.

WHEREAS, the Board of Directors of the District has previously considered the standard form of Letter Agreement historically required by Reclamation ("Letter Agreement"), the terms of which provide for the District to reimburse Reclamation for costs associated with the analysis, development and administration of Warren Act contract requests made by the District, including the Warren Act contract mentioned hereinabove.

WHEREAS, entry into the 2026-2031 Warren Act contract for purposes of stabilizing the water supply available under the District's CVP contract will benefit the United States, State of California, Merced and Fresno Counties, and the farmers, farmworkers, and communities supported by the District's continued operation of existing facilities with no expansion of use.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. The Board of Directors of the District hereby specifically finds and declares that the statements, findings, and determinations of the District set forth in the preambles above are true and correct.

2. The General Manager (the "Authorized Representative") is hereby authorized to execute and deliver a 2026-2031 Warren Act Contract in substantially the form of Contract No. 16-WC-20- 6400, subject to such further revisions, omissions and deletions as the General Manager may require prior to execution, said execution providing conclusive proof of the approval of said executing officers.

3. If required by Reclamation, the General Manager is hereby authorized to execute and deliver a Letter Agreement on substantially similar terms historically presented by Reclamation to the District, subject to such revisions, omissions and deletions as the General Manager may require prior to execution, said execution providing conclusive proof of the approval of said executing officers.

4. Should Reclamation require any specific language or additional information to be set forth in the Resolution authorizing execution of the 2026-31 Warren Act Contract, such language and information is deemed incorporated here as though fully set forth, with the requirement of amendment or re-adoption of this Resolution.

5. The General Manager, or any staff member of the District authorized by the General Manager, are hereby authorized to do any and all things and to execute and deliver any and all documents, which they may deem necessary or advisable in order to give effect to and comply with the terms and intent of this Resolution, the 2026-2031 Warren Act Contract and the Letter Agreement or any successors or amendments thereto.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Panoche Water District at a regular meeting regular meeting thereof held on the 14th of July, 2026, by the following vote:

Ayes:
Nays:
Abstain:
Absent:

____
Aaron Barcellos, President
Panoche Water District

Attest __________________________________
Steve Fausone, Secretary
Panoche Water District

CERTIFICATE OF SECRETARY
OF
PANOCHE WATER DISTRICT
A California Water District

I, Steve Fausone, do hereby certify that I am the duly authorized and appointed Secretary of the Panoche Water District, a California Water District (the "District"); that the following is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District on the 14^{th} day of July, 2026; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this 14^{th} day of July, 2026.

____
Steve Fausone
Secretary of Panoche Water District

PANOCHE WATER DISTRICT				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 6/9/2026 THRU 7/14/2026				
		MECHANICS O & M CHECKING # 8566		
DATE	CHECK NUMBER	NAME	CHECK AMOUNT	MEMO
6/10/2026	43543	CORELOGIC INFORMATION SOLUTION	$ 220.42	APN RESEARCH APRIL 2026
6/10/2026	43544	GILTON SOLID WASTE INC.	$ 847.18	DISTRICT WASTE MAY 2026
6/10/2026	43545	MCGUIRE BOTTLED WATER	$ 156.25	DRINKING WATER MAY 2026
6/10/2026	43546	WESTSIDE WATER	$ 4,422.05	DROUGHT REPORT, BACTERIA REPORT, CHEMICAL TESTS & WEEKLY SERVICE
6/25/2026	43547	AAA WORKSPACE	$ 172.26	COPY PAPER
6/25/2026	43548	AMAZON CAPITAL SERVICES	$ 441.22	OFFICE & DISTRICT SUPPLIES JUNE 26
6/25/2026	43549	BEDROCK ENGINEERING	$ 7,093.25	CONTOUR CANAL LINING
6/25/2026	43550	BCT CONSULTING	$ 2,901.72	JUNE 2026 IT SERVICES, PHONE SERVICES, REPAIRS TO PATRICK'S COMPUTER & OVERNIGHT SHIPPING FOR LAPTOP LOANER
6/25/2026	43551	BELKORP AG LLC	$ 963.98	REPAIR & SERVICE # 53
6/25/2026	43552	JUSTIN'S TIRE & AUTO	$ 191.95	REPAIRS & OIL CHANGE # 44 & PARTS FOR # 07A
6/25/2026	43553	BRENNTAG	$ 1,089.42	CHLORINE & DRUM RETURN CREDIT FOR DOMESTIC TREATMENT PLANT
6/25/2026	43554	BRYANT L. JOLLEY	$ 4,000.00	FY26 YEAR END WORK
6/25/2026	43555	FIREBAUGH CANAL WATER DISTRICT	$ 429,834.68	MARCH, APRIL & MAY 26 BASIC WELL WATER 919 AF @ $ 467.72
6/25/2026	43556	HOME DEPOT CREDIT SERVICES	$ 1,056.53	WATER DISPENSER, SAFETY SUPPLIES, BACKER BOARD FOR LATERAL # 2 & # 3, PAINT SUPPLIES FOR PUMP STATIONS, CHEMICAL SUPPLIES & DISTRICT SUPPLIES
6/25/2026	43557	ARNOLD JORGE	$ 119.62	BOOT REIMBURSEMENT
6/25/2026	43558	LES SCHWAB TIRES	$ 488.46	TIRES FOR # 67T
6/25/2026	43559	MCELVANY INC.	$ 76,835.99	CONTOUR CANAL LINING PROJECT
6/25/2026	43560	NAPA AUTO PARTS	$ 142.55	BATTERY FOR # 55
6/25/2026	43561	PACIFIC GAS & ELECTRIC	$ 82.45	SOLAR ELECTRICAL POWER JUNE 26
6/25/2026	43562	SAFETY COMPLIANCE COMPANY	$ 1,100.00	SAFETY MEETING - CHEMICAL SPILLS, ELECTRICAL SAFETY, CRANE REVIEW, HEAT ILLNESS & WILDFIRE SMOKE
6/25/2026	43563	SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT	$ 46.00	26/27 ANNUAL PERMITS TO OPERATE GASOLINE DISPENSING OPERATION
6/25/2026	43564	SAN LUIS CANAL COMPANY	$ 112,633.85	WATER TRANSFER -ESC 1,085 AF @ $ 103.81
6/25/2026	43565	SGS NORTH AMERICA INC	$ 1,245.00	WATER SAMPLES
6/25/2026	43566	SUMMERS ENGINEERING INC.	$ 9,725.52	WATER TREATMENT PLANT, ADMINISTRATION & MODERNIZATION ANALYSIS
6/25/2026	43567	SUMMERS ENGINEERING INC.	$ 922.50	CONTOUR CANAL LINING PROJECT
6/25/2026	43568	SYNTRIO, INC.	$ 382.62	26/27 COMPLIANCE HOT LINE
6/25/2026	43569	TORO PETROLEUM CORPORATION	$ 2,653.48	495 GALLONS @ $ 5.36
6/25/2026	43570	VALLEY BUSINESS CENTER	$ 223.99	(2) COPIER CONTRACTS MAY 2026
6/25/2026	43571	WATER RECLAMATION EQUIPMENT	$ 45,715.31	PULL ELEVATOR SCREEN FOR REPAIRS STA 6E, PULL MOTOR FOR REPAIRS RL#1, CHECK LIQUID LEVEL SENSORS KODA LIFT-2, CHECK ELECTRICAL # 6W, REPLACE ELECTRODES STA # T-6, STEEL PIPES FOR STA # 4 PUMP # 3, REPAIR PIPE FOR DOMESTIC PLANT, SUMP PUMP & CLEAR BRAIDED HOSE FOR TRUCK # 3
6/25/2026	43572	WINDECKER INC.	$ 6,475.42	1,350 GALLONS UNLEADED @ $ 4.80
6/25/2026	43573	YOUNG'S AIR CONDITIONING	$ 96.00	REPAIR CONFERENCE ROOM AIR CONDITIONING
7/14/2026	43574	ACWA	$ 18,062.20	2ND QTR 26 WORKERS COMPENSATION
7/14/2026	43575	ACWA	$ 38,838.45	AUGUST 26 INSURANCE - HEALTH $ 36,373.46, DENTAL $ 2,050.24, VISION $ 334.08 & LIFE $ 80.67
7/14/2026	43576	AARON BARCELLOS	$ 500.00	BOARD STIPEND JUNE 2026
7/14/2026	43577	BCT CONSULTING	$ 2,716.20	JULY 26 IT SERVICES & TELEPHONE
7/14/2026	43578	BELKORP AG LLC	$ 3,261.12	REPAIR & SERVICE # 52
7/14/2026	43579	JUSTIN'S TIRE & AUTO	$ 367.41	OIL CHANGES # 40 & # 38 AND PART FOR # 07A
7/14/2026	43580	NEILL CALLIS	$ 500.00	BOARD STIPEND JUNE 2026
4/26/2019	43581	CLARK'S PEST CONTROL	$ 744.00	DISTRICT HOUSE & SHOP PEST CONTROL
7/14/2026	43582	BEAU CORREIA	$ 500.00	BOARD STIPEND JUNE 2026
7/14/2026	43583	DATCO SERVICE CORPORATION	$ 112.20	3RD QTR 26 DRUG TESTING SERVICE
7/14/2026	43584	EASTSIDE CANAL & IRRIGATION	$ 923,422.50	1,287 AF WATER @ $ 717.50
7/14/2026	43585	ELECTRIC DRIVES	$ 750.00	CHECK ELECTRICAL STA # 2
7/14/2026	43586	STEVE FAUSONE	$ 500.00	BOARD STIPEND JUNE 2026
7/14/2026	43587	FIREBAUGH CANAL WATER DISTRICT	$ 751,097.80	JUNE 2026 BASIC WELL WATER(CONSERVED) 650 AF @ $ 650, (FALLOW WATER TO PWD) 63 AF @ $ 650 & DRAINAGE PROGRAM 3K 615 AF @ $ 467.72
7/14/2026	43588	CORELOGIC INFORMATION SOLUTION	$ 440.84	APN RESEARCH MAY & JUNE 2026

