

PANOCHÉ WATER DISTRICT

BOARD OF DIRECTORS MEETING

December 12, 2023 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 themselves 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. BOARD TO REVIEW AND CONSIDER APPROVING THE NOVEMBER 14, 2023 REGULAR BOARD MEETING MINUTES (Reyes)

6. **FINANCIAL REPORT (Brazil)**
 - A. Accounts Payable
 - B. Monthly Financials
 - C. FYE 2024 Budget-to-Actual Report
 - D. Other financial matters affecting the District
7. **THE BOARD TO REVIEW AND CONSIDER APPROVING A REQUEST FROM LANDOWNERS/ WATER USERS, STEVE SMITH AND NEILL CALLIS REPRESENTING TURLOCK FRUIT COMPANY RELATED TO SUPPLEMENTAL WATER.**
8. **THE BOARD TO REVIEW AND CONSIDER APPROVING THE AGREEMENT WITH DR. CHARLES M. BURT’S CONSULTING SERVICES TO COMPLETE A MODERNIZATION FACILITIES PLAN.**
9. **THE BOARD TO REVIEW AND CONSIDER APPROVAL OF AWARD FOR SAFETY SERVICES.**
10. **THE BOARD TO CONSIDER PRESENTING YEAR-END INCENTIVES TO ALL DISTRICT EMPLOYEES.**

REPORT ITEMS

11. **DIVISION REPORTS**
 - A. Water Supply Update (Reyes)
 - B. Operations & Maintenance (Carlucci)
 - C. Domestic Water Treatment Plant (Cadena/Carlucci/McGowan)
 - D. Ethics, Compliance, and Risk Management Update (Marquez)
 - E. Human Resources Update (Brazil)
 - F. Other Matters
12. **THE BOARD TO RECEIVE AN UPDATE ON THE FOREFRONT SOLAR PROJECT FOR THE DISTRICT (Cadena)**
13. **THE BOARD TO RECEIVE AN UPDATE ON THE USBR WATER SMART GRANT PROJECT FOR THE CONTOUR CANAL AND EXPENSES. (Marquez)**
14. **THE BOARD TO RECEIVE UPDATES FROM STAFF ON VARIOUS MATTERS AFFECTING THE DISTRICT (McGowan)**
15. **GENERAL MANAGER’S REPORT (McGowan)**
 - A. Sustainable Groundwater Management Act
 - B. Los Vaqueros Expansion Project
 - C. Water Storage and Conveyance Discussions
 - D. San Luis Delta Mendota Water Authority
 - I. Exchange Contractors Transfer Program
 - II. North of Delta Transfer Program
 - E. Other Matters
16. **REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)**

17. PANOCHÉ WATER & DRAINAGE DISTRICTS JOINT 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):
Names of Cases:
 - I. PCFFA v. Glaser, et. al.
US District Court, E.D. Cal, Case No. 2:11-cv-02980

REPORT FROM JOINT CLOSED SESSION (GOVERNMENT CODE SECTION 54957.1)

18. PANOCHÉ 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):

Names of Cases:
 - i. Imani Percoats & Chris Bettencourt vs. Panoche Water District Fresno County Superior Court Case No. 18CECG01651
 - ii. Center for Biological Diversity, et al. v. United States, et al.
US District Court, E.D. Cal, Case No. 1:20-CV-00760 DAD-EPG
 - iii. North Coast Rivers Alliance, et al. v. Kenneth Salazar, et al.
US District Court, E.D. Cal., Case No. 1:16-cv-00307-DAD-SKO
 - iv. Firebaugh Canal Water District & Central California Water District v. United States, et al. 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

REPORT FROM CLOSED SESSION

19. FUTURE MEETING DATES

- A. Board to consider action to set special meeting date(s)
- B. Next regular meeting date: January 9, 2023

20. 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.

Americans with Disabilities Act of 1990: 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/>.

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
November 14, 2023**

A regular meeting of the Board of Directors was held on November 14, 2023, starting at 9:15 am. Those present at the meeting were:

Directors: Aaron Barcellos, President
Beau Correia, Vice-President (Arrived before Closed Session)
Neill Callis, Director (Via Telephone)
Steve Fausone, Director
Wayne Western, Director

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

Others: Michael Linneman, Linneman Ranches
Palmer McCoy, GBA
Phil Williams, Legal Counsel

CALL TO ORDER

President Barcellos called the meeting to order at 9:15 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.

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

At 9:20 am, the Boards met in Closed Session to meet with legal counsel related anticipated litigation. Upon return to open session at approximately 9:35 am, President Barcellos stated that no reportable actions were taken.

ACTION ITEMS

THE BOARD TO REVIEW AND CONSIDER APPROVING THE OCTOBER 10, 2023, REGULAR BOARD MEETING MINUTES

On a motion by Director Barcellos and seconded by Director Fausone, the Board approved the October 10, 2023, regular board meeting minutes. The vote on the motion was as follows:

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

FINANCIAL REPORT

- A. Accounts Payable
- B. Monthly Financials
- C. FYE 2024 Budget-to-Actual Report
- D. Other Financial Matters Affecting the District

Upon a motion by Director Fausone and seconded by Director Western, the board approved the financial report as presented by Accounting Supervisor Marlene Brazil. The vote on the motion was as follows:

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

WESTSIDE WATER CONDITIONING (WWC) PRESENTING CROSS-CONNECTION SURVEY WITH COST ANALYSIS ASSOCIATED WITH WORK TO BE COMPLETED

Tom Galindo, with Westside Water Conditioning presented the Board with a copy of the Cross Connection Control Survey that he performed. Tom explained that a cross connection survey is required every 5 years, or any time after new development. The survey consisted of evaluating water usages between domestic water and untreated aqueduct water. The survey also gathered information on usage, evaluated the possibility of bypassing irrigation systems from domestic water to aqueduct water, and determining cross connection within the system. Tom also explained that the findings of the survey will help with developing the adequate size for the new surface water plant. The survey identified that there were cross-connections in the system. Panoche staff and WWC will work to determine & prioritize mitigation work to be completed.

BOARD TO REVIEW AND CONSIDER ADOPTING RESOLUTION # 843-23, DESIGNATING AUTHORIZED SIGNATORIES TO THE DISTRICT’S MECHANICS BANK ACCOUNT TO EXECUTE BANKING TRANSACTIONS, MAKE ACCOUNT TRANSFERS AND WIRE TRANSFERS, AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

Upon a motion by Director Fausone, and seconded by Director Western, the board approved Resolution # 843-23 designating authorized signatories to the district’s mechanics bank account. The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER ADOPTING RESOLUTION # 844-23 APPOINTING PATRICK MCGOWAN AS PANOCHÉ WATER DISTRICT’S ALTERNATE REPRESENTATIVE TO THE BOARD OF DIRECTORS FOR THE SAN LUIS & DELTA MENDOTA WATER AUTHORITY (SLDMWA)

General Manager, Patrick McGowan explained that this resolution would allow Mr. McGowan to serve as the “Alternate” representative to the SLDMWA board.

Upon a motion by Director Fausone, and seconded by Director Western, the board approved Resolution # 844-23 appointing Mr. McGowan as the “Alternate” representative to the SLDMWA board. The vote on

the motion was as follows:

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

BOARD TO REVIEW AND APPROVE THE TRANSFER’S ACTIVITY AGREEMENT FOR WY 2024-2025 BETWEEN THE SAN LUIS & DELTA MENDOTA WATER AUTHORITY (SLDMWA) AND THE SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER AUTHORITY (SJRECWA)

General Manager Patrick McGowan explained that the benefits and desire for the District continue to be a part of this activity agreement with board approval and upon reviewing the final agreement. The approval of this agreement will be effective November 21st absent any comments received.

Upon a motion by Director Fausone, and seconded by Director Western, the board approved the District participating in the transfer activity agreement with the SLDMWA & SJRECWA. The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER ADOPTING RESOLUTION # 845-23 AUTHORIZING EXECUTION OF ACKNOWLEDGMENT AND RELEASE AGREEMENT BETWEEN PANOCHÉ WATER DISTRICT (PWD) AND THE GRASSLAND BASIN AUTHORITY (GBA)

Upon a motion by Director Fausone, and seconded by Director Western, the board approved Resolution # 845-23 approving the release agreement between PWD & the GBA. The vote on the motion was as follows:

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

BOARD TO REVIEW AND APPROVE SUPPORTING AGRICULTURAL AND RELATED OUTREACH AND EDUCATION EFFORTS

General Manager, Patrick McGowan highlighted the District had participated in agricultural and related outreach and education efforts in the last couple of years and expressed his desire to continue.

Upon a motion by Director Western, and seconded by Director Fausone, the board approved supporting the same agricultural and related outreach education efforts that were supported in WY 2022-2023.

The vote on the motion was as follows:

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

DIVISION REPORTS

A. Water Master Sandra Reyes gave the Water Supply Update as of November 1, 2023:

San Luis Reservoir Total Storage:	<u>1,323,121 AF</u>
San Luis Reservoir Federal Storage:	<u>714,690 AF</u>

San Luis Reservoir % of Total Capacity 65%

Panoche Update as of November 1, 2023:

USBR 2023 Water Balance: 75,476 AF

October, 2023 Deliveries: 2,790 AF

Total Deliveries to date (MAR-OCT): 48,013 AF

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

- The O&M Budget has met it's 45,000 AF target delivery base and is 3,013 AF over this month.
- A cash flow analysis was presented to the board for WY 2023-2024 with estimations for the remaining months.
- The October O&M, Interest, and M&I billings will be completed and mailed out on 11/15/2023.
- Preliminary work on the Water Cost Budget for WY 2024-2025 has already started.
- With Lorena's departure, Ms. Reyes explained that she had assumed some additional responsibilities:
 - 700 Forms
 - Assisting with District Elections & Appointments
 - Handling all of the Board Meeting Detail – Minutes, Notices, Agendas, Pre-packets, and Resolutions

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

- General Maintenance.
- Made new meter brackets for Lateral 2 - 208 box.
- Repaired 208 box head gates (1 – 30 in. and 1 – 24 in. gate).
- Cleaned 204 ditch to 203A & 203B turnouts.
- Repaired 203A head gate.
- Repaired Lateral 3 Main head gate.
- Weed Control – Sprayed Locations
 - a) **PWD:** Contour Canal, 11E ditch, Lateral 2, T-Canal, and spot sprayed salt cedar trees. Canal Treatments – Russell Turnout, Stations T-1 and T-3
- Mr. Carlucci explained some new roles that he has taken control of with Lorena leaving.
 - The Health and Safety Program
 - Conduct, or Provide Safety Meetings
 - Safety Assessments, Inspections, and Corrective Actions
 - Business Material Plan (CERS)
 - Tire Disposal Program and Facility Permits
 - EPA-California Department of Toxic Substances Control
 - Conduct trainings related to policies and procedures
 - Hazardous Materials Business Plan Program (HMBP) "Water Treatment Plant" LOTO Program and (HMBP) & Spill Prevention Plan for PWD

Mr. Carlucci presented the Board with a map of a grower's fields and his request for a pipeline to our main canal. Mr. Carlucci showed the estimated usage and revenue the District could hope to receive upon installing the pipeline, as well as a quote for the cost of the pipeline. The board agreed to discuss further at the next board meeting.

Mr. Carlucci and GM McGowan also presented a proposal from Hart Paving & Grading for options in repairing or replacing the driveway at the District's main office. The board requested the estimates and subsequent efforts to be presented in the upcoming budget.

Mr. Carlucci also presented the Board with a cost estimate in replacing the Headwall at Station 1. The Board approved this repair and asked Mr. Carlucci to have it done this winter when water usage was minimal.

- C. **Water Resources Manager Juan Cadena reported on the Domestic Water Treatment Plant.** He explained that he has been in discussions with Jim Gartung engineering about potential connection to the Water Quality Improvement JPA pipeline to the pipeline and that they are also working on the draft designs of pond to assist with supplemental water needed for proposed treatment plant.

General Manager Patrick McGowan explained that he has been working with Gabriel Delgado with the Water Quality Improvement JPA regarding the 1999 contract that states "50 gallons a minute". He is currently working with JPA engineers to see if an increase to "200 gallons a minute" is feasible.

Mr. McGowan also relayed to the Board that there are currently 3 District employees interested in obtaining their water treatment certifications – Water Resources Manager Juan Cadena, Canalman Mike Gonzalez, and Canalman Roger Candelaria. A \$1 million dollar grant, or the equivalent of a \$100,000/year for 10 years, for the training of staff in water treatment was identified. The application deadline for this year has passed, the District will apply for this potential funding opportunity next year.

Mr. McGowan discussed staff potentially installing identified backflows. Panoche staff will visit each site identified and begin a parts list for mitigation work to be completed.

Mr. McGowan also talked about the Russell Avenue Estates and how there is a possibility for forty additional service connections to our proposed Surface Water Treatment Plant, which could help the District with additional funding and more importantly improve water quality for residents.

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

Ethics and Compliance:

- 2-hour Ethics & Compliance Program and Code of Conduct training for Patrick McGowan, Neill Callis, Wayne Western, and Josh Marquez were completed with Amy McDougal from CLEAResources, LLC.
- No calls were reported on the Speak-Up Hotline.

Risk Management

- Liability
 - a) 50281 W. Althea Ave. added to the insurance policy.
 - b) Personal Property – Phoned quoted \$2 annual per employee phone. Deductible of \$ 2,500 applies.

Mr. Marquez reported that he is in the process of vetting safety vendors.

Mr. Marquez also reported that he is in the process of working with Coldwell Banker on housing agreements and will be presenting them for Board approval.

Mr. Marquez apprised the board of newly appointed responsibilities, as a result of Lorena Chagoya's departure which include:

- Ethics and Compliance Program
- Speak-Up Hotline & Case Management System
- Conduct Trainings Related to Policies and Procedures
- Policy Management
- Surplus & Disposal Policy
- Assist General Manager with Recruitment
- Assist with On-Boarding, New Hire Orientation, and Off-Boarding
- Insurance Maintenance & Renewals
- Manage and Maintain Assets: Vehicles, Property, and Rental Properties
- Verizon Fleet Program
- Bar Smog Program
- District Elections & Appointments
- Electronic Filing Management
- Maintain All District Websites & Manage Inquiries

E. Accounting Supervisor Marlene Brazil reported on the following human resources activities that occurred in October:

Workers Compensation:

- Two Claims remain open.
- Two Employees remain on leave until November.
- With Lorena's departure, Mrs. Brazil explained that she had taken on some new duties:
 - Human Resources – Including on boarding, new hire orientation, off boarding, E-Verify & I-9 Programs, ACWA/JPIA Benefits, FMLA/CRFA Leave of Absences, Cobra Program, Worker's Compensation Program, Maintenance of Employee personnel, confidential, and medical folders, Retirement plan enrollment & maintenance, Bambee maintenance, and all other Employee Relations inquiries.
 - DOT Program
 - DMV Pull Program
 - Submit all audit statements to Federal, State, & Local Authorities
 - Assist Sandra with 700 Forms

Mrs. Brazil reported on how the District has contracted with Bambee, Inc. to assist with our Human Resource needs for the next two years at a total cost of \$ 13,420.80. If we have HR related Questions, we can reach out and talk to our dedicated Business Engagement Manager, HR coordinator, and HR Manager. Bambee will assist us with our HR Compliance policies, disciplinary issues and corrective actions, all onboarding and terminations, job descriptions, annual and comprehensive HR audits and employee trainings. Employees can also access their own accounts and offer two way feedback.

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

Contracts Administrator Josh Marquez reported that price quotes have been requested for the land surveying and cultural review services and that the deadline is at the end of this week. Mr. Marquez also explained that he is required to get more cost proposals due to the requirements of the federal grant.

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

Staff reported on various items that had been completed on the Action Items List from the previous board meeting held on October 10, 2023. The Board was also provided a detailed list of Lorena's job responsibilities, letting them know who those duties have been picked up by.

GENERAL MANAGER'S REPORT

GM McGowan gave the following manager update for October:

A. Sustainable Groundwater Management Act

Mr. McGowan participated in the Central Delta – Mendota Region Management Committee and Central Delta Mendota Groundwater Sustainability Agency on October 30th. A Central GSA tour was conducted that included Chase Hurley of Water and Land Solutions, SWRCB Vice Chair DeeDee D'Adamo, and General Manager Amy Montgomery of Santa Nella County Water District, to help educate the SWRCB to better understand our water quality issues, as well as our subbasin. The targeted focus is how our subbasin will minimize over-drafting in our area and improve water quality while continuing to provide sufficient water to our growers.

Vice Chair D'Adamo expressed the importance of having additional SWRCB directors visit our region to learn of the unique challenges we face.

