

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

A regular meeting of the Board of Directors was held on December 10, 2024, starting at 9:30 am. Those present at the meeting were:

Directors: Aaron Barcellos, President
 Beau Correia, Vice-President
 Neill Callis, Director
 Wayne Western, Director

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

Others: Phil Williams, Legal Counsel
 Palmer McCoy, Grassland Basin Authority (GBA)

CALL TO ORDER

President Barcellos called the meeting to order at 9:40 am.

ROLL CALL

A quorum of the Board of Directors was present.

POTENTIAL CONFLICTS OF INTEREST

There were no conflicts of interest.

PUBLIC COMMENT

There was no public comment.

ACTION ITEMS

BOARD TO REVIEW AND CONSIDER APPROVING THE OCTOBER 30th, 2024, SPECIAL BOARD MEETING MINUTES AND THE NOVEMBER 12, 2024, REGULAR BOARD MEETING MINUTES

Upon a motion by Director Callis and seconded by Vice-President Correia, the board approved the October 30th, 2024, special board meeting minutes and the November 12th, 2024, regular board meeting minutes as presented.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND GIVE DIRECTION TO STAFF REGARDING THE SUBSIDENCE MITIGATION POLICY ALONG THE DELTA-MENDOTA CANAL WITHIN THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT'S DELTA MENDOTA SUBBASIN

General Manager Patrick McGowan reported to the Board that he had spoken with additional landowners regarding the specifics of the policy. Mr. McGowan also noted that he information on the existing CCL within the area from Mr. Chris White of the San Joaquin River Exchange Water Authority (SJRECWA).

BOARD TO REVIEW AND CONSIDER WATER TRANSFER REQUEST FROM KENNETH BETHEL'S 2015 TRUST ACCOUNT OF 12 ACRE FEET FROM PANOCHÉ WATER DISTRICT TO PACHECO WATER DISTRICT

General Manager Patrick McGowan reported that the District had received a request from Lance LeVake regarding a water transfer of 12 AF from his account in Panoche Water District to his account in Pacheco Water District. Water Master Sandra Reyes was able to process the transfer paperwork and get it submitted into the USBR's office for approval, cc'ing the San Luis & Delta-Mendota Water Authority, as well as Pacheco Water District.

Upon a motion by Vice-President Correia and seconded by Director Western, the board approved the water transfer for Kenneth Bethel's 2015 Trust account for 12 AF to Pacheco Water District.

The vote on the matter was as follows:

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

BOARD TO DISCUSS AND GIVE DIRECTION TO STAFF REGARDING THE PANOCHÉ WATER DISTRICT MODERNIZATION PROJECT

There was discussion regarding financial mechanisms to retain capital for system upgrades. Mr. McGowan mentioned conversations regarding the modernization study report, and feasibility of a completed document by May 2025.

FINANCIAL REPORTS

- A. Accounts Payable**
- B. Monthly Financials**
- C. FYE 2025 Budget-to-Actual Report**
- D. Other Financial Matters Affecting the District**

General Manager Patrick McGowan noted to the Board that a meeting was set with Mr. Paul Fujitani and Mr. Callis mentioned attending, as well. Mrs. Brazil also provided the Board with a breakdown of Other Revenue as shown on the budget.

After discussion by the Board and upon a motion by Director Callis and seconded by Vice-President Correia, the board approved the financial reports as presented by Accounting Supervisor Mrs. Brazil.

The vote on the motion was as follows:

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

DIVISION REPORTS

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

San Luis Reservoir Total Storage: 1,171,931 AF
San Luis Reservoir Federal Storage: 414,758 AF

San Luis Reservoir % of Total Capacity	<u>58%</u> (100% = 2,041,000 AF)
San Luis Reservoir Federal % Share	<u>35%</u>

Panoche Update as of December 1, 2024:

USBR 2024 Water Balance:	<u>17,559 AF</u>
USBR Resch. Water Balance	<u>0 AF</u>
November, 2024 Grower Deliveries:	<u>758 AF</u>
Total Deliveries to date (Mar-Nov):	<u>50,403 AF</u>

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

- The October O&M, Interest, and M&I billings were completed and mailed out mid-November.
- November’s Water Usage, Interest, and M&I Billings will go out on 12/13/2024.
- Colored and reported November’s Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR.
- Need to allocate Grower transfer and well water for November’s billings.
- Working on the Water Payment Summaries to the USBR & SLDMWA for November.
- 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 November for all Districts.
- Processed the Board Meeting AR Reports for PDD & PWD
- Have credited and bad-debted the PWD side prior to Prop 218.
- E-mailed and mailed out the Joint Solar Policy passed.
- Drafted Letter to Growers regarding USBR Turnback Water/ Sent to GM for review.
- Met with the USBR at their Fresno office to discuss and further my understanding of our M&I water.
- Processed water transfer paperwork/agreement for Bethel.
- Reached out to a few growers about their delinquencies.
- Processed the 2nd Installment of the Land O&M Assessment Billing 12-3-24 (\$6.17/AC)
Total Amount Billed (\$ 236,650)

Ms. Reyes presented the Board with the District’s Water Accounting Spreadsheet for November for WY 24-25, the District’s Power and Reclaimed Water spreadsheet for November, and a current conditions map of the major water supply reservoirs. Water Resources Manager Juan Cadena presented the board with a total water delivery graph, a water quality graph for the Main Station and another water quality graph for the T-Canal.

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

- General Maintenance.
- Staff started cleaning out Russell Lift to T-Canal.
- Staff made repairs to station T-6 trash racks.
- Staff made turnout covers for – Turnouts 302 & 302A.
- Staff started making repairs to air vents on G-line off the turnout 10WS (mile point 97.51L).