DATE	CHECK NUMBER	NAME	CHECK AMOUNT	MEMO
7/14/2026	43589	GILTON SOLID WASTE INC.	$ 847.18	WASTE SERVICE JUNE 2026
7/14/2026	43590	HOFFMAN SECURITY	$ 548.40	DISTRICT SECURITY & INSTALL COMMERCIAL ALARM SYSTEM
7/14/2026	43591	HOLT OF CALIFORNIA	$ 770.62	REPAIR # 23
7/14/2026	43592	MARFAB	$ 382.25	OVERLOAD SIGN & DISTRICT SUPPLIES
7/14/2026	43593	JOSUE MARQUES	$ 35.36	REIMBURSE SAFETY MEETING SUPPLIES
7/14/2026	43594	DIANA MOSES	$ 31.90	MILEAGE REIMBURSEMENT
7/14/2026	43595	PACIFIC GAS & ELECTRIC	$ 237,754.92	ELECTRICAL POWER JUNE 2026
7/14/2026	43596	SAN LUIS CANAL COMPANY	$ 133,644.99	WATER TRANSFER - ESC 1,287.4 AF @ $ 103.81
7/14/2026	43597	SGS NORTH AMERICA INC	$ 130.00	HAMMONDS WATER SAMPLES (REBILL)
7/14/2026	43598	STOCKING & COZZI INSURANCE	$ 851.00	ERISSA BOND
7/14/2026	43599	THARP'S FARM SUPPLY	$ 444.08	BEARINGS - TRAVELING SCREEN # 6E
7/14/2026	43600	UNWIRED BROADBAND, INC.	$ 359.99	INTERNET SERVICES JULY 26
7/14/2026	43601	VERIZON WIRELESS	$ 863.76	CELL PHONES JUNE 26
7/14/2026	43602	VERIZON CONNECT	$ 290.12	GPS SERVICE JUNE 26
7/14/2026	43603	WATER RECLAMATION EQUIPMENT	$ 22,746.97	ADJUST PACKING GLAND RECIRCULATION # 2, PULL PUMP & MOTOR # 13E, PULL ELECTRICAL & ADJUST SHAFT OLD STATION # 1 WEST PUMP, COMPRESSION COUPLING DOMESTIC PLANT, INSTALL NEW SOFT PUMP STA # 4 PUMP # 3, REPLACE ELECTRODES T-4, BOOM TO PULL & CLEAN SIPHON DOMESTIC PLANT & DISTRICT SUPPLIES
7/14/2026	43604	WAYNE WESTERN JR.	$ 500.00	BOARD STIPEND JUNE 2026
7/14/2026	43605	WESTSIDE WATER	$ 10,199.99	BACKFLOW TESTING, RAW LINE REPAIR, AIR COMPRESSOR REPAIR, DROUGHT REPAIR, BACTERIA & CHEMICAL TEST & WEEKLY SERVICE
7/14/2026	43606	VOID CHECK	$ -	VOID
7/14/2026	43607	XEROX FINANCIAL SERVICES	$ 690.91	COPIER LEASE
6/10/2026	W000001120	PURCHASE POWER	$ 300.00	POSTAGE
6/10/2026	W000001121	ISOLVED INC.	$ 102.38	SAGE TIME MAY 2026 SUPPORT
6/12/2026	W000001122	SAN LUIS DELTA MENDOTA WATER AUTHORITY	$ 303,927.84	MAY 26 SLDMWA CONVEYANCE COSTS SLC $250,740.28 & DMC $ 53,187.56
6/12/2026	W000001123	US BUREAU OF RECLAMATION	$ 94,929.61	MAY 26 USBR WATER COSTS SLC $ 75,122.52 & DMC $ 19,807.09
6/15/2026	JE-90	TRANSFER FUNDS FOR PAYROLL	$ 80,000.00	PAYROLL DATED 6/19/2026
6/29/2026	W000001124	WESTAMERICA VISA	$ 1,900.54	SAM ANNUAL REGISTRATION FEE FOR PWD & PDD (REBILL), DISTRICT EMAILS, FUEL FOR # 38 & # 34, WATER STAFF LUNCH, REPLACEMENT PLATES FOR # 67T, REPLACEMENT KEYS FOR FILING CABINETS, FUEL CELL FOR # 52, PARKING FEES FOR ACWA CONFERENCE, MEALS AT ACWA CONFERENCE, MONTHLY ICLOUD STORAGE & MONTHLY CHAT GPT
6/30/2026	JE-97	TRANSFER FUNDS FOR PAYROLL	$ 70,000.00	PAYROLL DATED 7/2/2026
		TOTAL	**$ 3,416,345.20**	

		MECHANICS PAYROLL CHECKING # 7895		
DATE	CHECK NUMBER	NAME	AMOUNT	MEMO
6/4/2026	3521	FRANCHISE TAX BOARD	$ 419.77	EMPLOYEE WAGE GARNISHMENT
6/4/2026	PR-1568	NET PAYROLL	$ 47,196.69	PAYROLL DATED 6/5/2026
6/5/2026	JE-77	EMPLOYMENT DEVELOPMENT DEPARTMENT	$ 2,904.31	STATE PAYROLL TAX DEPOSIT
6/5/2026	JE-78	INTERNAL REVENUE SERVICE	$ 15,526.85	FEDERAL PAYROLL TAX DEPOSIT
6/5/2026	JE-79	JOHN HANCOCK	$ 8,311.99	401K RETIREMENT
6/17/2026	3524	FRANCHISE TAX BOARD	$ 401.03	EMPLOYEE WAGE GARNISHMENT
6/17/2026	JE-92	EMPLOYMENT DEVELOPMENT DEPARTMENT	$ 3,108.61	STATE PAYROLL TAX DEPOSIT
6/17/2026	JE-93	INTERNAL REVENUE SERVICE	$ 16,220.50	FEDERAL PAYROLL TAX DEPOSIT
6/17/2026	JE-94	JOHN HANCOCK	$ 8,590.57	401K RETIREMENT
6/17/2026	PR-1569	NET PAYROLL	$ 46,630.64	PAYROLL DATED 6/18/2026
6/18/2026	3525	PRINCIPAL LIFE INSURANCE COMPANY	$ 620.68	EMPLOYEE PAID INSURANCE JULY 2026
7/1/2026	PR-1570	NET PAYROLL	$ 50,193.06	PAYROLL DATED 7/2/2026
7/2/2026	JE-101	EMPLOYMENT DEVELOPMENT DEPARTMENT	$ 3,057.65	STATE PAYROLL TAX DEPOSIT
7/2/2026	JE-102	INTERNAL REVENUE SERVICE	$ 16,223.10	FEDERAL PAYROLL TAX DEPOSIT
7/2/2026	JE-103	JOHN HANCOCK	$ 8,791.68	401K RETIREMENT
		TOTAL	**$ 228,197.13**	

PANOCHE WATER DISTRICT
TREASURER'S MONTHLY FINANCIAL REPORT
BALANCE SHEET-CURRENT ASSETS & LIABILITIES

	APRIL INTEREST RATE	MAY INTEREST RATE	JUNE INTEREST RATE	June 30, 2026	May 31, 2026
CURRENT LIABILITIES					
ACCOUNTS PAYABLE				$1,038,475	$232,642
TOTAL CURRENT LIABILITIES				**$1,038,475**	**$232,642**
CASH AND INVESTMENT ACCOUNTS					
MECHANICS BANK O&M CHECKING				$72,070	$20,159
MECHANICS BANK PAYROLL CHECKING				$84,475	$4,366
MECHANICS BANK MONEY MARKET	3.85%	3.85%	3.85%	$20,237,704	$8,880,677
MECHANICS BANK CONTRACTUAL OBLIGATION FUND MM (OVERCOLLECTION)	3.85%	3.85%	3.85%	$2,952,531	$2,872,986
LAIF	3.81%	3.81%	3.81%	$313,018	$313,018
2021 REVENUE BONDS - LAIF RESTRICTED (RATE STABILIZATION FUND)	3.81%	3.81%	3.81%	$1,244,881	$1,244,881
TOTAL CASH AND INVESTMENTS				**$24,904,679**	**$13,336,086**
ACCOUNTS RECEIVABLES					
WATER				$1,012,627	$5,820,076
GROUNDWATER MANAGEMENT FEE				-	-
DELINQUENT ACCOUNT CHARGES				$72,709	$6,861
OTHER				$8,121	-
GBA NOTE RECEIVABLE (5 YEARS @ 1.75%)				$160,674	$180,627
PDD NOTE RECEIVABLE (1/2 AR) $ 716,521 (5 YEARS @ 3.00%)				$95,926	$107,783
CASH ADVANCE - PROP 84					$7,577,083
TOTAL ACCOUNTS RECEIVABLES				**$1,350,057**	**$13,692,430**
TOTAL CURRENT UNAUDITED ASSETS				**$26,254,736**	**$27,028,516**
NET CURRENT UNAUDITED ASSETS (NET CASH POSITION)				**$25,216,261**	**$26,795,874**

Account Number/Description		Beginning Balance	Debit	Credit	Net Change	Ending Balance
13112-000						
MECHANIC CKNG #******8566		1,452,889.79	24640311.04	26021131.01	1,380,819.97-	72,069.82
13132-000						
MECHANIC MM # 2305		42,211.25	21346354.16	1,150,861.68	20195492.48	20237703.73
13412-000						
MECHANIC PR#******7895		16,069.82	662,944.61	594,539.33	68,405.28	84,475.10
13465-000						
2021 REVENUE BONDS - LAIF		1,232,800.10	12,080.93	0.00	12,080.93	1,244,881.03
13470-000						
CONTRACTUAL OBLIGTION FUND #9745		2,190,517.09	762,014.35	0.00	762,014.35	2,952,531.44
13520-000						
LOCAL AGENCY INVESTMENT FD		9,446,756.60	2,495,261.43	11629000.00	9,133,738.57-	313,018.03
	Report Total:	14381244.65	49918966.52	39395532.02	10523434.50	24904679.15

INTER-DISTRICT ACCOUNT RECONCILLIATION
NON-AUDITED
6.30.2026

PWD	
PANOCHE WATER DISTRICT ACCOUNTS/NOTES RECEIVABLE	
GBA NOTE RECEIVABLE (1.75% INTEREST OVER 5 YEARS)	$ 654,090
PANOCHE DRAINAGE DISTRICT OUTSTANDING INVOICES (AR)	$ 704,845
PANOCHE DRAINAGE DISTRICT NOTE RECEIVABLE FOR 1/2 OUTSTANDING INVOICES (3.00% INTEREST OVER 5 YEARS)	$ 395,475
PROP 84 CASH ADVANCES	$ -
Balance	**$ 1,754,409**