Juan Cadena is currently working on gathering pumping information from our growers for the period of October, 2022 – September, 2023

We are currently looking at policies our neighboring entities may have in place to see how they have implemented pumping restrictions while continuing to serve their growers needs.

B. Los Vaqueros Expansion Project

Mr. McGowan participated in the General Managers and introductory meeting with LVE Executive Director Taryn Ravizzini. Currently the group is in the initial stages of working through the Design Construction Agreement, and Backstop agreement. Currently there is not much movement with this project.

C. Water Storage and Conveyance Discussions:

Mr. McGowan explained to the Board the initial conversations that have taken place between himself and various entity managers within the area.

D. San Luis Delta Mendota Water Authority

1. Exchange Contractors Transfer Program

The terms of the SLDMWA Activity Agreement are currently being finalized.

2. North of Delta Transfer Program

The Authority activity members entered into an agreement with consultant on investigating potential land & water acquisitions. Once presented the findings of the investigation it was unanimous decision to no longer engage in discussions.

E. Other:

1. Domestic Water Shutdown SOP. In a recent emergency water system repair it was identified our District needs a process in place to ensure communication with District staff and our potable water customers. A clear-cut standard operating procedure has been established.

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

No other items.

FUTURE MEETING DATES

- A. Next Regular Meeting Date: December 12, 2023

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

At 12:45 am, the Boards met in closed session to have discussions with legal counsel related to anticipated and existing litigation.

REPORT FROM JOINT CLOSED SESSION (GOVERNMENT CODE SECTION 54957.1)

The Board met in closed session and no reportable actions were taken.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

At 1:15 pm, the board met in closed session to have discussions legal counsel related to anticipated and existing litigation.

REPORT FROM CLOSED SESSION

The Board met in closed session and no reportable actions were taken.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 2:50 pm.

Aaron Barcellos, President

Steve Fausone, Secretary

DRAFT

PANOCHÉ WATER DISTRICT				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 11/15/2023 THRU 12/12/2023				
MECHANICS O & M CHECKING # 8566				
DATE	CHECK NUMBER	NAME	CHECK AMOUNT	MEMO
11/15/2023	41551	BAKER MANOCK & JENSEN	\$ 51.26	OCTOBER 2023 LEGAL SERVICES
11/15/2023	41552	FENNEMORE DOWLING AARON	\$ 188.00	SEPTEMBER 2023 LEGAL SERVICES
11/15/2023	41553	FENTON & KELLER	\$ 14,698.33	AUGUST & SEPTEMBER 2023 LEGAL SERVICES
11/15/2023	41554	SAGASER WATKINS & WIELAND PC	\$ 280.00	SEPTEMBER & OCTOBER 2023 LEGAL SERVICES
11/15/2023	41555	WESTSIDE WATER CONDITIONING	\$ 6,399.78	BACTERIA & CHEMICAL TESTS, DROUGHT REPORTS & WEEKLY SERVICES
11/20/2023	41556	A PLUS PLUMBING	\$ 350.00	REPAIRS HOUSE # 2
11/20/2023	41557	APPLIED BEST PRACTICES	\$ 2,500.00	MARKS-ROOS YEARLY FISCAL STATUS REPORTS - BOND REPORTING
11/20/2023	41558	BRENNTAG PACIFIC, INC.	\$ 1,169.43	CHLORINE FOR THE DOMESTIC PLANT
11/20/2023	41559	CLEAR RESOURCES LLC	\$ 1,250.00	E & C CODE OF CONDUCT TRAINING
11/20/2023	41560	FEDERAL EXPRESS	\$ 335.87	SHIPPING FOR WATER SAMPLES - GBP & GENERAL SHIPPING
11/20/2023	41561	CORELOGIC	\$ 200.00	OCTOBER 2023 APN RESEARCH
11/20/2023	41562	FRESNO COUNTY TAX COLLECTOR	\$ 57.86	1ST INSTALLMENT PROPERTY TAXES ON OFFICE & DISTRICT HOUSES
11/20/2023	41563	JORGENSEN & COMPANY	\$ 2,813.82	FIRE EXTINGUISHER TRAINING & FIRE EXTINGUISHER INSPECTIONS
11/20/2023	41564	MCWANE PLANT & INDUSTRIAL	\$ 2,401.75	GATES - LATERAL # 2 & T CANAL
11/20/2023	41565	MID VALLEY DISPOSAL	\$ 62.50	BIN TO DISPOSE OF TRASH HOUSE # 6
11/20/2023	41566	NAPA AUTO PARTS	\$ 209.71	PARTS FOR # 18, # 40, # 42 & # 44
11/20/2023	41567	WATER RECLAMATION EQUIPMENT	\$ 614.00	PARTS FOR LATERAL # 3 TURNOUT 310 & SHOP SUPPLIES
11/20/2023	41568	JOSEPH WESTBROOK	\$ 124.48	BOOT REIMBURSEMENT
11/20/2023	41569	WINDECKER INC.	\$ 3,595.82	900 GALLONS DYED DIESEL @ \$ 4.00/GALLON
11/20/2023	41570	XIO, INC.	\$ 94.00	CLOUD BASED MONITORING SERVICE - DOMESTIC SYSTEM
11/20/2023	41571	YOUNG'S AIR CONDITIONING	\$ 82.00	SERVICE DISTRICT HOUSE # 5
11/20/2023	41572	ALEX AUTO DIAGNOSTICS	\$ 860.15	MAINTENANCE # 13B & # 4B
11/20/2023	41573	CALIFORNIA DEPT OF TAX & FINANCE ADMINISTRATION	\$ 128,012.67	WATER RIGHT FEES 23/24
11/20/2023	41574	HOFFMAN SECURITY	\$ 347.40	DECEMBER 2023 DISTRICT SECURITY
11/20/2023	41575	PETER LAW GROUP	\$ 135,000.00	LAWSUIT SETTLEMENT
11/21/2023	41576	STATE WATER RESOURCES BOARD	\$ 548.00	23/24 SURFACE WATER TREATMENT PLANT ANNUAL PERMIT
12/12/2023	41577	ACWA/JPIA	\$ 70,528.00	AUTO & GENERAL LIABILITY INSURANCE 10/1/2023 - 9/30/2024
12/12/2023	41578	ACWA/JPIA	\$ 33,363.53	JANUARY 2024 INSURANCE - HEALTH \$ 30,883.38, DENTAL \$ 2,039.11, VISION \$ 352.64 & LIFE \$ 88.40
12/12/2023	41579	APPL, INC.	\$ 402.00	WATER SAMPLES - GBP & PWD IRRIGATION
12/12/2023	41580	AARON BARCELLOS	\$ 500.00	NOVEMBER 2023 DIRECTOR STIPEND
12/12/2023	41581	CALIFORNIA FARM WATER COALITION	\$ 5,871.00	MEMBERSHIP DUES 2024
12/12/2023	41582	EDWARD NEILL CALLIS	\$ 500.00	NOVEMBER 2023 DIRECTOR STIPEND
12/12/2023	41583	COLDWELL BANKER KALJIAN	\$ 400.00	MARKET ANALYSIS - RENT ON 4 DISTRICT HOUSES
12/12/2023	41584	BEAU CORREIA	\$ 500.00	NOVEMBER 2023 DIRECTOR STIPEND
12/12/2023	41585	FEDERAL EXPRESS	\$ 244.86	SHIPPING FOR WATER SAMPLES - GBP & GENERAL SHIPPING
12/12/2023	41586	STEVE FAUSONE	\$ 500.00	NOVEMBER 2023 DIRECTOR STIPEND
12/12/2023	41587	HOME DEPOT CREDIT SERVICES	\$ 1,785.32	REFRIGERATOR & SUPPLIES FOR DISTRICT HOUSE # 6, SUPPLIES FOR HAMMOND DRAIN, # 62B & OFFICE
12/12/2023	41588	MARFAB	\$ 354.48	SUPPLIES FOR # 42
12/12/2023	41589	DIANA MOSES	\$ 13.10	MILEAGE REIMBURSEMENT
12/12/2023	41590	MORRIS GENERAL CONTRACTING, INC.	\$ 2,085.00	REPAIRS FOR HOUSE # 2
12/12/2023	41591	PACIFIC GAS & ELECTRIC	\$ 86,839.81	ELECTRICAL POWER NOVEMBER 2023
12/12/2023	41592	PANOCHÉ DRAINAGE DISTRICT	\$ 10.00	2023 SOLAR LEASE
12/12/2023	41593	JOSE PIMENTEL	\$ 150.00	BOOT REIMBURSEMENT

DATE	CHECK NUMBER	NAME	AMOUNT	MEMO
12/12/2023	41594	PURCHASE POWER	\$ 349.80	POSTAGE REFILL
12/12/2023	41595	SPRAYTEC SPRAYER TECHNOLOGY	\$ 221.42	PARTS FOR # 42
12/12/2023	41596	SUMMERS ENGINEERING INC.	\$ 1,223.64	ADMINISTRATION & CONTOUR CANAL LINING PROJECT
12/12/2023	41597	TITAN ENVIRONMENTAL USA LLC	\$ 19,364.56	DITCH LINER FOR MILLUX DITCH
12/12/2023	41598	UNWIRED BROADBAND, INC.	\$ 549.99	DECEMBER 2023 INTERNET SERVICE
12/12/2023	41599	WATER RECLAMATION EQUIPMENT	\$ 85.42	PARTS FOR SHOP & LATERAL # 3 TURNOUT # 310
12/12/2023	41600	WAYNE WESTERN JR.	\$ 500.00	NOVEMBER 2023 DIRECTOR STIPEND
12/12/2023	41601	WINDECKER INC.	\$ 5,646.63	1,500 GALLONS UNLEADED @ \$3.76/GALLON
12/12/2023	41602	ALEX AUTO DIAGNOSTICS	\$ 85.00	DIAGNOSTICS FOR # 04B
11/14/2023	W000000889	PAI SERVICES, LLC	\$ 118.82	SAGE TIME SUPPORT OCTOBER 2023
11/16/2023	JE-221	TRANSFER FUNDS FOR PAYROLL	\$ 60,000.00	PAYROLL DATED 11/20/2023
11/16/2023	W000000887	SAN LUIS DELTA MENDOTA WATER AUTHORITY	\$ 55,355.93	OCTOBER 2023 SLDMWA CONVEYANCE COST SLC \$ 40,687.00 & DMC \$ 14,668.93
11/16/2023	W000000888	UNITED STATES BUREAU OF RECLAMATION	\$ 128,784.43	OCTOBER 2023 USBR WATER COSTS SLC \$ 64,207.80 & DMC \$ 28,968.19, RESTORATION WATER COSTS SLC \$ 25,130.35 & DMC \$ 10,478.09
11/21/2023	JE-226	TRANSFER FUNDS FOR PAYROLL	\$ 50,000.00	PAYROLL DATED 11/22/2023
11/27/2023	W000000890	SAN LUIS DELTA MENDOTA WATER AUTHORITY	\$ 9,004.00	WY23 SJRECWA WATER TRANSFER TRUE UP
11/28/2023	W000000891	WESTAMERICA VISA	\$ 2,454.83	BI-ANNUAL STATEMENT OF INFORMATION - PFA, ICE FOR SAMPLES - GBP, DISTRICT EMAILS, TOOLBOX FOR # 42, STAFF LUNCHEONS, AMAZON - DISTRICT SUPPLIES, VINEGAR FOR WEED CONTROL, FLAG FOR CONFERENCE ROOM, FLIGHT TO ACWA CONFERENCE & SERVICE # 18A
12/1/2023	JE-232	TRANSFER FUNDS FOR PAYROLL	\$ 70,000.00	PAYROLL DATED 12/5/2023
		TOTAL	\$ 840,038.40	

MECHANICS PAYROLL CHECKING # 7895				
DATE	CHECK NUMBER	NAME	AMOUNT	MEMO
11/17/2023	JE-223	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$ 2,540.48	STATE PAYROLL TAX DEPOSIT
11/17/2023	JE-224	INTERNAL REVENUE SERVICE	\$ 13,855.22	FEDERAL PAYROLL TAX DEPOSIT
11/17/2023	JE-225	JOHN HANCOCK	\$ 7,850.13	401K RETIREMENT
11/17/2023	PR-1491	NET PAYROLL	\$ 37,242.39	PAYROLL DATED 11/20/2023
11/21/2023	PR-1492	NET PAYROLL	\$ 46,150.00	PAYROLL DATED 11/21/2023
11/21/2023	JE-227	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$ 2,928.00	STATE PAYROLL TAX DEPOSIT
11/22/2023	JE-228	INTERNAL REVENUE SERVICE	\$ 16,380.00	FEDERAL PAYROLL TAX DEPOSIT
11/22/2023	JE-229	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$ 3.20	STATE PAYROLL TAX DEPOSIT
11/22/2023	JE-230	INTERNAL REVENUE SERVICE	\$ 54.46	FEDERAL PAYROLL TAX DEPOSIT
11/22/2023	JE-231	JOHN HANCOCK	\$ 32.04	401K RETIREMENT
11/22/2023	PR-1493	NET PAYROLL	\$ 314.93	PAYROLL DATED 11/22/2023
12/4/2023	JE-235	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$ 2,174.61	STATE PAYROLL TAX DEPOSIT
12/4/2023	JE-236	INTERNAL REVENUE SERVICE	\$ 12,683.00	FEDERAL PAYROLL TAX DEPOSIT
12/4/2023	JE-237	JOHN HANCOCK	\$ 7,655.06	401K RETIREMENT
12/4/2023	PR-1494	NET PAYROLL	\$ 37,529.68	PAYROLL DATED 12/5/2023
11/28/2023	3294	PRINCIPAL LIFE INSURANCE COMPANY	\$ 493.20	EMPLOYEE PAID INSURANCE
		TOTAL	\$ 187,886.40	

Aaron Barcellos

Nov 29, 2023

Review Period 10/6/2023 – 11/6/2023

Statement and documentation made available: 11/28/2023

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

Ms. Lorena Chagoya

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

Sincerely,



Aaron Barcellos

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

	INTEREST RATE	<u>November 30, 2023</u>	<u>December 31, 2023</u>
CURRENT LIABILITIES			
ACCOUNTS PAYABLE		\$564,478	\$164,287
PREPAYMENTS/CREDIT ACCOUNTS		-	-
TOTAL CURRENT LIABILITIES		\$564,478	\$164,287
CASH AND INVESTMENT ACCOUNTS			
O&M CHECKING		\$925,104	\$712,052
PAYROLL CHECKING		\$19,356	\$30,309
MONEY MARKET	3.99%	\$3,779,647	\$3,767,508
CONTRACTUAL OBLIGATION FUND MONEY MARKET	3.99%	\$798,807	\$796,242
LAIF	3.670%	\$158,718	\$158,718
2021 REVENUE BONDS - LAIF RESTRICTED	3.670%	\$1,209,223	\$1,209,223
TOTAL CASH AND INVESTMENTS		\$6,890,854	\$6,674,052
ACCOUNTS RECEIVABLES			
WATER		\$792,736	\$1,605,032
GROUNDWATER MANAGEMENT FEE		-	-
DELINQUENT ACCOUNT CHARGES		\$1,040,024	\$113,425
OTHER		\$191	\$12,234
GBA NOTE RECEIVABLE		\$52,125	\$69,423
PDD NOTE RECEIVABLE		\$37,203	\$49,542
CASH ADVANCE - PROP 84		\$5,716,043	\$5,716,043
TOTAL ACCOUNTS RECEIVABLES		\$7,638,322	\$7,565,699
TOTAL CURRENT UNAUDITED ASSETS		\$14,529,176	\$14,239,751
NET CURRENT UNAUDITED ASSETS (NET CASH POSITION)		\$13,964,698	\$14,075,463

General Ledger Detail Report
Summary Report for Period 01 Thru 09 Ending 11/30/2023




PANOCHÉ WATER DISTRICT (PWD)


Account Number/Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
13112-000 MECHANIC CKNG #*****8566	191,704.46	24101477.46	23368078.42	733,399.04	925,103.50
13132-000 MECHANIC MM # 2305	0.00	5,827,646.86	2,048,000.00	3,779,646.86	3,779,646.86
13412-000 MECHANIC PR#*****7895	23,847.54	1,250,136.93	1,254,628.84	4,491.91-	19,355.63
13465-000 2021 REVENUE BONDS - LAIF	1,181,119.41	28,103.32	0.00	28,103.32	1,209,222.73
13470-000 CONTRACTUAL OBLIGATION FUND #9745	760,413.07	689,323.64	650,929.55	38,394.09	798,807.16
13520-000 LOCAL AGENCY INVESTMENT FD	4,194,980.79	48,737.32	4,085,000.00	4,036,262.68-	158,718.11
Report Total:	6,352,065.27	31945425.53	31406636.81	538,788.72	6,890,853.99



RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT
 O & M ACCOUNT
 52027 W ALTHEA AVE
 FIREBAUGH CA 93622-9401

Managing Your Accounts

-  Client Services 800.797.6324
-  Online www.mechanicsbank.com
-  Mobile Download Our Mobile Apps



Merchant Services that can be customized to do business your way.