- Staff started pulling district flow meters for yearly repairs and calibrations.
- Weed Control – Staff sprayed weed sterilant on T-Canal.
- Preventative Pump Maintenance Plan. (work in progress)
- Chris started working on the Winter Project List.
- Chris started working on PWD chemical cost estimate for 2025 /26 spray program.
- Completed the Recirculation pumps for yearly maintenance & repairs.
- Started pulling pumps on PWD main canal for yearly maintenance & repairs.

C. **Domestic Water Treatment Plant:**

General Manager Patrick McGowan reported that Mike Gonzalez was going to attend the Water Treatment class, but the class had been pushed back. Mr. McGowan also noted that he had a meeting scheduled with Black Water Consulting Engineers the following day.

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

- I. Update on Forefront Solar Project
- II. Update on USBR Water Smart Grant Project for Contour Canal and Expenses

Ethics and Compliance:

- No calls were reported on the Speak-Up Hotline for the month of November.
- Oath of Offices were submitted to Fresno County.

Risk Management:

- Safety Compliance Company conducted safety training on Holiday Accidents and Stress in the Workplace. This month’s training will focus on driving safely and cell phone use.

Contract Administration:

- Contour Canal – No significant updates. Monthly calls are postponed due to holiday and no significant updates from USBR. For the January meeting, Engineer Chris Linneman will stress the importance of staying on schedule for the completion of this project in the 2025-26 year.
- Forefront – Monthly meeting attended; Forefront estimates Phase 1 project groundbreaking early March 2025 if there are no significant delays in the permitting process. Phase 2 results have been delayed to 12/20 by P.G. & E.

E. **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 November:**

WMC: No Changes

YTD we have two open workers compensation claims:

- One employee continues to be on modified duties & hours. The treating physician requested a referral to pain management to write a final permanent & stationary report which includes addressing work status (regular work vs permanent work restrictions.)
- The other employee has returned to work with no restrictions but is still under medical care.
- 4 of the previous claims should close by Late November, Early December.
- There were no new claims in November.

Terminations:

- One
- Current Employee Headcount is 18

Training:

- Human Resources Diana Moses attended the first in-person training session for the 2024-2025 ACWA Leadership Development Program in Sacramento.

Employee Anniversary / Recognition:

- Diana Moses – 6 years. Diana was hired on November 27, 2018.

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

Staff reported on various items that had been completed, or were ongoing, on the Action Items List presented - dated November 12th, 2024. Ms. Reyes pointed out that Item #3 had been completed and Mr. Juan Cadena provided the Board with a PG&E summary of usage and expenses. Mr. McGowan also reviewed the rest of the list with the Board and answered any questions they had.

After discussion by the Board, the board updated the personnel committee to now consist of Director Wayne Western and Director Neill Callis.

GENERAL MANAGER'S REPORT

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

- A. Sustainable Groundwater Management Act:** GM McGowan reported that the SGMA Coordination Committee held a meeting yesterday. The members continue to dialogue with the SWRCB. The Committee hopes that the GSP will be deemed sufficient to avoid probationary hearing. GM McGowan mentioned John Brodie is currently working for Mr. Hurley at Water and Land Solutions until the end of February.
 - I. Central Delta Mendota SSMA:** GM McGowan reported that he, Chase Hurley of Pacheco, and EKI consultants met to discuss the zones pumping reduction plan for the subbasin. Adding consistency to protecting critical infrastructure throughout the document was discussed.
- B. Los Vaqueros Expansion Project:** GM McGowan reported they are currently working on the dissolution of the JPA and how assets should be re-distributed.
- C. Water Supply, Storage, and Conveyance Discussions**
 - I. Water Banking Opportunities** – GM McGowan that the environmental documentation, with USBR confirmation, alone would take twelve to eighteen months to complete. Mr. McGowan mentioned following up with outside services for direction.
 - II. M & I Water** – GM McGowan noted that the M&I water had already been discussed.
 - III. South of Delta** - GM McGowan reported latest estimates have the San Luis Reservoir potentially filling late February.
- D. SLDMWA:** GM McGowan reported Mr. Chris Carlucci Will be attending the monthly meeting in his place. Mr. McGowan will be attending the GBA meeting that was scheduled at the same time frame.
- E. USBR Meetings:** GM McGowan reported that he, Ms. Sandra Reyes, and Mr. Juan Cadena had gone to the USBR Fresno office to meet with our repayment team to discuss and understand the M&I water contract. The meeting went well and the USBR staff complimented the PWD Water Department staff and their work.
- F. ACWA Conference Update:** GM McGowan reported he had attended the ACWA Conference and was able to network, further build relationships, and attended several meetings outside of conference sessions.

At approximately 11:03 am, President Barcellos announced that the Water District meeting would be taking a five-minute break.

At approximately 11:08 am, President Barcellos announced that the Water District meeting would resume and go into Closed Session.

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

No other items.

FUTURE MEETING DATES

A. Next Regular Board Meeting Date: January 14th, 2025, at 9:30 am.

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

At 11:18 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 11:31 am, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

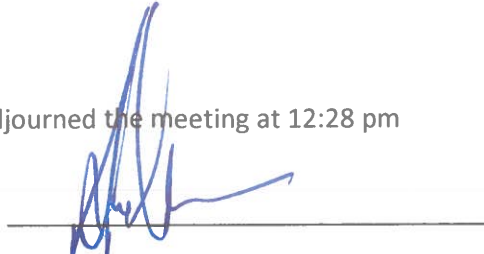
At 11:33am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:27 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 12:28 pm



Aaron Barcellos, President



Steve Fausone, Secretary