PWD/PROP 218 FUNDING STATUS	
FRESNO/MERCED COUNTIES - 2021 CVP BOND	
FUNDS FOR 2025-2026 (APPROXIMATE FIGURE)	$ 1,428,083
PAYMENTS FOR 2025-2026	$ 936,378
Overcollection For Bond 2025-2026	**$ 491,705**
ESTIMATED BOND ASSESSMENT REFUND 22/23	**$ 495,000**
ESTIMATED BOND ASSESSMENT REFUND 23/24	**$ 505,264**

PWD/USBR SMART WATER GRANT	
CONTOUR CANAL	
GRANT FUNDS ANTICIPATED TO BE RECEIVED FOR THE PROJECT	$ 1,887,823
PWD RESERVE FUNDS TO BE USED FOR PROJECT	$ 1,942,677
Total Cost	**$ 3,830,500**
TOTAL PWD RESERVE FUNDS USED TO DATE	**$ 1,942,677**
TOTAL GRANT FUNDS RECEIVED TO DATE	$ -

PDD	
PANOCHE DRAINAGE DISTRICT ACCOUNTS/NOTES PAYABLE	
PANOCHE DRAINAGE DISTRICT OUTSTANDING INVOICES (AP)	$ 704,845
PANOCHE DRAINAGE DISTRICT NOTE PAYABLE FOR 1/2 OUTSTANDING INVOICES (3.00% INTEREST OVER 5 YEARS)	$ 395,475
Balance	**$ 1,100,320**
PDD/PROP 84	
PROP 84 ACCOUNTS PAYABLE	
PANOCHE WATER DISTRICT	$ -
Balance	**$ -**

PDD PROP 84 FUNDING STATUS	
GRANT AMOUNT	**$ 34,162,400**
REQUESTED FUNDS (THRU INVOICE # 35)	**$ 28,646,694**
FUNDS AVAILABLE	**$ 5,515,705**

FP>Finance>Accounts Payable>Board Reports>Breakdown of AR.NR.NP

PANOCHE WATER DISTRICT
FY 2026 - 2027
BUDGET TO ACTUAL
MARCH 1, 2026 - FEBRUARY 28, 2027

	WATER REVENUE	BUDGET	ACTUAL THRU 6.30.2026	% OF BUDGET TO DATE	ESTIMATE TO COMPLETE	ESTIMATED YEAR END 2/28/27	$ DIFFERENCE (OVER)UNDER	ESTIMATED % OF BUDGET REMAINING
1	Supplemental Water	$11,196,810	$10,312,293	92%	$884,517	$884,517	$884,517	8%
2	USBR Rescheduled Water (WY 25-26)	$958,624	$1,005,420	105%	-$46,796	(46,796.00)	($46,796)	-5%
3	CVP Ag Water Contract (Based on 25%)	$3,045,600	$1,116,137	37%	$1,929,463	$1,929,463	$1,929,463	63%
4	Other Revenue	$600,000	$814,172	136%	-$214,172	-$214,172	($214,172)	-36%
5	Reserves - Supplemental Water	$400,000	$400,000	100%	-	-	-	0%
	TOTAL WATER REVENUE	**$16,201,034**	**$13,648,022**	**84%**	**$2,553,012**	**$2,553,012**	**$2,553,012**	**16%**

	WATER EXPENSES	BUDGET	ACTUAL THRU 6.30.2026	% OF BUDGET TO DATE	ESTIMATE TO COMPLETE	ESTIMATED YEAR END 2/28/27	$ DIFFERENCE (OVER)UNDER	ESTIMATED % OF BUDGET REMAINING
6	Supplemental Water	$11,196,810	$1,569,821	14%	$9,626,989	$9,626,989	$9,626,989	86%
7	USBR Rescheduled Water (WY25-26)	$958,624	$996,325	104%	-$37,701	-$37,701	($37,701)	-4%
8	CVP Ag Water Contract (Based on 25%)	$3,045,600	$1,557,417	51%	$1,488,183	$1,488,183	$1,488,183	49%
9	Planning & Engineering	$70,000	$10,637	15%	$59,363	$59,363	$59,363	85%
10	Reserves - Supplemental Water	$400,000	$400,000	100%	-	-	-	0%
	TOTAL WATER EXPENSES	**$15,671,034**	**$4,534,200**	**29%**	**$11,136,834**	**$11,136,834**	**$11,136,834**	**71%**
	NET WATER REVENUE/(DEFICIT)	**$530,000**	**$9,113,822**		**($8,583,822)**	**($8,583,822)**	**($8,583,822)**	

	O & M REVENUE	BUDGET	ACTUAL THRU 6/30/2026	% OF BUDGET TO DATE	ESTIMATE TO COMPLETE	ESTIMATED YEAR END 2/28/27	$ DIFFERENCE (OVER)UNDER	ESTIMATED % OF BUDGET REMAINING
11	Operations & Maintenance	$4,811,078	$1,618,546	34%	$3,192,532	$3,192,532	$3,192,532	66%
12	Labor Reimbursement	$90,000	$31,279	35%	$58,721	$58,721	$58,721	65%
13	Reimbursed Expenses	$230,000	$83,525	36%	$146,475	$146,475	$146,475	64%
14	Domestic Water Treatment Plant	$169,500	$95,381	56%	$74,119	$74,119	$74,119	44%
15	Central Delta-Mendota Region SGMA Fund 65	$22,663	$22,948	101%	-$285	-$285	($285)	-1%
16	SGMA Coordinated Fund 63	$12,771	$12,771	100%	$0	$0	($0)	0%
17	Grant Revenue (Contour Canal)	$1,877,823	-	0%	$1,877,823	$1,877,823	$1,877,823	100%
18	Domestic Plant Reimbursement - Grant	$100,000	-	0%	$100,000	$100,000	$100,000	100%
19	GBA Note Receivable $ 1,201,924 3/1/2024 Less: Interest	$240,311	$79,637	33%	$160,674	$160,674	$160,674	67%
20	PDD Note Receivable $ 716,521.50 2/29/2024 Less: Interest	$143,176	$47,251	33%	$95,925	$95,925	$95,925	67%
21	Reserves - Service Truck w/ Boom	$185,000	$173,865	94%	-	-	-	0%
22	Reserves - Computer Replacements	$17,000	$13,102	77%	$3,898	$3,898	$3,898	23%
23	Reserves - New VFD Station	$65,250	-	0%	$65,250	$65,250	$65,250	100%
24	Reserves - Forefront Power	$80,864	$80,864	100%	-	-	-	0%
25	Reserves - Pumps & Structures Repairs	$250,000	-	0%	$250,000	$250,000	$250,000	100%
	TOTAL O & M REVENUE	**$8,295,436**	**$2,259,169**	**27%**	**$6,025,132**	**$6,025,132**	**$6,036,267**	**73%**

	ADMINISTRATION EXPENSES	BUDGET	ACTUAL THRU 6/30/2026	% OF BUDGET TO DATE	ESTIMATE TO COMPLETE	ESTIMATED YEAR END 2/28/27	$ DIFFERENCE (OVER)UNDER	ESTIMATED % OF BUDGET REMAINING
26	Legal Costs	$75,000	$13,683	18%	$61,317	$61,317	$61,317	82%
27	Salaries and Wages	$666,826	$203,038	30%	$463,788	$463,788	$463,788	70%
28	Employees' Benefits	$210,000	$76,907	37%	$133,093	$133,093	$133,093	63%
29	Payroll Burden	$75,000	$26,130	35%	$48,870	$48,870	$48,870	65%
30	SLDMWA Activity Agreements	$132,105	$66,053	50%	$66,052	$66,052	$66,052	50%
31	SLDMWA DHCCP Bond Payment	$134,291	-	0%	$134,291	$134,291	$134,291	100%
32	Directors' Benefits	$30,000	$10,000	33%	$20,000	$20,000	$20,000	67%
33	Insurance Costs	$103,000	$67,005	65%	$35,995	$35,995	$35,995	35%
34	SWRCB Water Rights Fee	$140,943	-	0%	$140,943	$140,943	$140,943	100%
35	Central Delta-MendotaRegion SGMA Fund 65	$22,663	$11,332	50%	$11,332	$11,332	$11,332	50%
36	SGMA Coordinated Fund 63	$12,771	$6,385	50%	$6,386	$6,386	$6,386	50%
37	Other Supplies & Services	$100,000	$34,494	34%	$65,506	$65,506	$65,506	66%
38	Professional Services	$60,000	$25,994	43%	$34,006	$34,006	$34,006	57%
39	Annual Audits	$42,400	-	0%	$42,400	$42,400	$42,400	100%
40	Communication Costs	$38,500	$21,654	56%	$16,846	$16,846	$16,846	44%
41	Conferences and Training Costs	$22,500	$3,278	15%	$19,222	$19,222	$19,222	85%
42	Utilities	$49,000	$11,415	23%	$37,585	$37,585	$37,585	77%
	TOTAL ADMINISTRATION EXPENSES	**$1,914,999**	**$577,369**	**30%**	**$1,337,630**	**$1,337,630**	**$1,337,630**	**70%**