To learn more, talk to a banker or call **800.797.6324**.

Mechanics Bank Member FDIC

WATCH OUT FOR GOVERNMENT IMPERSONATION SCAMS

Scammers pose as technology support representatives and offer to fix non-existent computer or technology issues. Learn how to spot this scam at www.MechanicsBank.com/Security.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXXX8566	\$1,059,814.92

PUBLIC CHECKING-XXXXXXXXX8566

Account Summary

Date	Description	Amount
11/01/2023	Beginning Balance	\$747,116.28
	15 Credit(s) This Period	\$1,108,609.93
	75 Debit(s) This Period	\$795,911.29
11/30/2023	Ending Balance	\$1,059,814.92




Electronic Credits


Date	Description	Amount
11/01/2023	Remote Deposit	\$31,185.68
11/02/2023	Remote Deposit	\$171,320.36
11/02/2023	Transfer funds due to Helena Agri paying wrong district inv 42397 43128 43203	\$874.72



RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT
 PAYROLL ACCOUNT
 52027 W ALTHEA AVE
 FIREBAUGH CA 93622-9401

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Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXXX7895	\$66,004.91

PUBLIC CHECKING-XXXXXXXXX7895
Account Summary

Date	Description	Amount
11/01/2023	Beginning Balance	\$30,808.47
	3 Credit(s) This Period	\$180,000.00
	21 Debit(s) This Period	\$144,803.56
11/30/2023	Ending Balance	\$66,004.91




Electronic Credits


Date	Description	Amount
11/01/2023	JE-211 Transfer funds for payroll	\$70,000.00
11/16/2023	JE-221 Transfer funds for payroll	\$60,000.00
11/21/2023	JE-226 Transfer funds for payroll	\$50,000.00



RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT
 CONTRACTUAL OBLIGATION FUND
 52027 W ALTHEA AVE
 FIREBAUGH CA 93622-9401

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Mechanics Bank Member FDIC

The "Per Check Charge" defined on your statement represents a \$15 charge for each check that exceeds the six check limitation on your account. Refer to Mechanics Bank's Account Agreement for additional information.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET	XXXXXXXXX9745	\$798,807.16

PUBLIC MONEY MARKET-XXXXXXXXX9745
Account Summary

Date	Description	Amount
11/01/2023	Beginning Balance	\$796,241.73
	1 Credit(s) This Period	\$2,565.43
	0 Debit(s) This Period	\$0.00
11/30/2023	Ending Balance	\$798,807.16

Interest Summary

Description	Amount
Interest Earned From 11/01/2023 Through 11/30/2023	
Annual Percentage Yield Earned	3.99%
Interest Days	30
Interest Earned	\$2,565.43
Interest Paid This Period	\$2,565.43
Interest Paid Year-to-Date	\$19,596.61

Other Credits




Date	Description	Amount
11/30/2023	INTEREST	\$2,565.43






RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT
 52027 W ALTHEA AVE
 FIREBAUGH CA 93622-9401

Managing Your Accounts

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-  Online www.mechanicsbank.com
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Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET	XXXXXXXXX2305	\$3,779,646.86

PUBLIC MONEY MARKET-XXXXXXXXX2305

Account Summary

Date	Description	Amount
11/01/2023	Beginning Balance	\$3,767,508.26
	1 Credit(s) This Period	\$12,138.60
	0 Debit(s) This Period	\$0.00
11/30/2023	Ending Balance	\$3,779,646.86

Interest Summary

Description	Amount
Interest Earned From 11/01/2023 Through 11/30/2023	
Annual Percentage Yield Earned	3.99%
Interest Days	30
Interest Earned	\$12,138.60
Interest Paid This Period	\$12,138.60
Interest Paid Year-to-Date	\$27,646.86

Other Credits

Date	Description	Amount
11/30/2023	INTEREST	\$12,138.60



California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

December 05, 2023

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

PANOCHÉ WATER DISTRICT

GENERAL MANAGER/ACCT SUPERVISOR
52027 WEST ALTHEA
FIREBAUGH, CA 93622

[Tran Type Definitions](#)

Account Number: 90-10-005

November 2023 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	158,718.11
Total Withdrawal:	0.00	Ending Balance:	158,718.11

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

December 05, 2023

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

PANOCHE WATER DISTRICT

2021A REVENUE BONDS
 GENERAL MANAGER
 52027 W. ALTHEA AVENUE
 FIREBAUGH, CA 93622

Account Number: 11-10-004

Nov 2023 Statement

[Tran Type Definitions](#)

Account Summary

Total Deposit: 0.00
 Total Withdrawal: 0.00

Beginning Balances

Principal: 1,167,000.00
 Interest: 42,222.73

Ending Balances

Principal: 1,167,000.00
 Interest: 42,222.73
Grand Total: 1,209,222.73

Bond ID	Bond Name	Principal Balance	Next Maturity Date
2108261	REVENUE BONDS, SERIES 2021	1,167,000.00	12/6/2023

PANOCHÉ WATER DISTRICT					
Budget to Actual March 1, 2023 thru November 30, 2023 - 75%					
BOD Approved Mar. 1, 2023 BOD Adopted Apr. 18, 2023, after Prop 218 Process		Approved Budget 2023-2024	Actual thru November 2023	Remaining	
Operating Revenues					
1	Supplemental Water	\$ 8,937,467	\$ 8,861,628	\$ 75,839	1%
2	Operation & Maintenance	\$ 5,784,364	\$ 5,717,561	\$ 66,803	1%
3	Fresno/Merced Counties - 2021 CVP Bond	\$ 1,303,892	\$ 669,779	\$ 634,113	49%
4	Labor Reimbursements	\$ 350,079	\$ 111,729	\$ 238,350	68%
5	Other Revenue	\$ 125,416	\$ 443,709	\$ (318,293)	-254%
6	Reimbursed Expenses	\$ 340,000	\$ 239,574	\$ 100,426	30%
7	Domestic Water Treatment Plant	\$ 174,000	\$ 109,529	\$ 64,471	37%
8	Sustainable Groundwater Management ¹	\$ 4,852	\$ -	\$ 4,852	100%
9	CVP AG Water Contract (80%)	\$ 6,075,000	\$ 2,426,428	\$ 3,648,572	60%
Total Revenue		\$ 23,095,070	\$ 18,579,937	\$ 4,515,133	20%
Operating Expenses					
Water Costs					
10	Supplemental Water	\$ 8,937,467	\$ 7,281,781	\$ 1,655,686	19%
11	Planning & Engineering	\$ 57,000	\$ 28,337	\$ 28,663	50%
12	Los Vaqueros Expansion	\$ 224,500	\$ 337,793	\$ (113,293)	-50%
13	BF Sisk Expansion	\$ 366,500	\$ 2,301	\$ 364,199	99%
14	Central Delta-Mendota Region SGMA ¹	\$ 4,852	\$ (3,136)	\$ 7,988	165%
15	CVP AG Water Contract (80%)	\$ 6,075,000	\$ 882,584	\$ 5,192,416	85%
		\$ 15,665,319	\$ 8,529,660	\$ 7,135,659	46%
Administration					
16	2021 CVP Bond Payment	\$ 929,978	\$ 929,978	\$ 0	0%
17	Legal Costs	\$ 250,000	\$ 457,924	\$ (207,924)	-83%
18	2021 CVP Bond Assessment Refund	\$ -	\$ -	\$ -	0%
19	Salaries and Wages	\$ 686,975	\$ 401,470	\$ 285,505	42%
20	Employees' Benefits	\$ 198,151	\$ 122,596	\$ 75,556	38%
21	SLDMWA Activity Agreements	\$ 106,863	\$ 106,620	\$ 243	0%
22	SLDMWA DHCCP Bond Payment	\$ 148,592	\$ 22,117	\$ 126,475	85%
23	Directors' Benefits	\$ 36,000	\$ 22,500	\$ 13,500	38%
24	Insurance Costs	\$ 95,000	\$ 64,762	\$ 30,238	32%
25	SWRCB Water Rights Fee	\$ 125,000	\$ -	\$ 125,000	100%
26	Other Supplies & Services	\$ 106,500	\$ 70,995	\$ 35,505	33%
27	Payroll Burden	\$ 85,268	\$ 58,495	\$ 26,773	31%
28	Professional Services	\$ 78,000	\$ 177,008	\$ (99,008)	-127%
29	Annual Audits	\$ 40,000	\$ 37,900	\$ 2,100	5%
30	Communication Costs	\$ 45,000	\$ 35,267	\$ 9,733	22%
31	Conferences and Training Costs	\$ 45,000	\$ 7,803	\$ 37,197	83%
32	Utilities	\$ 45,000	\$ 38,197	\$ 6,803	15%
		\$ 3,021,328	\$ 2,553,632	\$ 467,696	15%

BOD Approved Mar. 1, 2023 BOD Adopted Apr. 18, 2023, after Prop 218 Process		Proposed Budget 2023-2024	Actual thru November 2023	Remaining	
Operations & Maintenance					
33	Energy Costs	\$ 1,795,500	\$ 1,105,804	\$ 689,696	38%
34	Salaries and Wages	\$ 915,001	\$ 655,031	\$ 259,970	28%
35	Employees' Benefits	\$ 325,888	\$ 197,295	\$ 128,593	39%
36	Pumps & Structures Repairs	\$ 241,000	\$ 166,105	\$ 74,895	31%
37	Payroll Burden	\$ 153,734	\$ 94,136	\$ 59,598	39%
38	Reimbursable Expenses	\$ 340,000	\$ 68,142	\$ 271,858	80%
39	Chemical Application	\$ 111,000	\$ 99,161	\$ 11,839	11%
40	Domestic Water Treatment Plant	\$ 174,000	\$ 116,500	\$ 57,500	33%
41	Fuel & Oil costs	\$ 145,000	\$ 64,722	\$ 80,278	55%
42	Capital Cost - Depreciation	\$ -	\$ -	\$ -	0%
43	Equipment repairs	\$ 100,000	\$ 66,415	\$ 33,585	34%
44	Vehicle repairs & Maintenance	\$ 40,000	\$ 24,312	\$ 15,688	39%
45	Buildings Repairs & Maintenance	\$ 50,000	\$ 34,360	\$ 15,640	31%
46	Laboratory - Water Testing	\$ 17,300	\$ 2,581	\$ 14,719	85%
		\$ 4,408,423	\$ 2,694,564	\$ 1,713,859	39%
Total Expenses		\$ 23,095,070	\$ 13,777,855	\$ 9,317,215	40%
Net Revenue/(Deficit)		\$ -	\$ 4,802,082	\$ (4,802,082)	
		Current O&M²	Water Rate³	Acreage Rate⁴	
Water Cost		\$ 128.54	\$ 110.47	\$ 21.22	
Total Delivered Water Cost			\$ 246.00		
			\$ 356.47		
¹ SGMA costs historically billed on an acreage basis ² FYE 2023-24 proposed O&M Rate assumes 45,000 acre-feet of deliveries ³ Potential Water Rate assumes 45,000 acre-feet of deliveries ⁴ Potential Acreage Rate assumes 38,317 acres					

INTER-DISTRICT ACCOUNT RECONCILIATION
NON-AUDITED
November 30, 2023

PWD	
PANOCHÉ WATER DISTRICT ACCOUNTS/NOTES RECEIVABLE	
GBA OUTSTANDING INVOICES	\$ 1,700,000
PANOCHÉ DRAINAGE DISTRICT OUTSTANDING INVOICES (AR)	\$ 1,433,042
PROP 84 CASH ADVANCES	\$ 5,716,043
GBA NOTE PAYABLE ON ORIGINAL \$ 1,000,000.00 (3 MONTHLY PYMTS LEFT - 1.75% INTEREST)	\$ 52,257
PDD NOTE PAYABLE ON ORIGINAL \$ 712,930.00 (14 MONTHLY PYMTS LEFT - 3.00% INTEREST)	\$ 163,657
Balance	\$ 9,064,998

PDD	
PANOCHÉ DRAINAGE DISTRICT ACCOUNTS/NOTES PAYABLE	
GBA OUTSTANDING INVOICES (NOTE PAYABLE WITH INTEREST - TO BE DETERMINED)	\$ 931,012
PANOCHÉ DRAINAGE DISTRICT OUTSTANDING INVOICES (NP W/ INTEREST TO BE DETERMINED)	\$ 1,433,042
PDD NOTE PAYABLE ON ORIGINAL \$ 712,930.00 (14 MONTHLY PYMTS LEFT - 3% INTEREST)	\$ 176,027
Balance	\$ 2,540,081

PDD/PROP 84	
PROP 84 ACCOUNTS PAYABLE (ORIGINALLY PAID BY THESE ENTITIES AT PROP 84 STARTUP)	
PANOCHÉ WATER DISTRICT (CASH ADVANCES)	\$ 5,716,043
Balance	\$ 5,716,043

PDD PROP 84 FUNDING STATUS	
GRANT AMOUNT	\$ 34,162,400
REQUESTED FUNDS (THRU INVOICE # 19)	\$ 15,225,405
FUNDS AVAILABLE	\$ 18,936,995

DESKTOP>BREAKDOWN OF AR.NR.NP 10.31.2032

PANOCHÉ WATER DISTRICT
AGED ACCOUNTS RECEIVABLE - Delinquent
As Of 11/30/2023

Name	31-60 Days	61-90 Days	Over 90 Days	Total A/R
Brown, Lupe	-	-	24.49	24.49
Carrillo, Jose A	-	-	197.98	197.98
Cecilia Echeveste Survivor's Trust	50,684.81	8,278.08	63,082.38	122,045.27
Correia, Beau & Katherine	11,738.97	-	-	11,738.97
Correia 2015 Living Trust	5,728.14	6,075.33	672.78	12,476.25
CSU Farms, LLC	142,529.16	-	-	142,529.16
Enrico Irrevocable Trust of 1994	21.54	21.54	1,435.64	1,478.72
Hanna M&M Family Trust	-	156.61	-	156.61
Harvest Point, LLC	-	101.47	-	101.47
Helena Agri Enterprises, LLC	928.72	-	219.84	1,148.56
Imperial Merchants USA, LLC	0.37	0.37	30.74	31.48
John S. Diedrich Farms	48,154.38	-	17,755.13	65,909.51
Kenneth Bethel 2015 Trust	69,249.00	75.96	-	69,324.96
Linneman Ranches, Inc.	194,832.01	-	-	194,832.01
McGrath Trust, Mary K.	25.90	25.90	1,780.48	1,832.28
Nyman Family	11,031.60	-	-	11,031.60
Nyman, Brad & Kristi	88,683.00	-	-	88,683.00
Nyman, Ms. Rebecca	113,775.00	-	-	113,775.00
Terra Bella Farm Co. & I. Matson	199.37	199.37	13,291.04	13,689.78
Tierra Loma Ranch, Inc.	41,574.00	-	-	41,574.00
USC Farms, LLC	139,605.00	-	-	139,605.00
Water Reclamation	7,838.05	-	-	7,838.05
	926,599.02	14,934.63	98,490.50	1,040,024.15
<u>Other</u>	-	-	-	-
Total Accounts - Delinquent	926,599.02	14,934.63	98,490.50	1,040,024.15

Notes:

Echeveste - Talked to him again and check has been sent
 Correia - Let me know his account would be paid
 Talked to Michelle again about Diedrich to get his acct and Mary McGrath's acct current
 We are working with Phil on Imperial Merchants
 CSU/USC/Enrico Entities - Talked to Ajay and he would make sure everything was paid
 Talked with Helena's secretary and she would submit for payment
 E-mailed Lance & his secretary for Bethel's balance
 Talked to Linneman about his account balances
 Water Reclamation has to bill entities to recoup payment / Will pay once collected

PANOCHÉ WATER DISTRICT

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



MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: SANDRA REYES, WATER MASTER

SUBJECT: TURLOCK FRUIT COMPANY'S CREDIT/REFUND REQUEST

DATE: 12/4/2023

CC : PATRICK MCGOWAN, GENERAL MANAGER

Supplemental Water Credit Request: Turlock Fruit Company (See E-mail Request Attached)

The District has received a request from Turlock Fruit Company to be able to turn back their portion of Supplemental Water currently on their books. (1,471.30) AF x \$ 246.00 = (\$ 361,939.80).

Mr. Callis explained that they had paid for more water than they will be able to use this year and part of this is due to the purchase of additional land this past year that increased their water allocations. 2,923 acres to 4,410 acres.