	OPERATIONS & MAINTENANCE EXPENSES	BUDGET	ACTUAL THRU 6/30/2026	% OF BUDGET TO DATE	ESTIMATE TO COMPLETE	ESTIMATED YEAR END 2/28/27	$ DIFFERENCE (OVER)UNDER	ESTIMATED % OF BUDGET REMAINING
43	Energy Costs	$1,800,000	$592,549	33%	$1,207,451	$1,207,451	$1,207,451	67%
44	Salaries and Wages	$950,000	$298,111	31%	$651,889	$651,889	$651,889	69%
45	Employees' Benefits	$358,000	$112,919	32%	$245,081	$245,081	$245,081	68%
46	Payroll Burden	$132,000	$38,366	29%	$93,634	$93,634	$93,634	71%
47	Reimbursable Expenses	$230,000	$43,859	19%	$186,141	$186,141	$186,141	81%
48	Chemical Application	$193,000	$24,693	13%	$168,307	$168,307	$168,307	87%
49	Domestic Water Treatment Plant	$269,500	$44,867	17%	$224,633	$224,633	$224,633	83%
50	Fuel & Oil costs	$95,000	$31,338	33%	$63,662	$63,662	$63,662	67%
51	Pumps & Structures Repairs	$200,000	$150,265	75%	$49,735	$49,735	$49,735	25%
52	Equipment repairs	$55,000	$17,607	32%	$37,393	$37,393	$37,393	68%
53	Vehicle repairs & Maintenance	$37,000	$5,508	15%	$31,492	$31,492	$31,492	85%
54	Buildings Repairs & Maintenance	$100,000	$6,859	7%	$93,141	$93,141	$93,141	93%
55	Laboratory - Water Testing	$15,000	$4,202	28%	$10,798	$10,798	$10,798	72%
56	Grant Expenses (Contour Canal)	$1,877,823	$86,814	5%	$1,791,009	$1,791,009	$1,791,009	95%
57	Reserves - Service Truck w/ Boom	$185,000	$173,865	94%	-	-	$11,135	6%
58	Reserves - Computer Replacements	$17,000	$13,102	77%	$3,898	$3,898	$3,898	23%
59	Reserves - New VFD Station	$65,250	-	0%	$65,250	$65,250	$65,250	100%
60	Reserves - Forefront Power	$80,864	$80,864	100%	-	-	-	0%
61	Reserves - Pumps & Structures	$250,000	-	0%	$250,000	$250,000	$250,000	100%
	TOTAL OPERATIONS & MAINTENANCE EXPENSES	**$6,910,437**	**$1,725,787**	**25%**	**$5,173,515**	**$5,173,515**	**$5,184,650**	**75%**
	TOTAL EXPENSES	**$8,825,436**	**$2,303,156**		**$6,511,145**	**$6,511,145**	**$6,522,280**	
	NET O & M REVENUE/(DEFICIT)	**-$530,000**	**($43,986)**		**-$486,014**	**-$486,014**	**-$486,014**	
	TOTAL REVENUE/(DEFICIT)		**$9,069,836**					

RESERVES	
Capital Improvement - Service Truck w/ boom	$ 185,000
Capital Improvement - Computer Replacement	$ 17,000
Capital Improvement - New VFD Station	$ 65,250
Reserves - Pumps & Structures	$ 250,000
Reserves - Forefront Power	$ 80,864
Reserves - Balance from 25.26 1/2 Pistachio Fencing	$ 20,937
Reserves - Supplemental Water	$ 400,000
Board Approved 3.10.2026 Subject to Prop 218	$ 1,019,051

Water O & M Rate $ 86.50
Land Based Assessment $ 11.25

PANOCHE WATER DISTRICT 2026/2027	
OTHER REVENUE BREAKDOWN	
EMPLOYEE RENT	$16,520
DELIQUENT CUSTOMER CHARGES	$409
MECHANICS MONEY MARKET INTEREST	$72,859
LAIF INTEREST	$107,342
PDD INTEREST ON LOAN INSTALLMENT PYMTS	$4,250
SALE OF DISTRICT VEHICLES	-
FRONTIER REFUND - CLOSED PHONE ACCOUNT	$231
REFUND DEPT OF PESTICIDE	$180
LATE FEE - RENT	$50
SALE OF METALS - A & S METALS	$525
SETTLEMENT CHECK CINTAS - UNIFORMS	$252
TRUE UP USBR REFUND FOR FY2024 DMC	$144,038
TRUE UP USBR REFUND FOR FY2024 SLC	$417,696
GBA PROP 84 INTEREST ON ADVANCES	$13,668
PROP 218 MONEY MARKET INTEREST	$32,044
GBA INTEREST ON LOAN INSTALLMENT PYMTS	$4,106
TOTAL OTHER REVENUE	**$814,172**

6.30.2026

PROP 218 BOND RECONCILIATION ACT # 13470					
		AMOUNT	AMOUNT		
	AMOUNT	COLLECTED	COLLECTED	TOTAL	OVER
FISCAL YEAR	PAID	1ST INSTALL	2ND INSTALL	COLLECTED	COLLECTED
2021-2022	$ 1,055,820.59	$ 749,561.18	$ 622,392.27	$ 1,371,953.45	$ 316,132.86
2022-2023	$ 931,982.70	$ 720,029.77	$ 722,731.77	$ 1,442,761.54	$ 510,778.84
2023-2024	$ 932,292.26	$ 719,997.07	$ 717,375.26	$ 1,437,372.33	$ 505,080.07
2024-2025	$ 931,902.50	$ 729,934.98	$ 729,954.87	$ 1,459,889.85	$ 527,987.35
2025-2026	$ 273,073.10	$ 729,969.24	$ 729,969.92	$ 1,459,939.16	$ 1,186,866.06
	$ 4,125,071.15			$ 7,171,916.33	$ 3,046,845.18
21/22 OVERCOLLECTION REFUND FRESNO COUNTY					$ 323,556.68
TOTAL OVERCOLLECTION BALANCE					$ 3,046,845.18
MONEY MARKET ACCOUNT BALANCE WITH INTEREST 6.30.2026					**$ 2,952,531.44**

22/23 ESTIMATED BOND OVERCOLLECTION REFUND - IN PROGRESS AT FRESNO COUNTY	**$ 495,000.00**
23/24 ESTIMATED BOND OVERCOLLECTION REFUND	**$ 505,263.65**

2025 - 2026 TAX ASSESSMENT COLLECTIONS & PAYMENTS	
1ST INSTALL TAX ASSESSMENT COLLECTED 2025-2026 12/30/2025	$ 729,969.24
PAYMENT MADE 2/28/2026 2025-2026 (INTEREST ONLY)	$ 273,073.10
2ND INSTALL TAX ASSESSMENT COLLECTON 2025-2026 5/21/2026	$ 660,172.89
PAYMENT DUE 8/31/2026 2025-2026 (INTEREST & PRINCIPAL)	$ 663,305.05
25.26 OVERCOLLECTION (ESTIMATE)	**$ 453,763.98**

ORIGINAL BOND AMOUNT JULY 2021		
2021A BOND	4%	$ 10,290,000
2021B BOND	3.51%	$ 8,110,000
		$ 18,400,000

$224,197.94	INTEREST @ 3.85%
$5,045.00	FUNDS TO START ACCOUNT
$2,723,288.50	OVERCOLLECTION BALANCE
$2,952,531.44	MAY 2026 BALANCE

MONEY MARKET FUND EARNING 3.85% INTEREST

6.30.2026

PANOCHE WATER DISTRICT CASH RESERVE REPORT

BANK ACCOUNT BALANCES THRU 6.30.2026

13112-000		
MECHANIC CKNG #******8566	$	72.069.82
13132-000		
MECHANIC MM # 2305	$	20.237.703.73
13412-000		
MECHANIC PR#******7895	$	84.475.10
13465-000		
2021 REVENUE BONDS - LAIF	$	1.244.881.03
13470-000		
CONTRACTUAL OBLIGTION FUND #9745	$	2.952.531.44
13520-000		
LOCAL AGENCY INVESTMENT FD	$	313.018.03
Report Total:	$	24,904,679.15

EXPECTED EXPENSES FOR 2026 - 2027			
RESERVE BALANCE AVAILABLE	$	20,622,792	
SERVICE TRUCK W/ BOOM	$	-	2024 FORD F550 PICKUP
PUMPS & STRUCTURES	$	250,000	PUMP REHAB
COMPUTER REPLACEMENTS	$	3,926	UPDATE COMPUTERS
NEW VFD STATION	$	65,200	VFD FOR PUMP
FOREFRONT POWER	$	-	SETTLEMENT
PISTACHIO FENCING (FORWARD FROM 25.26)	$	20,937	PISTACHIO FENCING - BALANCE OF 1/2 COST
GRASSLAND BASIN AUTHORITY	$	-	PROP 84 ADVANCE REIMBURSEMENT EXPECTED * (ADDED IN)
WATER REVENUE USED 2026-2027	$	400,000	USED TO OFFSET 2026-27 SUPP'L WATER RATE ($515 TO $500)
WATER REVENUE OVERAGE	$	2,174,666	WATER YEAR 2024 - 2025 (TRACKING PURPOSES ONLY - NEEDS UPDATE)
RESERVE BALANCE AFTER EXPENDITURES	$	19,882,729	

Aaron Barcellos

June 30th, 2026

Review Period 05/07/2026 – 06/04/2026

Statement and documentation made available: 06/29/2026

I have reviewed the credit card documentation for the Westamerica Bank VISA account ending in 8512.

Included in the packet were credit card statement details and supporting documentation. Activity for this time include charges from the following cardholders:

Mr. Patrick McGowan – General Manager

Mr. Juan Cadena – Director of Operations

Mr. Chris Carlucci

All charges reviewed appear to be valid district related expenses complete with supporting documents.

Sincerely,

Aaron Barcellos

PANOCHE WATER DISTRICT
AGED ACCOUNTS RECEIVABLE, BY DUE DATE
As of 6/30/2026

Delinquency Notification Steps

Name	L Day + 1 Month 31-60 Days		L Day + 2 Months 61-90 Days		L Day + 75 Days		L Day + 3 Months Over 90 Days		Total A/R
B & C Farms c/o Raquel Barron	408.81	✓	36.46	✓	36.46	✓	2,601.39	✓	3,083.12
Carbajal, Sylvia	82.84	✓	7.39	✓	7.39	✓	656.55	✓	754.17
Carter, Raymont and Shelley	17.85	✓							17.85
Correia, Beau and Katherine	2,664.75	✓	1,577.00	✓					4,241.75
Crimsonco, LLC	293.70	✓							293.70
Hanna M&M Family Trust	29,523.00	✓							29,523.00
Harvest Point, LLC	19,128.00	✓							19,128.00
Helena Agri Enterprises, LLC	621.60	✓							621.60
KB Family Farm	12,600.00	✓	883.30	✓					13,483.30
Nees Avenue Farms	1,562.40	✓							1,562.40
Total:	**66,902.95**		**2,504.15**		**43.85**		**3,257.94**		**$ 72,708.89**
	Re-Issue Invoice		Re-Issue Invoice		Re-Issue Invoice		Re-Issue Invoice		
	Send Copy of Policy		Send Copy of Policy		Send Copy of Policy		Send Copy of Policy		
			Notify Owner & Wtr User		Notify Owner & Wtr User		Notify Owner & Wtr User		
			Deny New Wtr Orders		Deny New Wtr Orders		Deny New Wtr Orders		
			GM to call		GM to call		GM to call		
					15 Day Notice to Service		15 Day Notice to Service		
					Assign 1.5% Interest		Assign 1.5% Interest		
							Discontinue Wtr Service		
							May Discontinue Drainage		
							May Lien Property		

NOTES:

B&C Farms / Mailed letter / Invoice/ Statement - Along with a copy of the delinquency policy to Daughter 7/7/2025 / Realtor contacted me 8/4/25 / Still Continuing to send statements & billings. 10/31 Sent Certified Letter - Have not heard back / Mailed Statement 1/5/26 & 2/4 & 3/4 & 4/6 & 5/6 & 6/2 & 7/7

Carbajal / Mailed out Letter along with a copy of the delinquency policy 7/7/ & 8/5 & 9/2 & 9/30 & 10/31 / Still Continuing to send statements & billings Sent Certified Letter - Have not head back. / Mailed Statement 1/5/26 & 2/4 & 3/4 & 4/6 & 5/6 & 6/2 & 7/7

Carter / Called and left a message / Also mailled out a past due statement 7/7

Correia/KB Family / E-mailed Statement 4/6/26 & 5/6/2026 / Sent e-mail along with delinquency policy 6/2/26 / Provided copies at board meeting 7/14

Crimsonco called me on 7/5 / I e-mailed a copy of PWD's statement over

Hanna/Harvest Point / The amounts owed are the Allocation Deposit USBR Water Cost Billings / Phoned to say would be using water, but hasn't yet

Helena Agri Enterprises / I e-mailed a copy of PWD's statement over.

Nees Avenue Farms / Applied the credit on their account to open invoice.

PANOCHE WATER DISTRICT

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

**BOARD MEETING
MEMORANDUM**

TO: BOARD OF DIRECTORS

FROM: SANDRA REYES, WATER MASTER

SUBJECT: JUNE DIVISION REPORT – WATER DEPT.

DATE: JULY 14, 2026

CC : JUAN CADENA, WATER RESOURCES MANAGER
PATRICK MCGOWAN, GENERAL MANAGER

Water Supply 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 Jun 1 – Overall at 108% of average

Panoche Water Supply as of July 1, 2026:

USBR 2026 Water Balance	22,973 AF	(25%)
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.

Water Department Updates:

The May O&M billings, Interest billings, & M&I water billings were completed & mailed out.
June's Water Usage, Interest, and M&I Billings will go out 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 & 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 the 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 with Juan on the overall District map APN's and ownership / researching and updating to current / Currently on Division 1 out of 5. (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.

USBR Allocation 25%, or 23,500 AF will equal approximately .61 AF/AC
At 100%, the allocation is 2.46 AF/AC

PANOCHE WATER DISTRICT WATER ACCOUNTING **Month: June, 2026** 7/8/2026

Water Supply																		
District Water March, 2026 - Feb, 2027	Annual AF	2026 March	2026 Apr	2026 May	2026 June	2026 July	2026 Aug	2026 Sept	2026 Oct	2026 Nov	2026 Dec	2027 Jan	2027 Feb	YTD Usage	Transfers Out	Not Pumped	Stored	**Remaining Balance**
Grower Transfer Ins	2,000			250	225									475				**1,525**
Transfer 1	2,750	242	307	572	750									1,871				**879**
Transfer 2	3,745			300	1,071									1,371				**2,374**
Transfer 4	1,250			250	400									650				**600**
Transfer 5	271			8	55									63				**208**
Transfer 8	1,250			79	378									457				**793**
Grower Well Water	1,774		35	517	1,222									1,774				**0**
Gains or Losses	3,000	(291)	98	1,353	988									2,148				**852**
District Water Total	16,040	(49)	440	3,329	5,089	0	0	0	0	0	0	0	0	8,809				**7,231**
Bureau Water March, 2026 - Feb, 2027	Annual AF	2026 March	2026 Apr	2026 May	2026 June	2026 July	2026 Aug	2026 Sept	2026 Oct	2026 Nov	2026 Dec	2027 Jan	2027 Feb	YTD Usage	Transfers Out	Loss	Transfer In	**Remaining Balance**
Rescheduled Water	9,320	3,578	3,663	2,001										9,242		(78)		**0**
2026-20267 25% USBR	23,598			10	15									25	600			**22,973**
USBR Drought Program	2,350													0		(108)		**2,242**
Banked Water Program	1,500													0				**1,500**
Transfer 1	250													0				**250**
Transfer 2	1,255			785	216									1,001				**254**
Transfer 3	5,000			1,225	2,407									3,632		(149)		**1,219**
Transfer 4	250													0				**250**
Transfer 6	3,907				1,953									1,953				**1,954**
Transfer 7	768													0				**768**
Transfer 9	175				175													
Grower Transfers In	2,000			525	865									1,390				**610**
Bureau Water Total	50,373	3,578	3,663	4,546	5,631	0	0	0	0	0	0	0	0	17,243	600	(335)	0	32,020
Total Water Supply	**66,413**	**3,529**	**4,103**	**7,875**	**10,720**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**26,052**	**600**	**(335)**	**0**	**39,251**
Usage																		
Growers		3,529	4,103	7,875	10,720									26,227				
Grower Transfers Out					600									600				
District Transfers/Sales														0				
USBR Drought Program														0				
Total Usage/Transfers		3,529	4,103	7,875	11,320	0	0	0	0	0	0	0	0	26,827				
Diff/Losses: % of Supply	**%**	-8%	2%	17%	9%									8%				
Budget to Actual - AF	**52,000**	3,529	4,070	7,875	10,592									26,066				**25,934**

Prepared by Sandra Reyes...PWD/Water Year2026-27/PWD Water Accounting 2026-27

Water Supply Numbers are estimates of known Transfers at this time *Deliveries are Actual * / * USBR Allocation 25% .

Preliminary Well Numbers for June /May be revised next month.

Panoche Water District

DELIVERIES, RECYCLED, POWER CHARGES REPORT

	DISTRICT DELIVERIES					RETURN FLOWS				
	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
MAR	982	978	1,992	2,101	3,529	130	3	(164)	37	(291)
APR	2,303	2,980	3,690	5,012	4,103	556	85	90	145	98
MAY	3,839	6,411	7,313	8,294	7,875	728	538	747	8	1,353
JUN	5,434	9,792	10,019	11,370	10,720	782	566	1,028	833	988
JUL	5,612	11,545	12,186	11,576		83	650	1,787	2,122	
AUG	4,165	8,888	7,724	7,545		(253)	862	609	367	
SEP	2,790	4,724	4,062	4,631		(240)	37	274	228	
OCT	1,693	2,790	3,614	2,208		(171)	223	(64)	16	
NOV	266	1,134	748	384		(161)	(107)	(171)	(105)	
DEC	89	1,223	240	374		(15)	(58)	(18)	(48)	
JAN	15	1,860	2,466	1,533		(83)	98	(49)	(8)	
FEB	743	1,827	3,750	2,633		137	16	292	(143)	
Total	27,931	54,152	57,804	57,661	26,227	1,493	2,913	4,361	3,452	2,148
YEAR TO DATE	12,558	20,161	23,014	26,777	26,227	2,196	1,192	1,701	1,023	2,148

	RUSSELL RECIRCULATION Energy Charges					PG&E CHARGES				
	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
MAR	$ 63	$ 49	$ 104	$ 45	$ 146	$ 38,061	$ 20,336	$ 30,342	$ 29,501	$ 24,530
APR	$ 128	$ 920	$ 236	$ 17,091	$ 23,155	$ 95,409	$ 60,283	$ 100,923	$ 81,246	$ 96,572
MAY	$ 1,413	$ 1,266	$ 24,408	$ 35,782	$ 28,310	$ 103,548	$ 76,265	$ 131,564	$ 129,334	$ 113,552
JUN	$ 27,615	$ 11,491	$ 54,027	$ 59,609	$ 43,592	$ 148,032	$ 115,412	$ 182,855	$ 178,339	$ 193,651
JUL	$ 46,544	$ 12,039	$ 74,553	$ 68,501		$ 209,145	$ 213,325	$ 332,340	$ 271,389	
AUG	$ 36,685	$ 28,407	$ 65,701	$ 53,744		$ 179,674	$ 203,428	$ 258,161	$ 248,974	
SEP	$ 22,748	$ 39,151	$ 49,877	$ 50,021		$ 143,734	$ 163,960	$ 196,922	$ 219,763	
OCT	$ 8,034	$ 2,365	$ 3,657	$ 35,291		$ 82,107	$ 119,971	$ 147,887	$ 150,265	
NOV	$ 7,014	$ 202	$ 105			$ 202,938	$ 86,638	$ 112,013		
DEC	$ 113	$ 211	$ 105			$ 33,649	$ 64,191	$ 39,249		
JAN	$ 93	$ 222	$ 110	$ 227		$ 25,041	$ 70,825	$ 18,785	$ 14,505	
FEB	$ 101	$ 311	$ 3,120	$ 222		$ 31,647	$ 54,764	$ 56,196	$ 26,099	
Total	$ 150,552	$ 96,633	$ 276,004	$ 320,533	$ 95,202	$ 1,292,985	$ 1,249,397	$ 1,607,237	$ 1,349,416	$ 428,304
YEAR TO DATE	$ 29,220	$ 13,725	$ 78,775	$ 112,528	$ 95,202	$ 385,050	$ 272,295	$ 445,684	$ 418,421	$ 428,304

Water Year	2022-23	2023-24	2024-25	2025-26	2026-27	5 Yr. Average
USBR Allocation	0.00%	100.00%	50.00%	55.00%	20.00%	45%
Total Alloc. Acreage	38,202	38,317	38,317	38,317	38,317	38,294
A/F / acre	0.73	1.41	1.51	1.50	0.68	1.17
Effective Precip.	0.31	0.41	0.19	0.29	0.07	0.25
Total Applied a/f	1.04	1.82	1.70	1.79	0.76	1.42
Total Precip. Inches	7.34	9.73	4.56	6.92	1.73	(From Mar 1 to Apr 22)