Informational:

On April 21, 2023, the prior General Manager had sent out a letter to the growers regarding water allocations, rates, etc. In the letter (see attached), it states the following: *"For growers wishing more or less water, please contact Watermaster Sandra Reyes at sreyes@panochewd.org to process your allocation adjustment."*

- The spreadsheet I put together shows that if everyone with Supplemental water remaining requested a credit – the total would be 2,265 AF for a total of (\$ 557,244.12)
- The water cost cash flow analysis currently shows a total revenue of \$ 2,929,050.58

Sandra Reyes

From: Neill Callis <neill.callis@turlockfruit.com>
Sent: Wednesday, November 29, 2023 12:39 PM
To: Patrick McGowan; Sandra Reyes; Aaron Barcellos
Cc: Steve Smith
Subject: excess water - Turlock Fruit combined entities

Hi Patrick, Sandra (cc: Aaron) -- I'm reaching out as a grower today, not as a Board member: Steve and I are asking for some help as we mistakenly paid for more water than we'll be able to use this year. (Complicating this was our acquisition of significant new acreage in the District).

In short, we are projecting to have ~1400AF of Supplemental Water that we won't use, but have paid for. **We're asking the District to consider refunding us the cost of this unused water.**

Secondarily, we anticipate having ~1400AF of Allocated Water that we will also not use -- I know the USBR hasn't made a policy decision on how/what can be rescheduled, but wanted to get this on your radar as we may need your help in exploring the possibility of out-of-district transfers, etc. if we get another very wet winter.

Thanks in advance - we're available to meet if that's helpful.

best,
--Neill

Neill Callis
Turlock Fruit Company
mobile: (415) 377-8440
office: (209) 634-7207



panoche water district

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

April 21, 2023

Dear growers,

It is nice to see people and tractors finally at work in the District. I love the smell of the soil as you stir it up to plant the magnificence that is to come. The wet winter sure has turned our water supply woes around quickly, too quickly in places to be sure, but 2023 is going to be a year in which the District will be able to meet all growers' irrigation demands. As such, we strongly encourage all of you that have been using groundwater to shift solely to surface water and give our aquifer a much needed rest for the next dry cycle, which is certain to come again. This letter is to update you on our 2023 water supply, related rates, and looking forward.

2023 Central Valley Project Allocation

On March 28, 2023, Reclamation updated its south-of-Delta supply allocation to contractors, increasing it from 35% to 80% of Contract total. This allocation increased the District's CVP supply to 75,000 acre-feet, which is available for delivery through February 29, 2024. In addition, in response to Reclamation's announcement, the San Luis & Delta-Mendota Water Authority revised its Operations & Maintenance rates downward, which reduced the cost to deliver water to the District by up-to \$18.36 per acre-foot. The Authority's cost to deliver water to the District is one of the components that go into the total water cost. At its April 18th meeting, the Board of Directors voted to amend the District's fiscal-year ending 2024 budget to reflect these changes.

Yesterday, Reclamation further increased the 2023 south-of-Delta allocation to 100% of Contract total¹. The last time we received a 100% allocation was in 2017. Our CVP contract supply, in conjunction with our multi-year supplemental water agreements and 2022 Rescheduled water, add up to a total supply of 131,500 acre-feet. Notwithstanding, based upon information provided by growers, the District is forecasting 2023 water demands of only 45,000 acre-feet so, because O&M rates are based upon deliveries, not supply, it is unlikely that the Authority or District will further reduce water rates in the near future. If another rate reduction does occur, it would likely be in the fall after the summer demands have been met and a clearer forecast of the remaining 2023 deliveries is available.

2023-2024 District Water Rates

On March 15th, the District sent growers an initial allocation of 2023 water and invoices for this year's cost of the multi-year supplemental supplies we maintain for your use during our often-short CVP allocation years. We recognize these supplemental supplies can be an unwanted cost in the few years the District has sufficient CVP supplies but the benefit over the long-term of maintaining our multi-year agreements, both in terms of reliability and price, far outweigh the infrequent burden. In an effort to

¹ <https://www.usbr.gov/newsroom/news-release/4493>

balance interests, the Board has decided to blend the 2023 CVP supply with our supplemental sources and average the water supply cost. For those of you that have already paid for your 2023 supplemental supplies, the District will issue you a credit. Enclosed with this letter is a revised allocation of 1.17 acre-feet per acre at a melded cost of \$246 per acre-foot. Also enclosed is an invoice for one-half of the total cost of the water, which is due and payable within 30 days of the invoice date. The second half of the of the 2023 water cost will be due in September. For growers wishing more or less water, please contact Watermaster Sandra Reyes at sreyes@panochewd.org to process your allocation adjustment. Again, please rely on our abundant surface supplies this year to rest our precious aquifer for the next *not* so rainy day.

2023-2024 Operations & Maintenance Rates

On April 18th, the District held a public hearing to receive testimony regarding the proposed 2023 water and land-based Operations & Maintenance rates. No public testimony was received nor did the District receive any official protest forms, which were mailed to all landowners on March 22, 2023. Pursuant to the requirements of Proposition 218, following the public hearing, the Board adopted the proposed water and land-based Operations & Maintenance rates. For 2023, the O&M rate for the delivery of water will be \$110.47 per acre-foot and the land-based rate for O&M will be \$21.22 per acre. These rates are based upon the forecasted demand of 45,000 acre-feet. The land-based rate will be billed in two increments, the first half in June and the second half in December. The water delivery rates will continue to be billed monthly following usage. Invoiced amounts will be due and payable net thirty days after invoice date after which they become delinquent. The District allows a 15-day grace period to remedy delinquencies prior to the suspension of water deliveries. For more information on billings and usage, please contact Watermaster Sandra Reyes or Water Resources Manager Juan Cadena.

LOOKING FORWARD

This is my last letter to you as General Manager. When I arrived in 2017, there was legitimate concern about the viability of the District's future and the impact it would have on you, its growers. With the tremendous support of a Board wholly committed to restoring trust and confidence, we immediately set out to overhaul the District's administrative systems and culture. During the course of the next four years, we worked diligently to resolve many matters and those efforts culminated in the issuance of the 2021 Contractual Obligation Bonds, which reamortized the District's CVP capital cost, reducing your annual costs by up-to \$73 per acre, paid the amount we agreed to settle claims by the United States, eliminated the acreage limitations and annual reporting requirements of the Reclamation Reform Act, and implemented the terms of a contract with Reclamation for water supply and service from the Central Valley Project in perpetuity. Along the way, we reorganized management, reduced and trained staff, and implemented an ethics-based culture to establish systems and controls that ensure a durable and successful future. This work has been both challenging and the most rewarding of my career. I am very proud of the people that remain to serve you; led by your astute and energetic Board, they are trustworthy, smart, and dedicated, and will certainly build upon the achievements we've realized thus far.

Looking forward, the Board has issued an announcement to fill the seat I am vacating². If any of you know of individuals that may be of interest, please pass this information along. The current

² <https://panochewd.specialdistrict.org/employment-opportunities-260f5d6>

application filing deadline is May 20, 2023, and we expect to have the position filled by mid-July. In the meantime, Chase Hurley, with Water and Land Solutions, will be acting as interim General Manager. Chase has a life-long history on the Westside, worked for Panoche in the early 2000s before becoming the General Manager of the San Luis Canal Company. After retiring from SLCC, Chase started his consulting business, which focuses on the operation and administration of local agencies such as our neighbor, Pacheco Water District. Chase's expansive knowledge and experience, coupled with the support of our top-flight staff, will serve you all well in the intervening months. The Board has also asked that I stay on a bit as a consultant to help tie off some issues, provide information and advice, and help train the new General Manager when the time comes. I look forward to doing what I can to help ensure a smooth transition and I know everyone involved feels exactly the same way. You are in good hands.

As for me, I will be the new General Manager of the [Monterey County Water Resources Agency](#). The Agency was formed around the same time as Panoche to provide for flood control, water conservation, and conjunctive use largely throughout the Salinas Valley. I am grateful that as my career has evolved, I have been able to stay engaged in serving irrigated agriculture. What you all do with a drop of water is sadly unsung and certainly unsurpassed. It has been my honor to serve you and I wish each of you nothing but the best.

Yours truly,



Ara Azhderian

**PANOCH WATER DISTRICT WY 2023-2024
SUPPLEMENTAL WATER CREDIT**

				SUPPL Water	\$ 246.00
Grower Name	Acreege	Wtr Balance as of 11/1	Invoice Status	Balance Remaining	Total Credit
A-Bar Ag Enterprises	1,756.40	2,777.57	Paid	0	0
Almendra Properties III, LP	134.88	240.00	Paid	0	0
Gopher Ridge I, LP	601.84	1068.00	Paid	0	0
Gopher Ridge II, LP	633.60	1098.79	Paid	0	0
Gopher Ridge Entities Total	1,370.32	2,406.79		0	0
Eagle Loma Farms	316.97	372.70	Paid	0	0
Hugh Bennett Ranch, Inc.	947.74	1635.10	Paid	0	0
JFB Ranch, Inc.	62.85	0	Paid	0	0
Oro Loma Ranch	679.02	413.17	Paid	0	0
Rancho De La Esperanza	415.16	0	Paid	0	0
Rancho Las Margaritas	454.25	0	Paid	0	0
Bennett Entities Total	2,875.99	2,420.97		0	0
Bethel, Kenneth 2015 Trust	477.28	1100.53	2nd Due	0	0
Correia, Beau & Katherine	40.00	71.93	2nd Due	0	0
Correia Entities Total	40.00	71.93		0	0
Creekside Farming Company	635.43	1342.00	Paid	0	0
LAT Farming Trust	1,047.12	702.22	Paid	0	0
WMD Farming, Et Al #1	159.32	283.00	Paid	0	0
Del Don Entities Total	1,206.44	985.22		0	0
Diedrich, William Living Trust	19.14	18.52	Paid	0	0
Echeveste, Cecilia Survivors Trust	304.85	626.53	1st & 2nd Due	0	0
Gargiulo, Inc.	637.14	1139.68	Paid	0	0
Glenpark Building	603.95	1015.00	Paid	0	0
Hammonds Ranch, Inc.	1,369.90	2431.00	Paid	0	0
Homeland Ranch	1,238.34	2546.13	Paid	0	0
Mar-Hi Farms	1,042.80	2304.45	Paid	0	0
San Joaquin West Ranch	1,229.58	2376.00	Paid	0	0
Hammonds Entities Total	4,880.62	9,657.58		0	0
Helena Agri Enterprises, LLC	20.72	61.00	Paid	10.00	\$ 2,460.00
John S. Diedrich Farms	290.23	406.53	1st & 2nd Due	0	0
Linneman Ranch, Inc.	1,341.09	2739.26	2nd Due	0	0
Tierra Loma Ranch, Inc.	286.17	704.00	2nd Due	0	0
Linneman Entities Total	1,627.26	3,443.26		0	0
Little Green Nut, LLC	316.48	891.20	Paid	112.20	\$ 27,601.20
Lincoln Grantor Farms, LLC	122.44	0	Paid	0	0
Winston Farms	456.69	95.98	Paid	0	0
Maricopa Orchards Entities Total	579.13	95.98		0	0
Marv Coit Farms, LP	1,896.42	2857.07	Paid	0	0
Nellore Farms, LLC	404.92	1119.96	Paid	124.96	\$ 30,740.16
Grandland Pistachio, LP	615.05	1512.76	Paid	58.76	\$ 14,454.96
Kariz, LP	312.40	456.22	Paizd	0	0
Pardis, LP	466.61	927.49	Paid	0	0
Yazd, LP	600.46	1114.50	Paid	0	0
NIA Investments Entities Total	1,994.52	4,010.97		58.76	\$ 14,454.96
Nyman, Brad & Kristi	612.07	1008.51	2nd Due	0	0
Nyman, Rebecca	783.75	1548.65	2nd Due	0	0
Nyman Entities Total	1,395.82	2,557.16		0	0
Olam West Coast, Inc.	292.11	827.00	Paid	139.00	\$ 34,194.00
Peri & Sons Farms of CA, LLC	73.18	245.49	Paid	36.00	\$ 8,856.00
Redfern Ranches, Inc.	2,075.41	3872.71	Paid	0	0
Thiel Air Care, Inc.	11.26	34.00	Paid	6.00	\$ 1,476.00
Tristone Properties, LLC	641.83	1297.00	Paid	0	0
AJS Farms, Inc.	157.00	382.30	Paid	11.30	\$ 2,779.80
Donald J. Smith Farms, Inc.	274.39	750.00	Paid	124.00	\$ 30,504.00
J.W. Palmer Farms, Inc.	636.89	1678.00	Paid	111.00	\$ 27,306.00
S.H. Smith Farms	664.11	1433.62	Paid	0	0
SHS Family Limited Partnership	706.64	2086.00	Paid	349.00	\$ 85,854.00
SSR Farms	607.06	1722.00	Paid	276.00	\$ 67,896.00
Stuart J. Smith Farms	1,212.91	3638.94	Paid	600.00	\$ 147,600.00
Turlock Fruit Company	151.01	313.44	Paid	0	0
Turlock Fruit Entities Total	4,410.01	12,004.30		1,471.30	\$ 361,939.80
CSU Farms, LLC	809.11	1904.00	2nd Due	0	0
USC Farms, LLC	961.43	2671.00	2nd Due	307.00	\$ 75,522.00
USC Entities Total	1,770.54	4,575.00		307.00	\$ 75,522.00
Dehbala Orchards, LP	470.96	477.64	Paid	0	0
Fadak Orchards, LP	149.72	115.94	Paid	0	0
Sisters Ranch, LP	302.49	561.20	Paid	0	0
West Hills Entities Total	923.17	1,154.78		0	0
Green Nut, LLC	318.58	567.20	Paid	0	0
Hanza Farms	609.78	1273.39	Paid	0	0
Zagros Farms, LLC	300.46	581.23	Paid	0	0
Western Farm Entities Total	1,228.82				
Westside Transplant	19.88	71.75	Paid	0	0
Wood Farming, Doug	1,042.95	1929.74	Paid	0	0
Grand Totals				2265.22	\$ 557,244.12

** Turlock Fruit Company is the only one asking for credit at this time. **

Charles M. Burt, P.E., Ph.D.

CA RCE28995; CA AG430; AZ PE74895; MT PE 75482

Optimization of Water Delivery and On-Farm Irrigation/Drainage Systems

171 Twin Ridge Dr., San Luis Obispo, CA 93405

phone: (805) 748-3863 • e-mail: charlesmburt@gmail.com

Date: December 1, 2023

To: Juan Cadena
Panoche Water & Drainage Districts (PWD)
Water Operations Supervisor
52027 W. Althea Ave.
Firebaugh, CA 93622
Office: 209-364-6136
Mobile: 559-474-0541

Re: Consultant Agreement between Burt and Panoche Water & Drainage Districts (PWD)

Charles Burt will provide consulting services related to special needs of PWD such as pump selection, drainage issues, reservoir design, on-farm irrigation, and irrigation modernization. Such services will be provided by Burt upon receipt of a request from PWD's designated representative(s).

The consulting rate will be \$200/hr. for time dedicated to PWD projects, including travel. However, time spent in depositions or in court has a minimum of a 4 hour charge (per day) at \$300/hr. PWD would be advised in advance of any increase in rate in the future.

The following will be charged at cost, with no markup:

- Mileage (\$.65/mi), and other travel expenses.
- Overnight lodging, if required.
- Unusually large expenses such as large plots and special mailings.

Billings will be made approximately bi-monthly, or at some other frequency as requested by PWD.

Charles Burt can work in coordination with ITRC for mapping, plotting, surveying, flow measurement, and other assistance if ITRC has an on-going contract with USBR to provide such services. At this date (Dec 1, 2023) this is the case.

A separate document dated December 1, 2023, titled "Burt Tasks to Complete PWD Report" provides details of an initial assignment. The estimated total cost is \$23,500 and includes a field visit and a second visit to discuss the report with the Board. If a field visit at PWD can be arranged for Tues-Friday (December 5-8), it is estimated that the report can be completed by December 22, 2023.

The following Terms and Conditions would be followed. An e-mail acceptance of this letter would be sufficient to authorize Burt to work on the "Burt Tasks"

Charles Burt
Terms and Conditions

THIS AGREEMENT is between Panoche Water & Drainage Districts (“PWD”) and Charles Burt (BURT), an independent consultant of irrigation/drainage issues.