STILL WAITING ON MAY RAINFALL DATA

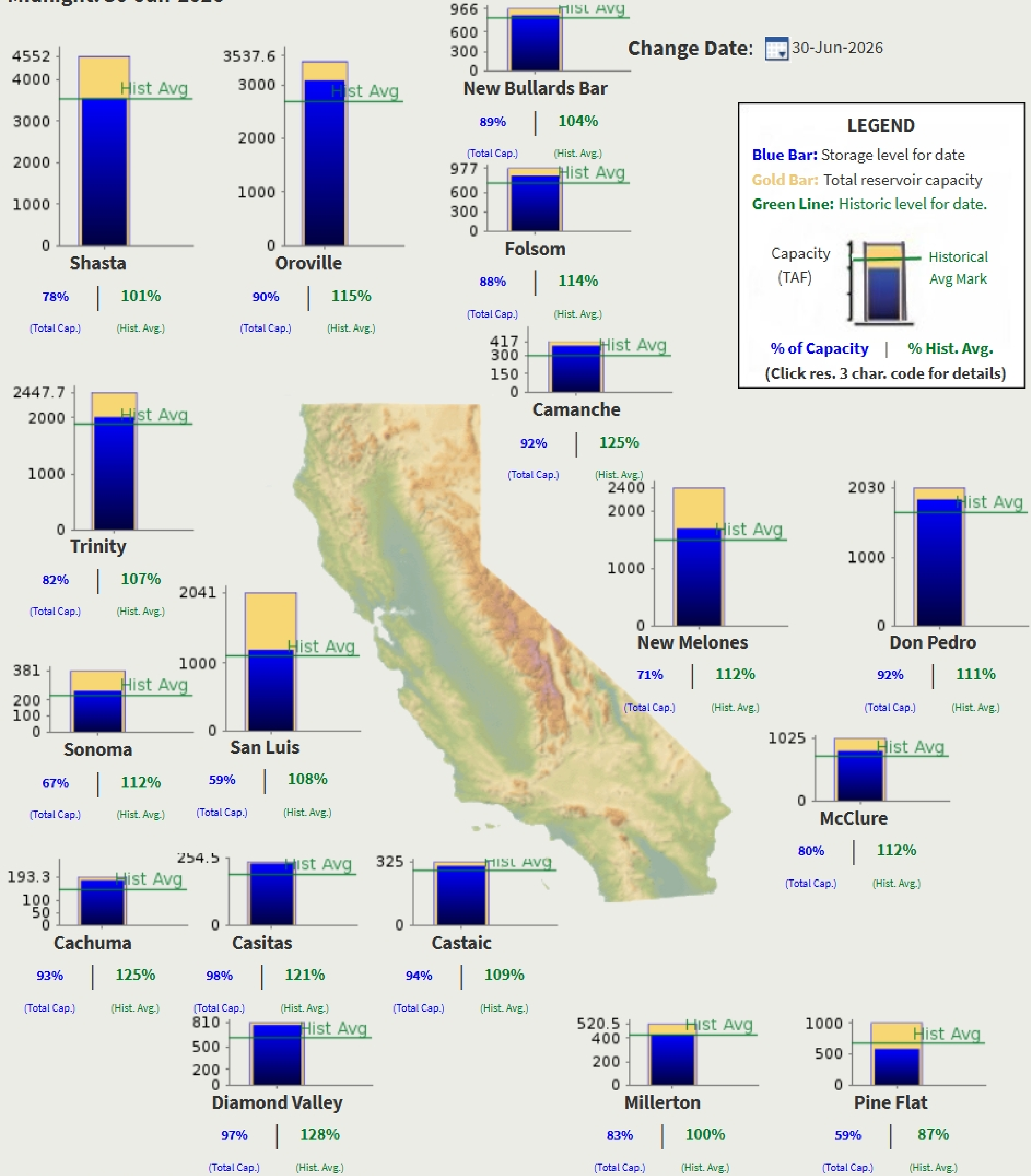
Total rainfall /2/12

Total Rainfall from Oct. 2025 to today is 7.78 inches.

Prepared by Sandra Reyes - PWD/Water Year 2026/2027 Water Deliveries Power Reclaim Wk Sheet

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:30-JUN-2026

Midnight: 30-Jun-2026



Click for printable version of current data.

Report Generated: 08-Jul-2026 2:43 PM

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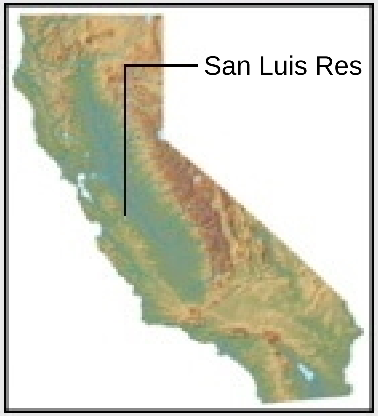
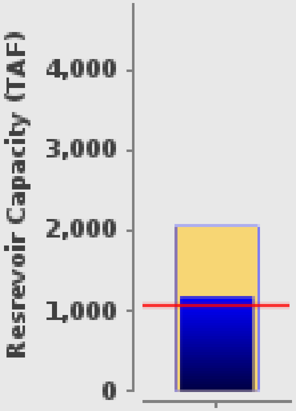
CURRENT RESERVOIR CONDITONS



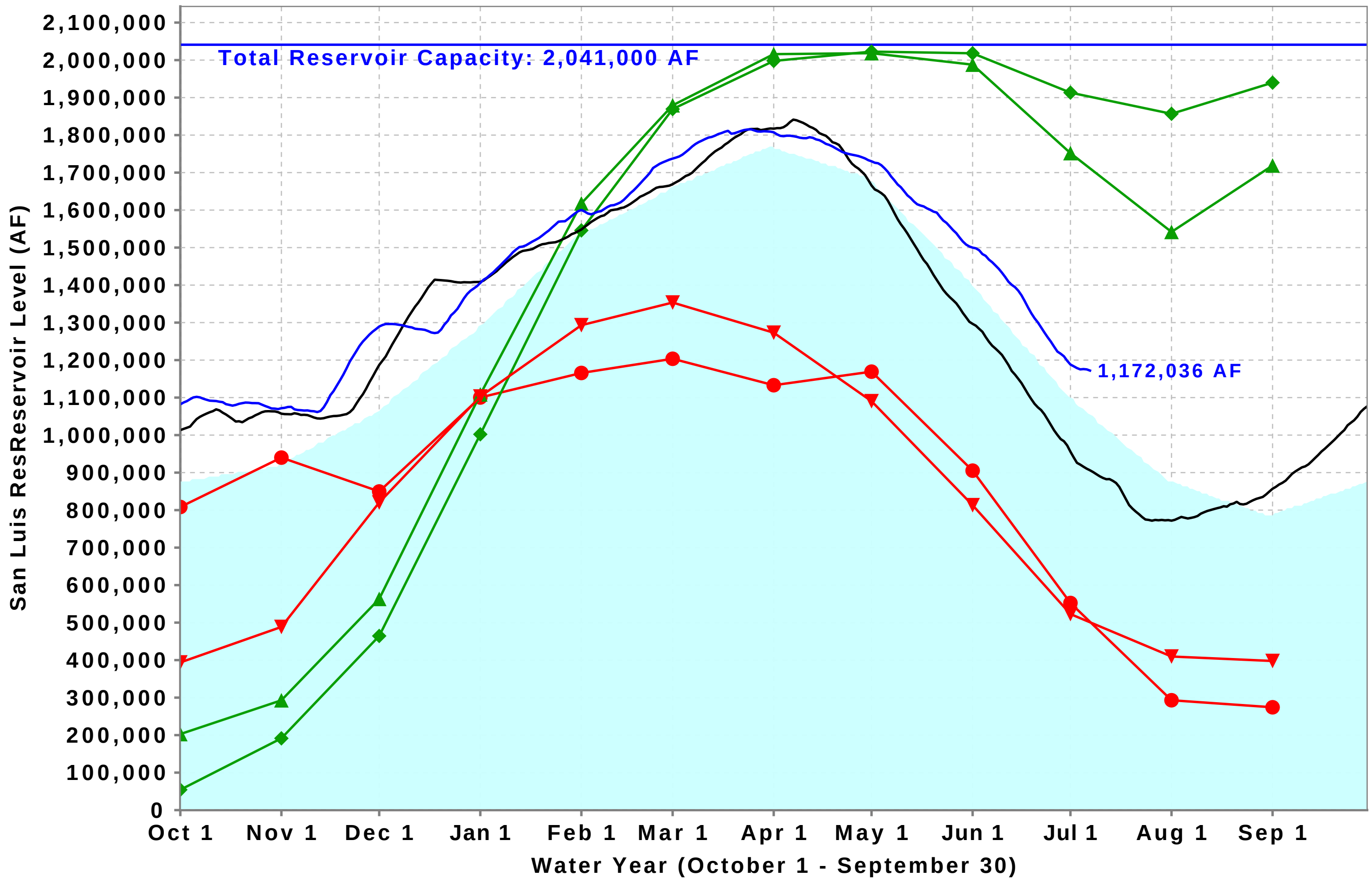
San Luis Res Conditions

(as of Midnight - July 7, 2026)



Current Level: 1,172,036 AF

57% (Total Capacity) | 111% (Historical Avg.)



Data Updated 07/08/2026 02:48 PM

Panoche Water District
Water Year 2026-2027
Water Forecast

7/8/2026 10:32 AM

PWD Forecasted Water Usage

/ AF Could Change

District Direct Delivery	AF	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	
CCID/FCWD	3,000	242	307	572	750	*1,129*								0
SLCC Eastside Water	3,745			300	1,071	*1,015*	*1,250*	*109*						0
FCWD Conserved Wtr	1,500			250	400	*425*	*425*							0
FCWD Add'l Wtr	271			8	55	*114*	*94*							0
Brackish Wtr Recovery Proj	1,250			79	378	*375*	*375*	*43*						0
Grower Transfer Ins	1,030			250	225	*275*	*280*							0
Grower Well Water	3,374		35	517	1,222	*800*	*800*							0
Gains	4,051	(291)	98	1,353	988	*903*	*395*	*329*	*193*	*(1)*	*(36)*	*17*	*103*	0
Total	18,221	(49)	440	3,329	5,089	*5,036*	*3,619*	*481*	*193*	*(1)*	*(36)*	*17*	*103*	

Bureau CVP Delivery	AF	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	
Rescheduled Water 25-26	9,320	3,578	3,663	2,001										0
WY26-27 25% USBR Alloc.	23,500			10	15	*4,737*	*2,787*	*3,526*	*673*	*332*	*383*	*1,483*	*2,497*	7,057
USBR Drought Pool	2,350													2,066
Banked Water Program	1,500													1,500
SLCC Eastside Water	1,255			785	216	*254*								0
West Stanislaus ID	5,000			1,225	2,407	1,219								0
SJRECWA/SLDMWA	3,907				1,953		*909*	*513*	*532*					0
YUBA	768								768					0
MSWD Rescheduled Wtr	175				175									0
Grower Transfers In	1,965			525	865	*254*	*185*	*80*	*34*	*19*	*3*			0
Total	49,740	3,578	3,663	4,546	5,631	*6,464*	*3,881*	*4,119*	*2,007*	*351*	*386*	*1,483*	*2,497*	

Losses	USBR Surplus	
(242)	**USBR Surplus**	
	7,057	
(284)	(600)	X-fer Out/Coit
	(284)	Fill Drought Pool
	(300)	X-fer Out/Gargiulc
(149)	(100)	X-fer Out/Coit
	5,773	

Rescheduling 9,400

	AF	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Totals	**67,961**	**3,529**	**4,103**	**7,875**	**10,720**	***11,500***	***7,500***	***4,600***	***2,200***	***350***	***350***	***1,500***	***2,600***
USBR Rescheduled Wtr Losses	(78)		(57)	(21)									
USBR Drought Pool Losses	(284)	(42)	(23)	(23)	(23)	(22)	(22)	(22)	(22)	(22)	(21)	(21)	(21)

PWD Estimated Grower Usage

For Water Year 2026-2027

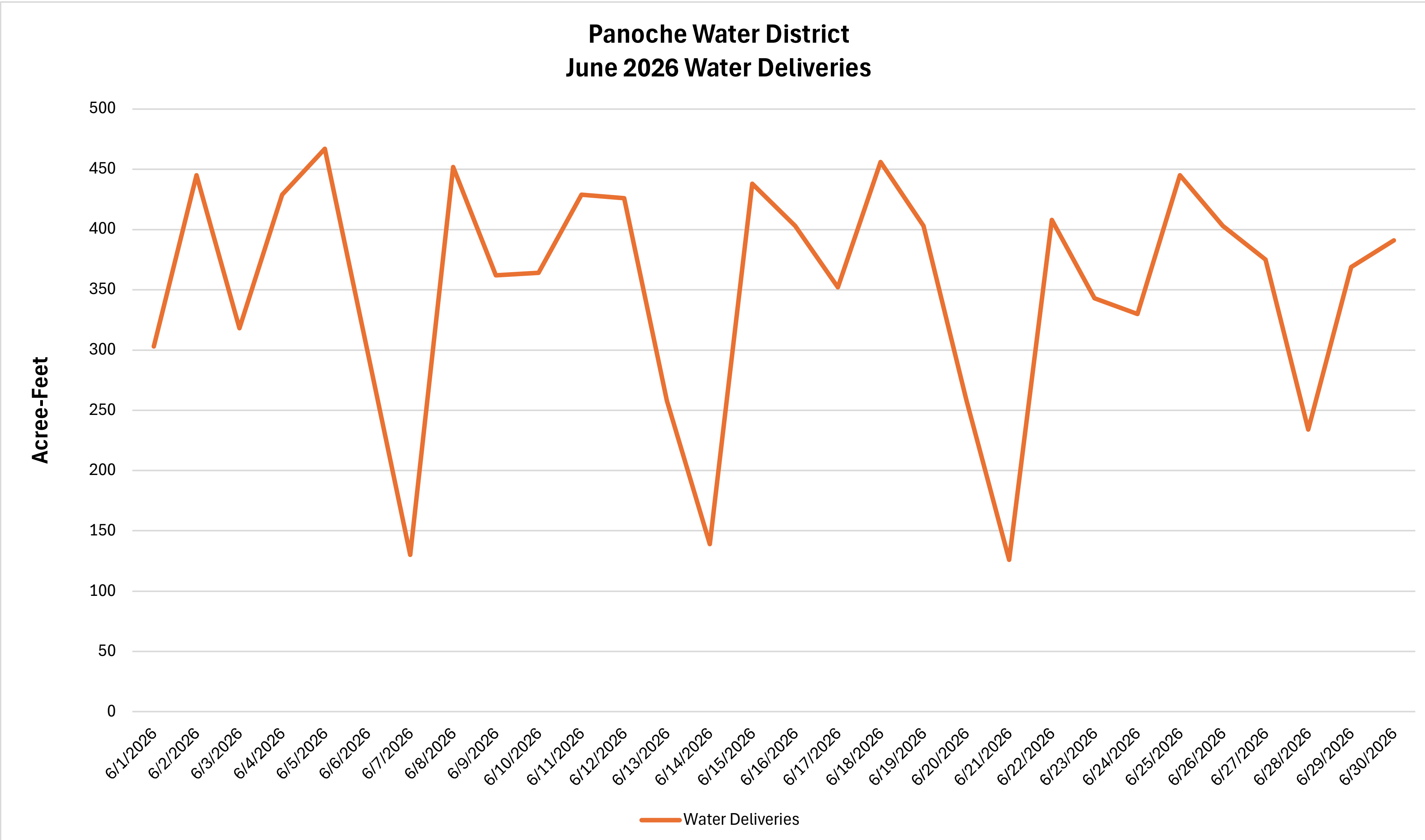
	AF	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
		60%	-18%	-6%	-5%								
Grower Deliveries	**56,827**	3,529	4,103	7,875	10,720	*11,500*	*7,500*	*4,600*	*2,200*	*350*	*350*	*1,500*	*2,600*
Transfers Out	**600**				600	*400*							
Sales	**0**												
Totals	**57,427**	**3,529**	**4,103**	**7,875**	**11,320**	***11,900***	***7,500***	***4,600***	***2,200***	***350***	***350***	***1,500***	***2,600***

PWD Grower Deliveries

For Water Year 2025-26

Last Year Delivery Comparison	AF	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Grower Deliveries	**57,661**	2,101	5,012	8,294	11,370	11,576	7,545	4,631	2,208	384	374	1,533	2,633
Transfers Out	**522**	0	0	0	0	300	0	0	0	0	222	0	35
Sales	**13,000**	0	0	0	4,500	500	1,572	1,428	0	2,000	0	0	3,000
Totals	**71,183**	**2,101**	**5,012**	**8,294**	**15,870**	**12,376**	**9,117**	**6,059**	**2,208**	**2,384**	**596**	**1,533**	**2,633**

Created by Sandra Reyes, Water Master


Panoche Water District
June 2026 Water Deliveries
Acree-Feet
500
450
400
350
300
250
200
150
100
50
0
6/1/2026
6/2/2026
6/3/2026
6/4/2026
6/5/2026
6/6/2026
6/7/2026
6/8/2026
6/9/2026
6/10/2026
6/11/2026
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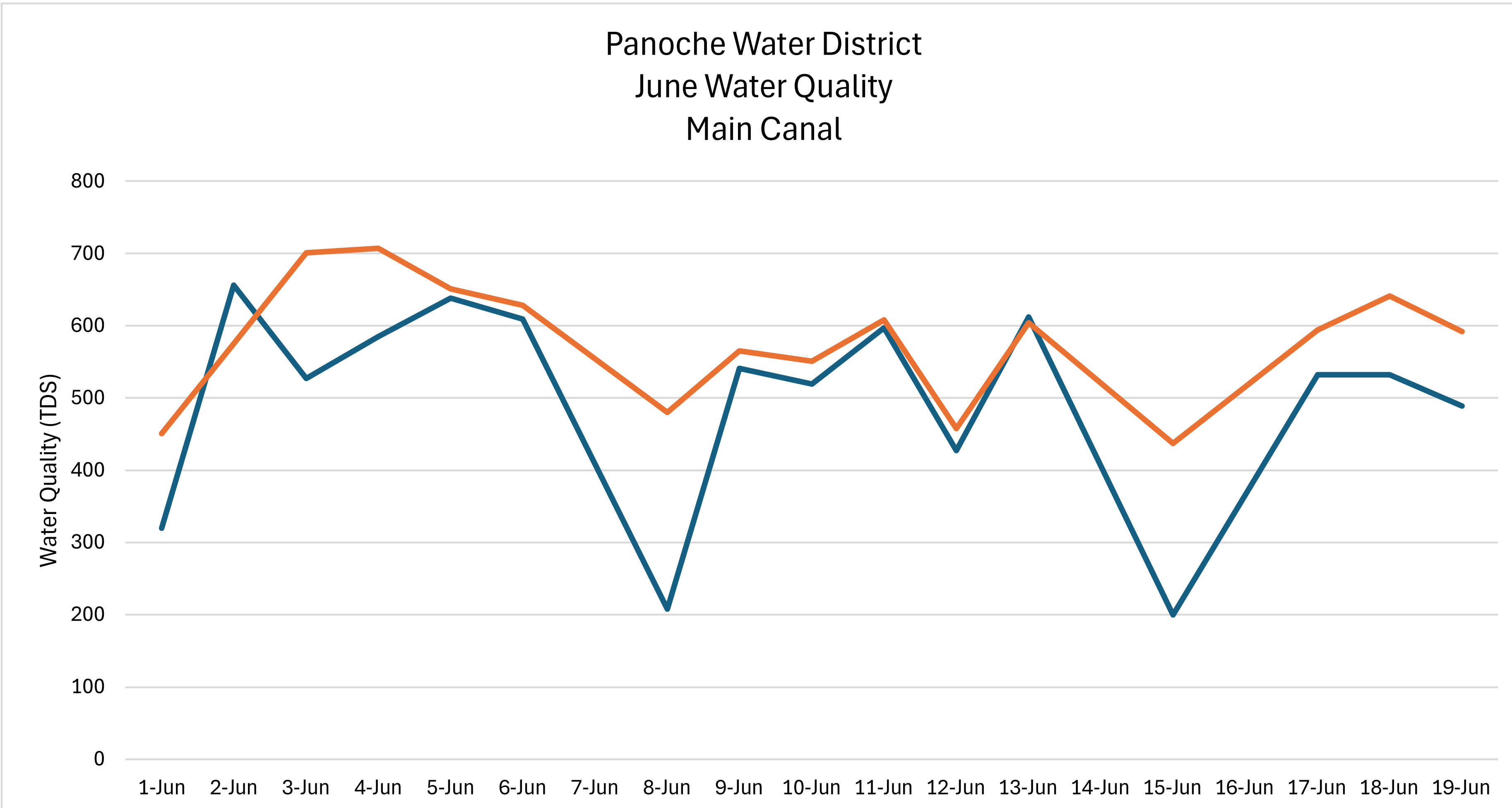
6/30/2026
Water Deliveries