- 1) **Ordering:** PWD may order services (specify a “Scope of Work”) by submitting a written purchase order, a written request for services, by sending confirming e-mail, or by placing a telephone order. PWD must subsequently confirm all telephone orders in writing or via e-mail confirmation prior to commencement of work.
- 2) **Change Orders:** A PWD may request additions or changes to an Order but must be confirmed by written notice. Email is an acceptable form of writing. PWD will remain responsible for all work performed under the original agreement up until the time BURT is officially notified of the change.
- 3) **Suspending or Stopping BURT’s Performance:** PWD may direct BURT to suspend a portion or all of the work to be performed. In such case, PWD will remain responsible for all work performed up until the time BURT becomes aware of PWD’s desire to discontinue the services. Any uncompleted services in progress at the time of discontinuation will be billed on a prorated basis, as determined by BURT.
- 4) **Confidentiality:** BURT shall keep documents and information identified by PWD as confidential to the extent permitted by law and will not disclose any such information to third parties.
- 5) **Warranties:** PWD understands that BURT performs services only as specified by PWD in the Services Agreement accepted by BURT. BURT does not make any express or implied warranties or guarantees of any kind to PWD. By their very nature, technical services, testing, analysis, and other BURT services are limited to expected measurement variability. BURT represents that the Services shall be performed within the limits agreed with PWD, and in a manner consistent with the level of care and skill ordinarily exercised by other providers of similar services under similar circumstances.
- 6) **Ownership of Data:** Data or information provided to BURT by PWD shall remain PWD’s property. Upon full payment to BURT for all services provided by BURT, data or information generated by BURT for PWD shall become PWD’s property. BURT will retain exclusive ownership of any and all analytical methods, Quality Assurance/Quality Control protocols, and equipment developed by BURT for performance of work by BURT. BURT Reports are for the exclusive use of PWD to whom they are addressed.
- 7) **Indemnification:** PWD and BURT agree that by performing services hereunder, BURT does not assume, shorten, cancel, or undertake to discharge any duty or responsibility of PWD to any other party or parties. No one other than PWD shall have any right to rely on any Report or other representation or conduct of BURT, and BURT disclaims any obligations of any nature whatsoever with respect to such person. PWD and BURT agree, in consideration of BURT under-taking to perform the ordered service(s) to protect, defend, indemnify, same harmless and exonerate each other from any and all claims, damages, expenses, either direct or consequential for injuries to persons or property arising out of or in consequence of the performance of the services hereunder unless caused by the sole negligence of the other party.
- 8) **Limitation of Liability:** If BURT should be found liable for any losses or damages attributable to the services hereunder in any respect, liability shall in no event exceed the amount of the fee paid by PWD for such services and PWD’s sole remedy at law or in equity shall be the right to recover up to such amount.
- 9) **Force Majeure:** Whenever performance by either party is delayed or prevented by an extraordinary event beyond the control of PWD or BURT, such delay or prevention shall be excused and the time of performance extended for the duration of the causative factor. In no event shall the occurrence of any such conditions excuse PWD of its obligations hereunder if services have been performed by BURT.
- 10) **Payment of Invoices:** PWD agrees to pay all invoices to BURT within 30 days of invoice date, and if payment is not timely received, PWD agrees to pay a late payment charge on the unpaid balance at the maximum allowed by law.

Charles M. Burt, P.E., Ph.D., BC. WRE

CA RCE28995; CA AG430; AZ PE74895; MT PE 75482

Optimization of Water Delivery and On-Farm Irrigation/Drainage Systems

171 Twin Ridge Dr., San Luis Obispo, CA 93405

phone: (805) 748-3863 • e-mail: charlesmburt@gmail.com

Date: December 1, 2023

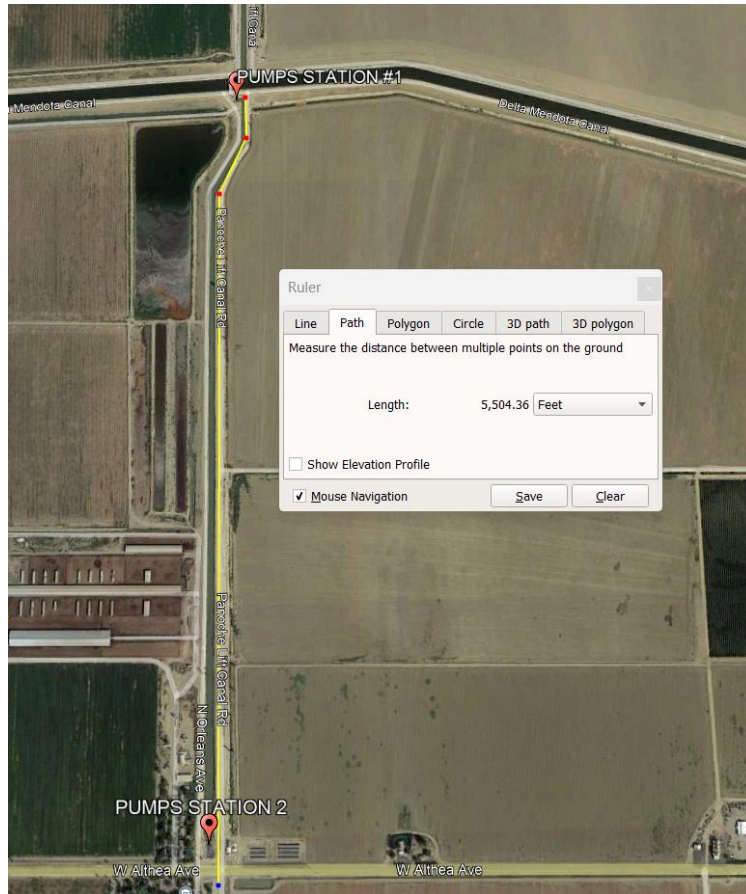
To: Juan Cadena
Panoche Water & Drainage Districts
Water Operations Supervisor
52027 W. Althea Ave.
Firebaugh, CA 93622
Office: 209-364-6136
Mobile: 559-474-0541

Earlier this year, the Cal Poly ITRC (with me directing the efforts at the time) examined a number of challenges and opportunities for PWD. However, the report was never completed. I have reviewed the information, and the following describes the various issues, and what work remains.

Issue #1: Salinity Pickup between Station #1 and Station #2 on the Main Canal

The canal between Station #1 and Station #2 is below the surrounding water table for about 80% of its length. As a result, the canal acts as a subsurface drain and intercepts salty subsurface water. It was mentioned that this is particularly noticeable during times of low flow rate, when the lateral inflow is a substantial portion of the water that is pumped at Station #2.





PWD sent information (spanning 6/2020 – 3/2023) regarding the flow rates and salinity from the DMC and CCID, and flow rates and salinity at Pump Station #2. There were 181 days of usable data which had all the information necessary to estimate the increase in salinity in that below-grade stretch of the Main Canal.

One would expect that if the Main Canal intercepts groundwater, there would be a relatively constant increase in salt load (tons/day) between Pump Station #1 and Pump Station #2 – regardless of the canal flow rate. That was not the case – it was highly variable. However, the average daily salinity load increase was about **38%** - which is significant. The question is this: How accurate is the data?

An important point is that the increase in salinity is not only an issue during periods of low flow (when it is readily apparent), but rather builds up salinity all year long.

Remaining tasks for issue #1:

1. Using a range of salinity load increases (10%, 20%, 30%, 40%), develop estimates of the negative impacts of:
 - a. The decreased value of water. For example, a 10% increase in salinity may make 1 acre-foot equivalent to 0.95 acre-foot (only an example) if one accounts for the extra water needed for salt leaching.
 - b. Decreases in crop yield.
2. Provide several options for minimizing or eliminating the pickup of salt between PS#1 and PS#2

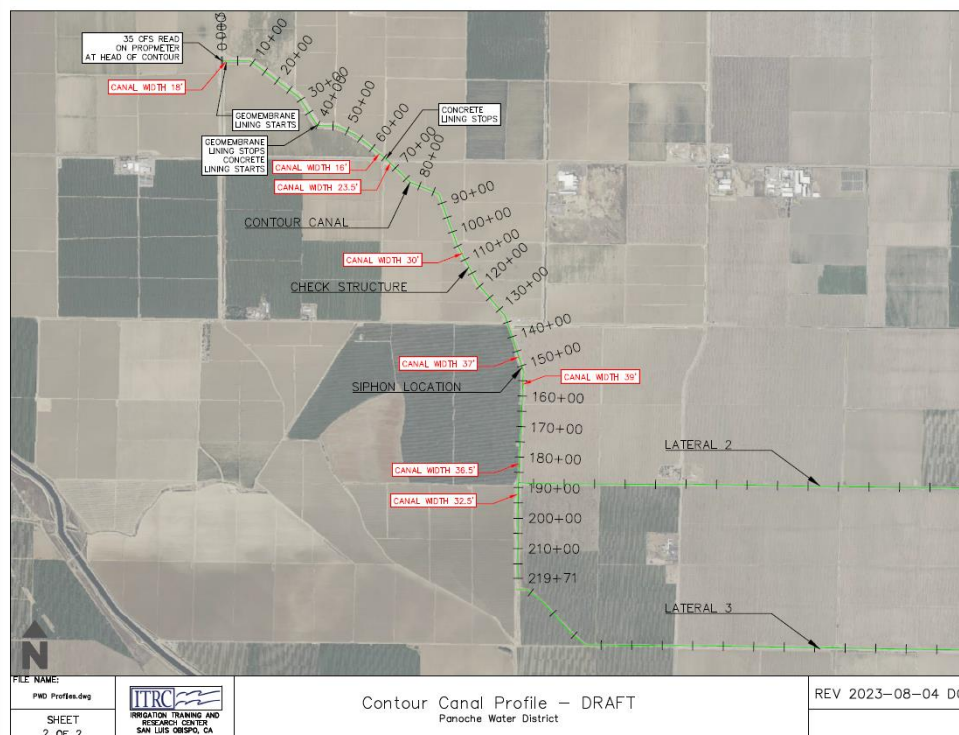
Issue #2 – Operation of the Contour Canal, and the implications for new lining.

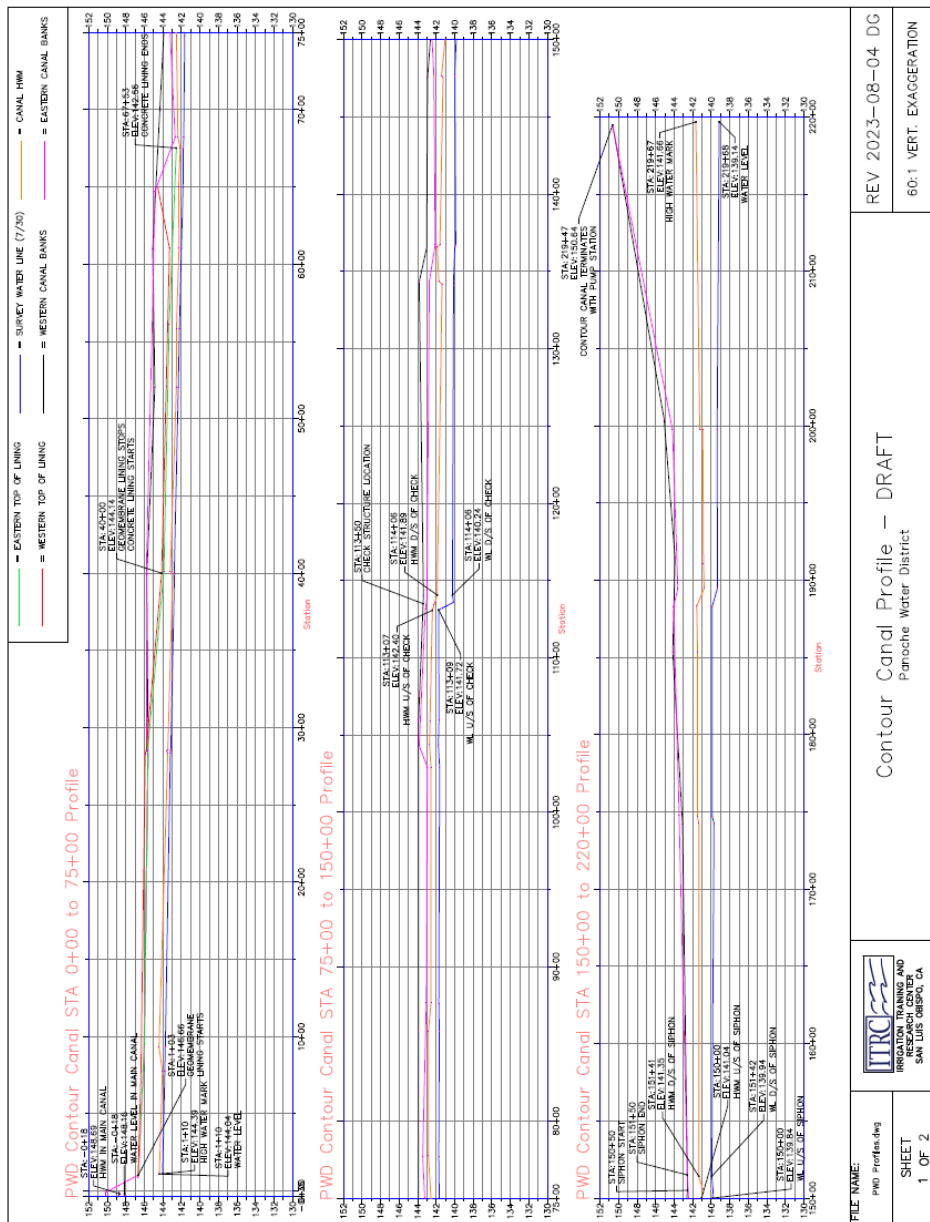
There are two related aspects to the Contour Canal:

1. PWD has received a grant to line more of the canal. It would be good to know if the canal needs to be higher, wider, with more regulation structures, etc. before the lining begins.
2. The questions of whether the canal geometry and control should be changed have arisen because this is not an easy canal to regulate. PWD only has two individuals to operate the canals, and if the Contour Canal management can be made easier, it will enable the individuals to focus better on customer service, as opposed to spending time on operation hassles and making certain that all the flows are properly balanced.

Details

1. PWD plans to line the last downstream length with about \$1.8 million. This is probably enough for 1-1.5 miles, depending on how it is done.
2. The maximum flow rate is about 40 CFS, but perhaps it increases to 50 CFS at times.
3. Currently, the Contour Canal is upstream controlled with one small flashboard check structure about halfway down.
4. The head of the Contour Canal is the most difficult location in the district to adjust properly to meet demands for Laterals 2, 3, and 5, plus inflow from the T Canal (PS T-6) and the CA Aqueduct.
5. There is some innovative plumbing near the tail end of the Contour Canal.
6. The AMIL gates may not be properly balanced.
7. ITRC has done some surveying of the Contour Canal. Some of the images are seen below.





 ITRC IRRIGATION TRAINING AND RESEARCH CENTER SAN LUIS OBISPO, CA	Contour Canal Profile – DRAFT Panoche Water District		REV 2023-08-04 DG 60:1 VERT. EXAGGERATION
	FILE NAME: PWD Profiles.dwg SHEET 1 OF 2		

Remaining tasks for Issue #2:

1. Examine the hydraulics of the Contour Canal to determine if it is feasible to change the controls so that the inflow to the Contour Canal automatically matches the desired outflow. This is known as “downstream control”. PWD already has numerous pump stations that operate under downstream control (the water level sensors are in the downstream pool), but it does not appear that it has any valves or check structures that operate under downstream control. For the Contour Canal, the automatic fine tuning of the inflow rate does not necessarily need to be done at the head of the Contour Canal.

To provide a good solution, I need to have a better understanding of the details of all the sources of water into the Contour Canal. This will require a visit to PWD and a discussion there as well as visiting each source. As I understand it today, the four water sources are:

- a. A 60” – 72” pipe flows directly east from the San Luis Canal towards Lateral 3. I do not have any photos of this; only a note on a map.
- b. A gravity canal flows northward from the San Luis Canal directly towards the downstream end of the Contour Canal.
- c. The head of the Contour Canal (at its north end).
- d. Pump Station T-6 discharges water into the Contour Canal at about station 137+00.

Issue #3 (minor). Easier control of water levels in some of the canals.

Description:

In some of the PWD canals, flashboards are used as “check structures”. Boards are added during low flow rates, and are removed during high flow rates. This requires manual intervention. There is an easy and simple solution that does not require manual intervention (changing the boards). A slightly different overflow structure, called a “long crested weir” is able to hold a water level fairly constant over a wide range of flow rates. No electronics or automatically moving parts are involved.

Long-crested weirs can be found in Chowchilla WD, Henry Miller RD, Modesto ID, Turlock ID, and many other districts.

Task remaining for Issue #3:

Provide a table and dimensions that can be used by staff to construct the long-crested weirs.

Issue #4 (minor). Show staff how to properly balance the AMIL gates

Description:

During a field visit, it appeared that some or all of the AMIL gates may not be properly balanced. These gates can be very effective in maintaining a fairly constant upstream water level, but they need to be properly balanced, and the action of the steering stabilizers needs to be properly set.

Task remaining for Issue #4.

During a visit to re-examine the Contour Canal, I can show Juan how to adjust these gates and give him some written description.

Issue #5. Improve the ease of operation of Laterals 2, 3, 4, and 5.

Description:

The operation of these four laterals requires close attention and skill to minimize tail end spill. The operation results in limited water delivery flexibility to farmers, and any spill can evidently mix with salty drainage water – causing a disposal problem because of the increased volume that needs to be dealt with. In other words, the operation of these four laterals is related to the Russell Avenue recirculation pump operation.

When at ITRC I directed various junior engineers to obtain surveys of both Lateral 2 and Lateral 3 (profiles and cross sections), and also take a look at a possible regulating reservoir on old Broadview WD land between Laterals 2 and 3.

Task Remaining for Issue #5:

The base information is in hand, but I need to have a better understanding of how everything works, including the Russell Avenue recirculation pump. Once that is done, a plan for this whole area can be developed.



Option #1
Monthly: \$4,550

Training Agreement

Company Information: Panoche Water District
52027 W. Althea Ave
Firebaugh, CA 93622

Company Contact: Safety First Rivera
Cell/Phone Number: (209) 747-5277
Email: safetyfirstrivera@gmail.com

Training Location: Panoche Water District
52027 W. Althea Ave
Firebaugh, CA 93622
(209) 364-6136

Enclosed is the One-Year Safety Service Agreement. This agreement will provide notification of due dates, on-site training, updating of written programs, complete documentation/recordkeeping, and certificates of completion for training if applicable.

The services mentioned provide you and your employees with the programs and training required by law. We feel the biggest benefit is the peace of mind and confidence achieved by knowing you have provided your employees with the safest working environment possible.

Please sign the enclosed One-Year Service Agreement and return to Safety First Rivera. Once signed by both parties, a copy will be forwarded to you for your files.

Training Date/Time: One or Two days a month per Employer needs

- Sexual Harassment Prevention for Employees
- Alcohol and Drug Free Workplace Policy
- Code of Safe Practice
- Covid-19 Safety
- Emergency Action Plan
- Ergonomics Program
- Fire Protection Plan
- Hazard Comm Program
- Heat Illness Prevention Training
- IIPP
- LOTO (Lock Out Tag Out)
- Respiratory Program
- Spill Prevention Plan
- Certification Forklift Training
- Review of Company Policy

Training Cost: \$ 4500.00

Billing Terms: The invoice will be sent within 5 days following the aforementioned services.
The invoice will be emailed to: jmarquez@panochewd.org
Payment terms: Net 10 days
Accounts not paid within 10 days of the date of the invoice are subject to a 1.5% monthly finance charge.

_____ **Panoche Water District Authorized Representative Initials**

Cancellation Terms: Either party may cancel or modify this agreement and must do so, in writing, Failure to do so may result in payment of up to 50% of the contract.

_____ **Panoche Water District Authorized Representative Initials**

This contract must be signed by the authorized company representative and must be received by Safety First Rivera LLC, staff to ensure that the instructors and dates are guaranteed.

Safety First Rivera LLC agrees to provide the following:

- Program instructor
- Prepackaged program materials for each participant, as needed.
- Individual training utensils for each participant, which includes pens.
- Facemasks must be worn by all participants; If required of **Safety-First Rivera** will provide facemasks if needed.
- Electronic copies of sign-in sheets as proof of participation for everyone in attendance.
- Audio Visual equipment.

Panoche Water District agrees to provide the following:

- Provide sample of health screening questionnaire and/or temperature check log. Health screening questionnaire and/or temperature check for all participants must be completed by the employer prior to training.
- Training room with access to power and appropriate temperature controls for an optimal learning environment, equipped with tables and chairs that allow for 6 feet of social distancing for all participants, including signage or tape to provide a space buffer.
- Sanitizing of commonly touched areas that are used frequently.
- Facilities must be in compliance with all applicable state and federal safety regulations.
- Payment due on the 1st of each month net 10 days.

By initialing here _____ I agree that I have read and understood what **Panoche Water District** agrees to provide in order for **Safety First Rivera LLC** staff to conduct the training listed on this agreement.

Additional Terms and Conditions

Arbitration. In the event a dispute arises that cannot be resolved by us, we mutually agree to submit any, dispute to binding arbitration. We will agree with the findings and decision of the Arbitrator, and further agree that any decision reached through arbitration shall be final and binding on both parties.

Indemnity: **Safety First Rivera LLC** shall indemnify and hold harmless **Panoche Water District** its officers, directors, employees and agents from any and all liability, claims, damages, costs and expenses, including attorney's fees, caused by or resulting from the negligent or intentional acts or omissions of **Safety-First Rivera LLC**. **Panoche Water District** shall indemnify and hold harmless **Safety-First Rivera LLC** from any and all liability, claims, damages, costs and expenses, including attorney's fees, caused by or resulting from the negligent or intentional acts or omissions of **Panoche Water District**

Confidentiality: During the course of the training, it is anticipated **Panoche Water District** will provide **Safety First Rivera LLC** with personnel records, human resources programs, safety programs, food safety programs and/or other information that is the property of **Panoche Water District**. As used in this Agreement, "confidential information" includes, but is not limited to, oral, written, recorded or computer generated information concerning **Panoche Water District** personnel, human resources, safety, and food safety records.

Both parties acknowledge that such personnel, human resources, safety, and food safety information is confidential. The parties also agree that such confidential information should not be disclosed to third parties or used by **Safety First Rivera LLC** in an inappropriate manner. It is also acknowledged by **Panoche Water District** that **Safety First Rivera LLC** training procedures, forms and techniques are proprietary, and that **Panoche Water District** agrees that **Safety First Rivera LLC** materials, resources and other information should not be disclosed to third parties by **Panoche Water District** as they are **Safety First Rivera LLC** property.

Confidential Information does not include information (i) which has come into the public domain without a breach of this Agreement, (ii) which was lawfully disclosed to the receiving party by a third party, (iii) which was independently developed by a party to this Agreement and not in breach of this Agreement, and (iv) where such disclosure has been authorized in writing by the person who owns the information.

A party who receives confidential information from the other party will protect such confidential information from disclosure to third parties and such party will not use such confidential information to the detriment of the party disclosing it. It is further agreed that the party receiving such confidential information agrees to protect such information from disclosure by using reasonable precautions and by not providing such information to persons who are not involved in the transactions contemplated by this Agreement. Provided, however, that both parties recognize that such information may be lawfully disclosed if subpoenaed in legal proceedings. It is agreed that a party receiving a subpoena for the other party's confidential information shall provide the other party with immediate notice of such subpoena, so that their interests may be protected.

It is agreed that the disclosure of confidential information by a party to this Agreement to the other shall convey no proprietary interest in such information, and that the confidential information shall at all times remain the property of the disclosing party.

Limitations on Training Results: **Panoche Water District** understands and agrees that although, **Safety First Rivera LLC** has significant experience in conducting trainings of this type, it will be reviewing only a select number of personnel, human resources, safety, and food safety documents, and that the results of the training are limited to the services requested in combination with the company-specific information reviewed. Furthermore, **Panoche Water District** understands that **Safety First Rivera LLC** is not providing legal advice in performing the training and that **Safety First Rivera LLC** services are for general information only and are not to be construed as legal advice of an attorney.

Entire Agreement: This Agreement supersedes any and all other Agreements, whether oral or in writing, between the parties with respect to the subject matter contained herein and contains all the covenants and agreements between them. Each party acknowledges that no representation, inducement, promise or agreement orally or otherwise, has been made by any party or anyone acting on behalf of any party, which is not embodied in this agreement.

Assignment: Neither party shall assign the rights and duties established under this Agreement by any means whatsoever, whether voluntarily or involuntarily or by operation of law, without the prior consent of the other. Any such assignment is in violation hereof and shall be void.

Governing Law: This Agreement shall be interpreted and governed by the laws of the State of California.
Time is of the essence.

Captions: Captions in this Agreement are descriptive only and do not affect the intent or interpretation of this Agreement.

No Third-Party Beneficiaries: No other party shall be a third-party beneficiary of the obligations assumed, by either party hereto. **Panoche Water District** and **Safety-First Rivera LLC** shall be the only beneficiaries of this Agreement.

Amendment. This agreement may only be amended with the prior written consent of all parties.

Attorney's Fees: In the event that litigation or arbitration is engaged in regarding this agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs.

Severability: In the event any provision of this Agreement is rendered invalid or unenforceable by State or federal law or declared null and void by any court of competent jurisdiction, the remainder of the provisions of this Agreement shall, subject to this Section, remain in full force and effect.

I understand and agree to abide by the terms and conditions of this Agreement.

Safety First Rivera LLC	Date
Representative	

Panoche Water District	Date
Representative	

Print Name Print Name



Option #2
 Monthly: \$1,400

Panoche Water District
 Service Quote

Service	Description
<p>Safety and Health</p>	<ul style="list-style-type: none"> • Develop an Injury and Illness Prevention Program (IIPP) • Conduct on-site OSHA Safety Site Inspections and Training - (Quarterly) • Provide Abatement Recommendations • Provide Compliance Postings • Provide Safety Data Sheet Binder • Provide consultation with OSHA for serious injuries
<p>Pricing</p>	<ul style="list-style-type: none"> • Total Annual - \$16,800 • One-Time Charge per location - \$1,800 (Due upon signing)



Option #3
 Monthly: \$1,275

Prepared For	Proposal Date	Proposal Number
Lorena Chagoya	10/09/2023	000012984
Panoche Water District		

Pricing

Description	Rate	Qty	Line Total
Safety Training & Consulting Services - Monthly Monthly Training 1 training per month additional trainings will be billed \$155 per hour. In person training or Zoom depending on client preference. A seperate training portal will be setup for zoom or online access for trainings Includes plan reviews	\$1,275.00	1	\$1,275.00
Subtotal			1,275.00
Tax			0.00
Proposal Total (USD)			\$1,275.00

Notes

This is an open contract based on the services listed in the attached document.

Terms

Based on a monthly basis with one training per month and any additional training will be billed per hour at a rate of \$155 an hour

LIST OF SAFETY TRAINING SUBJECTS

Updated 6/2023

We train our workers about the following safety training subjects:

- Asbestos awareness
- Code of safe practices
- Confined space entry
- Coronavirus prevention
- CPR/First Aid
- Crane operations
- Department of Transportation (DOT) - Drivers/Non-Driver Safety Awareness
- Department of Transportation (DOT) - Supervisors and Representatives
- Driver safety/Defense driver
- Drug and Alcohol Free Workplace
- Electrical hazards, including working around high voltage lines
- Emergency action and evacuation
- Eyewash and shower station safety
- Fall protection
- Fire extinguisher
- Fire prevention
- Forklift safety
- Hazard communication
- Hearing protection
- Heat Illness Prevention
- Injury, Illness, Prevention
- Ladder safety
- Lock-out/tag-out
- Office and field ergonomic
- Office Safety
- Personal protective equipment
- Proper use of powered tools
- Respiratory protection
- Safe practices for operating any heavy equipment
- Slips, falls, and back injuries
- Spill prevention
- Trenching and excavation
- Unsafe weather conditions
- Valley Fever
- Wild fire and smoke
- Workplace violence

PANOCHÉ WATER DISTRICT

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



MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: PATRICK MCGOWAN, GENERAL MANAGER

SUBJECT: YEAR-END INCENTIVES REQUEST

DATE: 12/7/2023

CC :

In the past, the District has acknowledged the hard work of the employees and has chosen to provide a year-end incentive as a thank you.

This year, I would like to request that we continue to acknowledge our employees and provide the same incentive that was given last year. \$500/net to each employee.

PANOCHÉ 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: NOVEMBER DIVISION REPORT – WATER DEPARTMENT

DATE: 12/6/2023

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

Water Supply Update as of December 1, 2023:

San Luis Reservoir Total Storage	<u>1,149,651 AF</u>
San Luis Reservoir Federal Storage	<u>708,035 AF</u>
San Luis Reservoir % of Total Capacity	<u>57%</u>

Panoche Water Supply as of December 1, 2023:

USBR 2023 Water Balance	<u>74,310 AF</u>
November, 2023 Grower Deliveries	<u>1,134 AF</u>
Total Deliveries to Date (Mar-Nov.)	<u>49,147 AF</u>

(This would be 4,147 AF over the delivery O&M base set of 45,000 AF)

Billings:

The November O&M, Interest, and M&I billings were completed and mailed out on 11/16/2023. (A day late due to 2 trainings held on the 15th)

The 2nd Installment of the Land O&M Assessment was billed and mailed out on 12/1/23

PANOCHÉ WATER DISTRICT WATER ACCOUNTING

Month: **October, 2023**

12/5/2023

Water Supply																		
District Water March, 2023 - Feb, 2024	Annual AF	2023 March	2023 Apr	2023 May	2023 June	2023 July	2023 Aug	2023 Sept	2023 Oct	2023 Nov	2023 Dec	2024 Jan	2024 Feb	YTD Usage	Transfers Out	Not Pumped	Stored	Remaining Balance
Grower Transfer Ins	0													0				0
Transfer 2	3,000				985	930	1,085							3,000				0
Transfer 3	2,733				750	855	657	471						2,733				0
Transfer 6	750					250	250	250						750				0
PWD Grower Wells f/Crdt	97	81		9	7									97				0
Gains or Losses	2,857	3	85	538	566	650	862	37	223	(107)				2,857				0
District Water Total	9,437	84	85	547	2,308	2,685	2,854	758	223	(107)	0	0	0	9,437				0
Bureau Water March, 2023 - Feb, 2024	Annual AF	2023 March	2023 Apr	2023 May	2023 June	2023 July	2023 Aug	2023 Sept	2023 Oct	2023 Nov	2023 Dec	2024 Jan	2024 Feb	YTD Usage	Transfers Out	Loss	Stored	Remaining Balance
Rescheduled Water	9,757	894	2,895	5,443	313									9,545		(212)		0
2023-2024 100% USBR	94,000				3,155	3,575	3,655	3,745	2,319	1,241				17,690	2,000			74,310
Transfer 3	2,267				750	1,145	343	29						2,267				0
Transfer 4	7,500				1,875	4,000	1,625							7,500				0
Transfer 5	1,270				354	140	411	192	173					1,270				0
Transfer 6	250				250									250				0
Transfer 7	295				295									295				0
Grower Transfers In	988			421	492				75					988				0
Bureau Water Total	116,327	894	2,895	5,864	7,484	8,860	6,034	3,966	2,567	1,241	0	0	0	39,805	2,000	(212)	0	74,310
Total Water Supply	125,764	978	2,980	6,411	9,792	11,545	8,888	4,724	2,790	1,134	0	0	0	49,242	2,000	(212)	0	74,310
Usage																		
Growers		978	2,980	6,411	9,792	11,545	8,888	4,724	2,790	1,134				49,242				
Transfers Out/Sales		0	0	0	0	0	1,400	0	600	0				2,000				
Total Usage/Transfers		978	2,980	6,411	9,792	11,545	10,288	4,724	3,390	1,134	0	0	0	51,242				
Diff/Losses: % of Supply	%	1%	3%	9%	6%	6%	10%	1%	8%	-9%				6%				
Budget to Actual - AF	45,000	899	2,980	6,402	9,785	11,545	8,888	4,724	2,790	1,134				49,147	Estimate / Use Dec-Feb 4,600 AF		-4,147	

* Water Supply Numbers are estimates of known Transfers at this time - Deliveries are Actual *

Panoche Water District
Water Year 2023-2024
 Water Forecast

12/5/2023

2:00 PM

PWD Forecasted Water Usage

	AF	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
District Direct Delivery													
CCID/FCWD	3,000				985	930	1,085						
SLCC Eastside Water	2,733				750	855	657	471					
est. FCWD Conserved Wtr	750					250	250	250					
PWD Grower Wells f/Credit	97	81		9	7								
Gains	2,857	3	85	538	566	650	862	37	223	(107)			
Total	9,437	84	85	547	2,308	2,685	2,854	758	223	(107)	0	0	0

0
0
0
0
0
0

	AF	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Bureau CVP Delivery													
Rescheduled Water	9,757	894	2,895	5,443	313								
WY23-24 100% USBR Allocation	94,000				3,155	3,574	3,655	3,745	2,319	1,241	1,310	1,100	2,190
SLCC Eastside Water	2,267				750	1,145	343	29					
West Stanislaus ID	7,500				1,875	4,000	1,625						
SJRECWA 5 yr	1,270				354	141	411	192	173				
FCWD Conserved Wtr	250				250								
Mercy Springs Resched.	295				295								
est. Grower Transfers In	988			421	492				75				
Total	116,327	894	2,895	5,864	7,484	8,860	6,034	3,966	2,567	1,241	1,310	1,100	2,190

(212)
71,710
0
0
0
0
0
0
0
71,710

USBR Surplus
62,310
CCWD (2,000)
60,310

Totals	125,764	978	2,980	6,411	9,792	11,545	8,888	4,724	2,790	1,134	1,310	1,100	2,190
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USBR Rescheduled Wtr Losses	(212)	(63)	(88)	(58)	(3)								
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PWD Estimated Grower Usage