Panoche Water District
June Water Quality
Main Canal
Water Quality (TDS)
800
700
600
500
400
300
200
100
0
1-Jun
2-Jun
3-Jun
4-Jun
5-Jun
6-Jun
7-Jun
8-Jun
9-Jun
10-Jun
11-Jun
12-Jun
13-Jun
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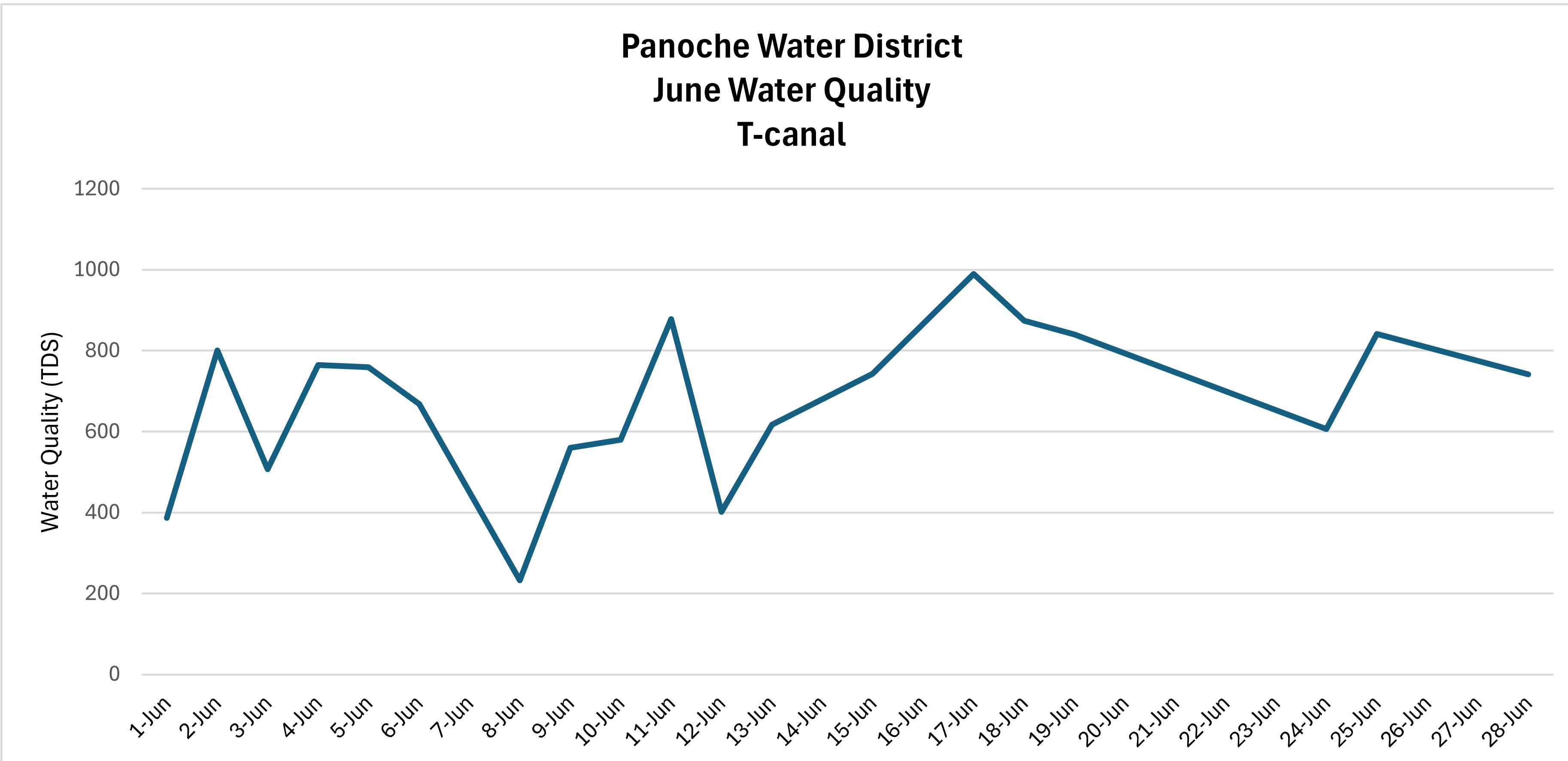
17-Jun
18-Jun
19-Jun


Panoche Water District
June Water Quality
T-canal
Water Quality (TDS)
0
200
400
600
800
1000
1200
1-Jun
2-Jun
3-Jun
4-Jun
5-Jun
6-Jun
7-Jun
8-Jun
9-Jun
10-Jun
11-Jun
12-Jun
13-Jun
14-Jun
15-Jun
16-Jun
17-Jun
18-Jun
19-Jun
20-Jun
21-Jun
22-Jun
23-Jun
24-Jun
25-Jun
26-Jun
27-Jun
28-Jun

PANOCHE WATER DISTRICT

52027 WEST ALTHEA AVE,FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

BOARD MEETING
MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: CHRIS CARLUCCI, OPERATIONS & MAINTENANCE MANAGER

SUBJECT: DIVISION REPORT – OPERATIONS & MAINTENANCE

DATE: JULY 14TH, 2026

CC: PATRICK MCGOWAN. GENERAL MANAGER

For the month of June, the following operations and maintenance activities occurred as follows:

- 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. Canal treatments at Russell lift, T-Canal, 500E ditch, Russell Turnout, 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
- Preventive Pump Maintenance Plan. (work in progress)

GOLDEN MUSSEL CHART PWD MAIN CANAL STATION #2

JUNE 2026

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
		6/10/26 Sample bags placed 6 & 8 ft depths	6/11/2026	6/12/26 Sample bag qty= 5 Sample bag emptied 8 ft
6/15/26 Sample bag qty= 4 6 ft	6/16/26	6/17/26 Sample bag qty= 5 8 ft	6/18/26	6/19/26 Sample bag qty= 5 Sample bag emptied 6 ft
6/22/26 Sample bag qty= 7 8 ft	6/23/26	6/24/26 Sample bag qty= 7 6 ft	6/25/26	6/26/26 Sample bag qty= 8 Sample bag Emptied 8 ft
6/29/26 Sample bag qty=5 6 ft	6/30/26 Sample bag qty=5 Sample bag emptied 8 ft			

PANOCHE WATER DISTRICT
52027 WEST ALTHEA AVE,FIREBAUGH, CA 93622 (209) 364-6136

MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: DIANA MOSES, RISK MANAGEMENT ASSISTANT

SUBJECT: DIVISION REPORT – HUMAN RESOURCES

DATE: JULY 14, 2026

CC: PATRICK MCGOWAN, GENERAL MANAGER

For June 2026, the following risk management and human resource activities occurred:

Workers' Compensation Update:

Currently, there are 2 active open workers' compensation claims:

- The employee's 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 1/20/27.
- There were no claims for June.

Employee Anniversaries:

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

PWD
June 9, 2026
BOARD MEETING ACTION ITEMS

1. Continued discussions with ForeFront Power. **PATRICK**
COMPLETE
2. Work with GBA to maximize brackish well water program. **PATRICK & JUAN**
ON GOING
3. Develop internal true up process for WIIN Act overpayment money to be distributed to landowners. **SANDRA**
IN PROGRESS
4. Memo to landowners and growers explaining the WIIN Act overpayment process. **PATRICK & SANDRA**
IN PROGRESS
5. Provide subsidence benchmark locations and data to EKI. **JUAN**
COMPLETE
6. AgMonitor proposal for services July meeting. **PATRICK**
COMPLETE
7. WIIN Act response letter to Department of Interior prior to June 30th. **PATRICK**
COMPLETE
8. Addition of James ID banked water on our Water Supply Report. **SANDRA**
COMPLETE
9. Grower USBR refunds on July agenda. **PATRICK & SANDRA**
COMPLETE
10. Submit Invoice to USBR for reimbursement of cost share for Contour Canal. **JOSH**
COMPLETE
11. Discuss purchasing water from landowner. **PATRICK & JUAN**
COMPLETE
12. Develop Water Use Policy. **PATRICK & PHIL**
IN PROGRESS
13. Golden Mussel investigation and report to board in July. **CHRIS**
COMPLETE
14. M&I water application. **PATRICK & PHIL**
IN PROGRESS
15. Look into ACWA JPIA regarding potential savings would if we were to score below 1.0. **JOSH**
COMPLETE
16. Approved plans to Fresno County for mitigation work for House 6 and O&M Shop. **CHRIS & JUAN**
ON GOING
17. Request estimates for mitigation work for House 6 and O&M Shop. **CHRIS & JUAN**
ON GOING
18. Discuss fees associated with groundwater extractions and authority to enforce pumping reductions with the CDMGSA. **PHIL & PATRICK**
ON GOING
19. Request grower monthly demand estimates & acreage in production. **JUAN & SANDRA**
COMPLETE

PANOCHE WATER DISTRICT

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BOARD MEETING
MEMORANDUM

TO: PANOCHE WATER DISTRICT BOARD OF DIRECTORS

FROM: GENERAL MANAGER, PATRICK MCGOWAN

SUBJECT: SURFACE WATER TREATMENT PLANT DRINKING WATER GRANT FUNDING APPLICATION UPDATE

DATE: JULY 14, 2026

BACKGROUND

Black Water Consulting Engineers has provided an update regarding Panoche Water District's Expedited Drinking Water Grant (EDWG) application currently under review by the California State Water Resources Control Board (SWRCB). The application has officially entered the State review process. The State has begun reviewing the submitted grant application. Based on discussions with the SWRCB Division of Financial Assistance Project Manager, the State intends to execute the Funding Agreement during Fiscal Year 2026–2027. Due to current State workload, the review process may take up to one year. Black Water Consulting will respond to State requests, coordinate with District staff, and provide updates as needed.

APPLICATION MATERIALS SUBMITTED TO DATE

The following documents have been submitted to initiate the State review:
• Signed Project Proposal Form
• EDWG Application Correction
• Scope of Work
• Signed Project Engineering Report
• Conflict of Interest Code
• Authorized Representative Resolution

RECENT UPDATE

Black Water advised there are no urgent action items at this time. The District is awaiting feedback from the State while Black Water maintains communication with the State Project

Manager. Three major document packages will be due within approximately 30 days after the Funding Agreement is finalized. One package is complete, another is substantially complete, and the TMF package will require coordination between Black Water and District staff. Black Water anticipates receiving State comments before the 30-day deadline.

OVERALL ASSESSMENT

The EDWG application is progressing as expected. Although State review may take up to one year, the application has successfully entered formal review, required documents have been accepted, and project preparation continues. 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.