	AF	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Grower Deliveries	53,842	978	2,980	6,411	9,792	11,545	8,888	4,724	2,790	1,134	1,310	1,100	2,190
Transfers Out	2,000	0	0	0	0	0	1,400	0	600				

Totals	69,710	0	0	0	0	0	0	0	0	0	0	0	0
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Panoche Water District

DELIVERIES, RECYCLED, POWER CHARGES REPORT

DISTRICT DELIVERIES					RETURN FLOWS					RUSSELL RECIRCULATION Energy Charges					PG&E CHARGES					
2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	
MAR	2,594	2,964	1,610	982	978	(82)	38	(102)	130	3	\$ 114	\$ 126	\$ 61	\$ 63	\$ 49	\$ 53,663	\$ 83,213	\$ 45,539	\$ 38,061	\$ 20,336
APR	5,237	3,657	2,773	2,303	2,980	290	42	(123)	556	85	\$ 91	\$ 99	\$ 5,811	\$ 128	\$ 920	\$ 83,024	\$ 75,857	\$ 115,722	\$ 95,409	\$ 60,283
MAY	7,172	6,681	5,082	3,839	6,411	99	12	811	728	538	\$ 13,338	\$ 2,851	\$ 16,042	\$ 1,413	\$ 1,266	\$ 140,840	\$ 130,817	\$ 92,000	\$ 103,548	\$ 76,265
JUN	10,812	9,767	6,871	5,434	9,792	600	584	976	782	566	\$ 23,541	\$ 22,899	\$ 21,611	\$ 27,615	\$ 11,491	\$ 202,742	\$ 194,558	\$ 150,006	\$ 148,032	\$ 115,412
JUL	12,273	10,140	6,251	5,612	11,545	1,393	231	249	83	650	\$ 30,850	\$ 24,811	\$ 36,326	\$ 46,544	\$ 12,039	\$ 204,302	\$ 216,355	\$ 191,489	\$ 209,145	\$ 213,325
AUG	8,437	5,985	3,953	4,165	8,888	516	20	541	(253)	862	\$ 43,554	\$ 41,688	\$ 39,615	\$ 36,685	\$ 28,407	\$ 214,317	\$ 201,997	\$ 181,291	\$ 179,674	\$ 203,428
SEP	3,940	3,328	2,764	2,790	4,724	490	504	862	(240)	37	\$ 32,727	\$ 48,288	\$ 25,346	\$ 22,748	\$ 39,151	\$ 192,139	\$ 168,372	\$ 125,375	\$ 143,734	\$ 163,960
OCT	2,708	2,695	1,141	1,693	2,790	835	219	121	(171)	223	\$ 159	\$ 18,975	\$ 186	\$ 8,034	\$ 2,365	\$ 139,437	\$ 107,389	\$ 103,445	\$ 82,107	\$ 119,971
NOV	1,649	742	469	266	1,134	122	111	119	(161)	(107)	\$ 120	\$ 108	\$ 6,239	\$ 7,014	\$ 202	\$ 79,316	\$ 65,990	\$ 57,789	\$ 202,938	\$ 86,638
DEC	88	119	85	89		(239)	(47)	34	(15)		\$ 97	\$ 72	\$ 116	\$ 113		\$ 48,581	\$ 25,942	\$ 32,400	\$ 33,649	
JAN	565	211	291	15		(51)	(58)	261	(83)		\$ 119	\$ 70	\$ 105	\$ 93		\$ 33,480	\$ 16,234	\$ 23,831	\$ 25,041	
FEB	3,968	1,121	1,668	743		75	(102)	558	137		\$ 97	\$ 70	\$ 125	\$ 101		\$ 50,635	\$ 35,030	\$ 73,629	\$ 31,647	
Total	59,443	47,410	32,958	27,931	49,242	4,048	1,554	4,307	1,493	2,857	\$ 144,808	\$ 160,058	\$ 151,583	\$ 150,552	\$ 95,889	\$ 1,442,476	\$ 1,321,754	\$ 1,192,517	\$ 1,292,985	\$ 1,059,617
YEAR TO DATE	54,822	45,959	30,914	27,084	49,242	4,263	1,761	3,454	1,454	2,857	\$ 144,495	\$ 159,845	\$ 151,237	\$ 150,245	\$ 95,889	\$ 1,309,779	\$ 1,244,548	\$ 1,062,656	\$ 1,202,647	\$ 1,059,617

Water Year	2019-20	2020-21	2021-22	2022-23	2023-24	5 Yr. Average
USBR Allocation	75.00%	20.00%	0.00%	0.00%	80.00%	35%
Total Alloc. Acreage	37,442	37,442	37,442	38,202	38,317	37,769
A/F / acre	1.59	1.27	0.88	0.73	1.29	1.15
Effective Precip.	0.20	0.28	0.13	0.31	0.15	0.21
Total Applied af	1.79	1.54	1.01	1.04	1.43	1.36

Total Precip. Inches 4.77 6.69 3.17 7.34 3.49 (From March 1 on)

Total rainfall /2/12 Mike Gonzalez

Total Rainfall from Oct. 2022 to today is 10.20 inches.

PANOCHÉ WATER DISTRICT
12 Month Cash Flow Analysis

Water Revenues	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	Totals
Water Cost Billings	\$ 62,825.47	\$ 5,534,385.00					\$ 5,534,385.00						\$ 11,131,595.47
Monthly Water Billings			\$ 14,760.00	\$ 42,034.57	\$ 92,034.16	\$ (211,444.88)	\$ (139,916.11)	\$ 112,885.12	\$ 107,207.01	\$ 84,360.39	\$ 57,915.00	\$ 115,263.00	\$ 275,098.26
Other Water Revenues SJRECWA 5yr			\$ 327,375.00					\$ (189,000.00)					\$ 138,375.00
Water Refunds SLDMWA WY21						\$ 132,918.24							\$ 132,918.24
Total Water Revenues	\$ 62,825.47	\$ 5,534,385.00	\$ 342,135.00	\$ 42,034.57	\$ 92,034.16	\$ (78,526.64)	\$ 5,394,468.89	\$ (76,114.88)	\$ 107,207.01	\$ 84,360.39	\$ 57,915.00	\$ 115,263.00	\$ 11,677,986.97

Water Expenses													
Water Cost:													
Rescheduled Water	\$ (82,100.20)											\$ (103,400.00)	\$ (185,500.20)
Refuge Leve 2 Water Rescheduled (GBA)	\$ (3,140.70)												\$ (208,188.70)
Warren Act Water (GBA)										\$ (232,092.00)			\$ (232,092.00)
CCID/FCWD Water Purchase (3,000 AF)					\$ (343,062.50)	\$ (323,906.72)	\$ (377,891.18)	\$ (229,354.20)					\$ (1,274,214.60)
SLCC/Eastside Water Transfer (5,000 AF)				\$ (253,728.75)	\$ (407,671.45)	\$ (649,386.30)	\$ (392,398.20)					\$ (52,478.00)	\$ (1,755,662.70)
West Stanislaus Irrigation District (7,500 AF)	\$ (1,125,000.00)	\$ (348,750.00)	\$ (562,500.00)		\$ (281,250.00)								\$ (2,317,500.00)
Firebaugh Canal WD (1,000 AF)					\$ (22,510.00)	\$ (22,500.00)	\$ (22,510.00)	\$ (22,500.00)					\$ (90,020.00)
USBR Water & Transportation Costs		\$ (123,944.00)	\$ (178,153.86)	\$ (205,599.19)	\$ (168,633.37)	\$ (88,141.04)	\$ (179,965.06)	\$ (131,216.07)	\$ (128,286.01)	\$ (75,786.79)	\$ (98,002.00)	\$ (120,765.96)	\$ (1,498,493.35)
SLDMWA O&M Water Costs		\$ (62,321.16)	\$ (152,796.82)	\$ (166,957.20)	\$ (237,474.95)	\$ (113,893.38)	\$ (75,044.89)	\$ (64,818.17)	\$ (50,303.07)	\$ (40,306.65)	\$ (41,923.00)	\$ (61,798.75)	\$ (1,067,638.04)
Other Water Costs SJRECWA 5yr (1,270 AF)					\$ (75,363.48)	\$ (29,983.32)			\$ (14,280.50)				\$ (119,627.30)
Total Water Expenses	\$ (1,210,240.90)	\$ (535,015.16)	\$ (893,450.68)	\$ (626,285.14)	\$ (1,535,965.75)	\$ (1,227,810.76)	\$ (1,047,809.33)	\$ (447,888.44)	\$ (630,009.58)	\$ (116,093.44)	\$ (139,925.00)	\$ (338,442.71)	\$ (8,748,936.89)

Net Totals	\$ (1,147,415.43)	\$ 4,999,369.84	\$ (551,315.68)	\$ (584,250.57)	\$ (1,443,931.59)	\$ (1,306,337.40)	\$ 4,346,659.56	\$ (524,003.32)	\$ (522,802.57)	\$ (31,733.05)	\$ (82,010.00)	\$ (223,179.71)	\$ 2,929,050.08
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 Credit Issued to SJRECWA 5yr / 1,512 AF @ \$125/AF
 All Costs have already been paid for this water transfer

Done
Done
Done
Done
Done
Done

PANOACHE 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: DECEMBER 12TH, 2023

CC: PATRICK MCGOWAN, GENERAL MANAGER

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

- General Maintenance.
- House #1 Repairs. The foundation was good, the stucco was just separating from the wall. We are just going to replace it with plywood for the siding. Repairs are being done.
- We have received the material for Millux Ditch project.
- Moved concrete boxes to T-Canal for New Turnout.
- Made New Meter Brackets for 11E turnout.
- Repaired turnout 34 head gate on T- Canal.
- Cleaned and reshaped canal bank on T-Canal from T-1 to T-3 station.
- Repaired pipeline leak on G-line G-2 meter.
- Repaired pipeline on Lateral 3 turnout 310.
- Weed Control – sprayed these locations- Lateral 2 and T-Canal and did spot spraying salt cedars tress. Canal Treatments- T-Canal station T-3 and sprayed sterilant on Russell turnout.

Morris General Contracting



LICENSE # 739169 ♦ 14451 W. Whitesbridge Rd. ♦ Kerman, CA 93630
 Phone (559) 842-9453 ♦ Fax (559) 842-9455

Proposal & Contract

Page 1 of 2

Submitted to: Panoche Water District	Attn: Chris	Phone: (209) 364-6136	Date: 11/29/2023
Street: 52027 West Althea Ave		Fax:	Bid#: 6354
City, State, Zip: 52027 West Althea Ave		Email: ccarlucci@panochewd.org	

MGC Is Pleased to Submit a Proposal on Your Project House # 1 Wall Repair

A. House #1 Wall repairs as follows:

1. Demo portion of stucco wall exterior approx. 25' X 9'
2. Remove (2) Windows and save
3. Install Tyvek vapor barrier on studs
4. Install T-III siding and paint to match as close as possible
5. Clean Up
6. Total Materials & Labor \$8,495.00

Exclusions: Permits, Fees and Anything Not Mentioned Above.

Customer Responsibility: It is the customer's responsibility to provide water accessibility within 100' of job site.

Concrete price is subject to change after foundation has been engineered or an approved set of plans is provided.

All underground utilities damaged in process of work will be repaired at T&M unless they are clearly marked.

Disclaimer: Concrete may develop some cracks. The cracks are due to shrinkage of concrete, creep, restraining wall columns, footings and other structural elements, which are tied to the slab. The cracks formed are normal not structural. Morris General Contracting shall not be held responsible for normal cracking unless it is directly due to defective workmanship.

TO OWNER: Contractors are required by law to be licensed and regulated by the Contractor's State License Board.

Any questions concerning a contractor may be referred to the registrar of the board whose address is: Contractor's State License Board, 1020 "N" Street, Sacramento, CA 95814. All materials are guaranteed to be specified. All work to be completed in a workmanlike manner according to standard practices. Any alterations or deviation from above specification involving extra cost will be executed only upon written orders and will become an extra charge over and above the estimate. Our workers are fully covered by Workman's Compensation insurance.

Note: This proposal will be withdrawn if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

ATTORNEY'S FEES: If any action or proceeding shall be commenced to enforce this agreement of any right arising in connection with the agreement, the prevailing party in such action or proceeding shall be entitled to recover from the other party, the reasonable attorney's fees, cost and expenses incurred by such prevailing party in connection with such action or proceeding.

Allowance: If the actual cost should exceed the allowance given to you, the customer will be responsible for the difference in price.

Payment to be made as follows: All invoices are due 30 days from Invoice date. All monies payable under the terms hereof shall bear interest at a rate of eighteen percent per annum from date due until fully paid.

Quoted by: **Tony**

Signature _____

Date _____

Article IX A of the By-Laws is hereby repealed and in lieu thereof the following amendment to said By-Laws is hereby adopted:

SECTION 1. Within six (6) months after passage of this amendment each landowner within the District shall furnish the Secretary of the District with a description of all lands owned by him within the District, specifically describing and designating as Class A lands the portion thereof theretofore irrigated land to be irrigated by water obtained and to be obtained pursuant to the existing contract between the District and the United States dated August 16, 1955, providing for water service to the District, and likewise specifically describing and designating as Class B lands the portion thereof upon which none of said water has been or could lawfully be used.

SECTION 2. In the event the owner of any Class B land shall thereafter elect to obtain such contract water on all or any portion of his Class B lands a petition describing the same and requesting such water service, together with the sum of money hereinafter in Section 3 hereof specified, shall be presented to and filed with the Board of Directors of the District at a regular or special meeting of said Board. The Board shall within a reasonable time thereafter consider and pass upon said petition, and in the event said Board shall find that the existing facilities of the District are adequate to permit the delivery of water to said lands, without impairing water service to the owners of Class A land within the District, the Board shall enter an order directing that water shall be made available to said land on the same basis as all other Class A lands. In the event the existing facilities of the District shall be insufficient to permit the delivery of water to said additional land, the Board of Directors shall, in all cases where a legal obligation exists to serve such lands and to extend the facilities of the District for such purpose, take such steps as may be appropriate to make water available on said land.

SECTION 3. The Secretary shall at all times maintain a current record of all sums of money paid as interest and principal upon all bonds issued by the District for the acquisition of its water distribution system, including sums expended by the District in the repair and maintenance thereof at the time of issuance of said bonds, which record shall disclose the pro rata sum of money on an acreage basis applicable to each acre of Class A land within the District, which pro rata sum (hereinafter called the "quotient") shall be obtained by dividing the total number of acres of Class A land in the District into the total sum of money theretofore paid by said District as interest and principal on said bonds. Upon filing the aforesaid application with said Board, applicant shall pay to the District for deposit in a suspense account of the District, a sum of money equal to the number of acres of land proposed to be added to his Class A land, multiplied by the aforesaid quotient.

In the event said application shall be denied said sum of money shall be repaid to the applicant. In the event said application shall be granted said sum of money shall be paid into the Construction Fund, (which fund is hereby created) and shall be used by the District for the following purposes:

(a) In the event it shall be necessary to enlarge, alter or extend the existing facilities of the District in order to deliver water to such additional lands, said sum of money shall be used for said purpose, and if it is insufficient for said purpose, any balance required therefore shall be paid by the District from the aforesaid Construction Fund, or in the event no such funds are available, then from other funds of the District available for said purpose. In the event said sum shall exceed the cost of such enlargement, alteration or extension of said facilities, or in the event no such extension is required, such balance shall remain in said fund for future use of the District in enlarging, extending, altering, or repairing the facilities of the District.

user may be denied upon such terms and for such period of time as the Board of Directors may determine.

RULE 3. PRIVATE DITCHES.

(a) All private ditches shall be cleaned and maintained by the user thereof without expense to the District, and such ditches shall be of sufficient size to carry the maximum quantity of water ordered by the owner thereof. No privately owned ditches shall be constructed upon or be permitted to impinge upon any right-of-way belonging to the District without the District's consent in writing.

(b) Where ditches must be constructed or enlarged in order to carry water from existing District laterals to the land to be served, the landowner or user requesting water for such land must provide the right-of-way and construct or enlarge such connecting ditch from said land to a District lateral designated by the District, all without cost to the District.

(c) Delivery by the District will be made at such turnout on the system as the water user may designate, provided there are sufficient facilities and sufficient water available for such delivery at the point so suggested.

RULE 4. MEASURING DEVICES.

In the event any turnout shall not have a proper measuring device, or in case of a disagreement in water measurements, the District shall install a meter or other measuring device, and thereafter such equipment shall be maintained at the expense of the District.

PANOCHÉ 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: JOSH MARQUEZ, CONTRACTS ADMINISTRATOR,

SUBJECT: DIVISION REPORT – ETHICS & COMPLIANCE AND RISK
MANAGEMENT

DATE: 12/12/2023

CC : PATRICK MCGOWAN, GENERAL MANAGER

For the month of November, the following activities occurred:

Ethics & Compliance

1. Amy McDougal conducted a one-on-one training with Mr. Marquez regarding chapter 8 of the federal sentencing guidelines.
2. SpeakUp Hotline – No calls reported.

Risk Management

1. Patrick and Josh have a teleconference set with Mrs. McDougal to discuss the Risk Management Assessment parameters. After the discussion Patrick and Josh will work with staff from each department to complete the assessment. The completed assessment will subsequently be presented to the BOD.

PANOCHÉ WATER DISTRICT

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BOARD MEETING MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: MARLENE BRAZIL, ACCOUNTING SUPERVISOR

SUBJECT: DIVISION REPORT – HUMAN RESOURCES

DATE: DECEMBER 12, 2023

CC: PATRICK MCGOWAN, GENERAL MANAGER

For the month of November, the following Human Resources activities occurred as follows:

- **Worker's Compensation**
 1. One claim remains open
 2. One employee remains on leave until the end of December
 3. One employee has returned to work with modified duties

PANOCHÉ WATER DISTRICT

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TELEPHONE (209) 364-6136 • FAX (209) 364-6122



BOARD MEETING MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: JUAN CADENA , WATER RESOURCES MANAGER

SUBJECT: FOREFRONT SOLAR PROJECT UPDATE

DATE: 12/12/2023

CC : PATRICK MCGOWAN, GENERAL MANAGER

On November 29, Panoche Water District (District) staff had a conference call with Forefront Power (FFP) staff.

Phase 1 (Pasture Site) - Results from the distribution group study are due back on 12/22/2023. This will tell us if there additional cost (transformer/line upgrades),

General overview of process

After utility results are received, start due diligence (~3 months). Design (3 months), permitting (3 months). Construction ~5 months.

Phase 2 (Lineman Site) Is currently in the Electrical Independence Test (EIT) until 12/19/2023. These results will tell us if we have to do a distribution group study (window opens in Mar. 2024).

Large utility rate increase expected to be announced Jan. 1 – FFP will run numbers for savings for both projects in January. Aim to have utility savings by Jan. 11 unless PG&E upgrade costs impact, then may want to wait until Jan. 31.

PANOCHÉ 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: JOSH MARQUEZ, CONTRACTS ADMINISTRATOR

SUBJECT: USBR GRANT CONTOUR CANAL LINING PROJECT

DATE: 12/12/2023

CC : PATRICK MCGOWAN, GENERAL MANAGER

Update:

Surveying price quotes requested and received from:

Golden Valley Engineering - \$44,000

Bedrock Engineering - \$28,000

Cultural review price quotes requested from:

AECOM – declined

Applied Earthworks - \$37,970

HDR - declined

Bedrock Engineering and Applied Earthworks were selected and contracted. A teleconference is set for 12/26/23 with the USBR to discuss the NEPA status.

PWD
December 12th, 2023
BOARD MEETING ACTION ITEMS

1. Contact Doctor Burt, and request Panoche retains as a consultant to complete master facilities study. JUAN
COMPLETE
2. Have conversation with Althea home residence, and contact Coldwell Banker to place property for sale. JUAN
COMPLETE
3. Research Panoche & other water agencies domestic water agreements. Where does the District responsibilities begin and end? JUAN
IN PROGRESS
4. Move forward with scheduling the risk assessment to be completed. JOSH
IN PROGRESS
5. Obtain estimates for safety compliance consultants. JOSH
COMPLETE
6. Work with Water Quality Improvement JPA to have Panoche on December Board meeting, and with Gabriel Delgado (legal counsel) with draft agreement language. JOSH & JUAN
COMPLETE
7. Compile all pertinent information regarding growers excess supplemental water. SANDRA
COMPLETE
8. Brainstorm, research all potential water rate structure. Contact other water agencies to see what has been successful. What has Panoche historically done? SANDRA
COMPLETE
9. Research groundwater pumping policies throughout our neighboring agencies. SANDRA & JUAN
IN PROGRESS
10. Investigate past loan payments made to PWD from previous employee. MARLENE
COMPLETE
11. Begin looking into Employee Handbook and updates that may need to be completed. MARLENE
IN PROGRESS
12. Request cost analysis for cross-connection mitigation work to be completed by WWC. CHRIS
IN PROGRESS
13. Visit sites listed in cross-connection survey and begin assessing parts, materials, and plan moving forward. CHRIS & JUAN
IN PROGRESS
14. Request and review estimates for mitigation work to be completed on House 1. Move forward with scheduling work. CHRIS
COMPLETE

**MEMORANDUM OF AGREEMENT
FOR USAGE OF
DOMESTIC WATER SYSTEM**

This Memorandum of Agreement by and between XXXXXXXXXXXX, a California corporation ("XXXXXX"), and Panoche Water District, a California water district, ("District"), made and entered into this 1st day of March, 2013.

RECITALS

A. The parties hereto are each served with domestic water from that certain Domestic Water System owned and operated by the Panoche Water District, located in the county of Fresno adjacent to Althea Avenue.

AGREEMENT

NOW, THEREFORE, in consideration of the facts stated in the recitals above and of the covenants and conditions contained below, the parties agree as follows:

1. Operation and Maintenance. District shall operate and maintain the Domestic Water System and keep in compliance.

2. Operation and Maintenance Costs. District shall meter all water delivered from the Domestic Water System to District and XXXXX, the District shall allocate monthly all costs of operating and maintaining the system between District, and XXXXX, based upon the pro-rated share of water utilized by each party during such month.

2.1 District will submit bills to XXXXX, including documentation of the deliveries to each and of all such deliveries, on the first of each quarter, and XXXXX, shall pay such bills within 10 days following receipt of such bills.

2.2 In the event XXXXX permanently cease to take water from the Domestic Water system, such party shall not be liable for operation and maintenance charges incurred after such cessation of use of the system.

3. Future Improvements Not Addressed. This Agreement is not intended to address the obligation of any party to expend any additional sums for capital repairs or improvements to the Domestic Water System, whether or not such repairs or improvements are required by and zoning or regulatory authorities, and no party hereto shall have the obligation to obtain, finance or pay for such repairs or improvements in the absence of a further cost-sharing agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on the date written above.

XXXXXXXXXX,

By _____

Panoche Water District

By _____
General Manager

PANOCHÉ 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: JUAN CADENA , WATER RESOURCES MANAGER

SUBJECT: RESEARCH GROUNDWATER PUMPING POLICIES

DATE: 12/12/2023

CC : PATRICK MCGOWAN, GENERAL MANAGER

Panoche Water District (District) staff has been researching groundwater pumping policies.

Attached is Aliso Water District Policy.

Below is an overview of Westlands Water District Groundwater Policy.

-GROUNDWATER FLOW METER

-GROUNDWATER USER REGISTRATION AND GROUNDWATER ALLOCATION:
APPLICATION FOR GROUNDWATER

-GROUNDWATER ALLOCATION DURING THE TRANSITION PERIOD

Annual allocation is established at 1.3 AF per gross acre in 2022 and 2023 and then subsequently reduced each year by 0.1 AF per Gross Acre until 2030

Contract Year	Sustainable Yield	Transition Allocation	Allocation Cap
		(AF per Gross Acre)	
2022	0.6	0.7	1.3
2023	0.6	0.7	1.3
2024	0.6	0.6	1.2
2025	0.6	0.5	1.1
2026	0.6	0.4	1.0
2027	0.6	0.3	0.9
2028	0.6	0.2	0.8
2029	0.6	0.1	0.7
2030	0.6	0.0	0.6

-GROUNDWATER ALLOCATION (Not Applicable on or until March 1, 2030)

-GROUNDWATER PUMPING LIMITATIONS

-USE AND TRANSFER OF GROUNDWATER

-GROUNDWATER RECHARGE PROJECTS

-SUBSIDENCE PRONE AREAS

ARTICLE 1. REGULATIONS FOR THE GROUNDWATER ALLOCATION PROGRAM AND USE OF GROUNDWATER WITHIN THE WESTSIDE SUBBASIN

1.1 PURPOSE

Westlands Water District serving as the Groundwater Sustainability Agency (District) of the Westside Subbasin adopted the Westside Subbasin Groundwater Sustainability Plan on January 8th, 2020. The Westside Subbasin Groundwater Sustainability Plan (GSP) requires that the District develop Rules and Regulations to implement the GSP. These Rules and Regulations shall be construed consistent with applicable law and the GSP. Specifically, where authorized, delegations of authority under these Rules and Regulations shall be made consistent with applicable law and discretion applied in a manner consistent with the GSP. The District intends to manage and establish reasonable regulations for the production and beneficial use of groundwater and the Subbasin, as contemplated by the GSP. However, specific Rules and Regulations may require actions that are more stringent and protective of groundwater and the Subbasin, than those generally described in GSP, provided that they are consistent with the District's powers and authorities as a GSA under applicable law. (See, e.g., Water Code Sections 10725, 10725.2, 10725.4, 10725.6, 10725.8, 10726.2, 10726.4, 10726.8.) If a provision of these rules and regulations directly conflicts with either law and/or the GSP, the provisions of law and/or GSP shall control.

1.2 GLOSSARY OF TERMS AND DEFINITIONS

- A. Applicant – a Groundwater User who submitted a Groundwater Allocation Application and Agreement.
- B. Aquifer Storage and Recovery (ASR) – a recharge activity of injecting Qualifying Surface Water into the aquifer using an agricultural Groundwater Well or dry well

for temporary storage, which is then later recovered for irrigation or other beneficial use.

- C. ASR Program – the “Agricultural Aquifer Storage and Recovery Program” approved by the District in 2019 and subject to the Central Valley Regional Water Quality Control Board Monitoring And Reporting Program R5-2020-0809, as may be amended or supplemented.
- D. Carryover - the amount of unused annual Groundwater Allocation, Provisional Allocation, or Groundwater Credit in a Groundwater Account as of February 28/29. Carryover groundwater supplies are carried forward and available for use in a future year and may be subject to then applicable rate of extraction limitations (i.e., 225%), depletion and loss as provided herein.
- E. Contract Year—each 12-month period that begins on March 1 and ends on the last day of February following.
- F. Delinquent Groundwater User - a Groundwater User who failed to pay any charges, assessments, land-based charges, or any other money owed to the District by the due day.
- G. De Minimis User— consistent with the definition in Water Code section 10721(e), a person who extracts, for domestic purposes, two acre-feet or less per year.
- H. Dry Well – - a well screened above the water table, that is normally dry but available to inject water into the Upper Aquifer and/or Lower Aquifer.
- I. Eligible Land— land that is Gross Acre and that is not owned or operated by a Delinquent Groundwater User.
- J. Evaporation Loss— - a reduction in the quantity of liquid water resulting from water changing its property from a liquid to a gas.
- K. General Manager— the General Manager of Westlands Water District or designee.
- L. Gross Acre – an acre within the Westside Subbasin assessed by Fresno or Kings

county, that has been irrigated prior to December 31, 2015, or is suitable for reasonable and beneficial use of groundwater. Land that does not meet this definition may be deemed to meet the definition pursuant to an approved request for variance. Gross Acre includes land designated as Eligible Cropland pursuant to the Westlands Water District Rules and Regulations.

- M. Groundwater Account - is a record or statement of the total amount of groundwater available to a Groundwater User pursuant to the Groundwater User's Groundwater Allocation and adjusted for all authorized transactions, inclusive of Groundwater Credits, Transfers, Carryover, in-lieu delivery of surface water and pumped by the Groundwater User.
- N. Groundwater Allocation – the portion of the Westside Subbasin groundwater Sustainable Yield ratably distributed to Eligible Lands.
- O. Groundwater Allocation Application and Agreement – is an application and agreement between the District and a Groundwater User which, among other things, describes the land and well(s) available to the Groundwater User and the Groundwater User's Eligible Lands.
- P. Groundwater Allocation Program - the actions contemplated in this Article 1.
- Q. Groundwater Allocation Program Benefit - the opportunity to develop Carryover, Groundwater Credit, and Trade Groundwater.
- R. Groundwater Credit - a credit a Groundwater User receives for recharging Qualifying Surface Water the Westside Subbasin.
- S. Groundwater User – a landowner or lessee of land who has submitted and executed a District approved Groundwater Allocation Application and Agreement.
- T. Groundwater Well – a groundwater well or other groundwater extraction facility overlying or pumping groundwater from aquifers within the Westside Subbasin, except those Groundwater Wells exempt under Sections 1.13 and 1.14, regardless of whether the Groundwater Well Owner is a qualifying Groundwater User.

- U. Groundwater Well Owner – a Groundwater User, any person, or entity that holds an interest in a Groundwater Well.
- V. Leave Behind - a quantity of water, expressed as a uniform percentage of the quantity of the Qualifying Surface Water recharged and stored within the Subbasin.
- W. Lower Aquifer – generally, the aquifer below the Corcoran Clay or deeper than approximately 400 feet below ground surface, in areas where the Corcoran Clay is absent.
- X. Meter a District-approved groundwater flow meter or other measuring device equipped with telemetry (automatic meter infrastructure capable of remote data transmission) to allow for continuous monitoring and data collection of groundwater pumping by the District.
- Y. Negative Balance – the circumstance when a Groundwater User pumps more groundwater than available from Groundwater Allocation(s), Groundwater Credits, Transfer, and Carryover.
- Z. Provisional Allocation – a supplemental Groundwater Allocation made available to Groundwater Users.
- AA. Qualifying Surface Water – surface water that is “non-native” or “foreign” water, meaning water that under natural conditions would not contribute to the recharge of the Westside Subbasin.
- BB. Shallow Aquifer – the first 100 feet below ground surface of the Upper Aquifer and is not hydrologically connected to the rest of the Upper Aquifer.
- CC. Sublateral – a recharge method that delivers water directly below the root zone into the aquifer through a perforated pipeline.
- DD. Subsidence Prone Areas – areas that have experienced subsidence. Figure 2, titled “Subsidence Prone Areas”, depicts those areas and, based on then current data, may be updated by the Board of Directors.

- EE. Sustainable Yield – consistent with Water Code section 10721(w), the maximum quantity of water, calculated over a base period representative of long-term conditions in the basin and including any temporary surplus, that can be withdrawn annually from a groundwater supply without causing an undesirable result.
- FF. Technical Issue – an issue relating to or arising from the application of a science (e.g., geology, hydrogeology, groundwater conditions, etc) or engineering.
- GG. Transfer – the conveyance of an approved Groundwater Allocation or Groundwater Credit from one Groundwater User to another Groundwater User.
- HH. Transition Period – the period from 2022-2030 to 2030 during which the allocation to Groundwater Users will be reduced.
- II. Transition Allocation – the amount of water available for allocation during the Transition Period above the Groundwater Allocation.
- JJ. Unclaimed Groundwater – Groundwater for which no registration and application are filed.
- KK. Unused Groundwater – the supply made available to a Groundwater User during the Contract Year that remains in the Groundwater User’s Groundwater Account at the end of the Contract Year.
- LL. Vadose Zone – the unsaturated zone of the aquifer.
- MM. Variance – is the relief (excuse from compliance) from any portion of the GSP, program, policy, rule, regulation, or project.
- NN. Upper Aquifer – is generally described as the aquifer above the Corcoran Clay or from ground surface to a depth of approximately 400 feet, in areas where the Corcoran Clay is absent.

1.3 SUSTAINABLE YIELD OF THE WESTSIDE SUBBASIN

- A. The Sustainable Yield of the Westside Subbasin is approximately 305,000 acre-feet (AF). Subject to the terms and conditions of SGMA, the GSP and these rules

and regulations, this quantity will be available for allocation to Groundwater Users for all Gross Acres in each Contract Year under the Groundwater Allocation Program. However, the allocation in any Contract Year may be subject to adjustment as may be prudent and necessary to avoid “undesirable results”, as described in Section 1.8.

- B. Of the approximate 622,000 acres overlying the Westside Subbasin, there are approximately 525,000 acres that will be eligible to receive a Groundwater Allocation.
- C. No groundwater shall be allocated to District owned land, land where the District reserved the overlying right to pump groundwater, or De Minimis Users.

1.4 GROUNDWATER FLOW METER

- A. The District will furnish, own, and install a groundwater flow meter (also referred to as a meter) on each agricultural Groundwater Well in the District. Each Groundwater Well must be equipped with a Meter, regardless of the Groundwater Well Owner’s participation in the Groundwater Allocation Program, pursuant to the GSP and Water Code section 10725.8(a). A Groundwater Well Owner shall permit the District to install a Meter on each Groundwater Well, subject to reasonable notice. A Groundwater Well Owner’s refusal to permit the District to install a Meter, following reasonable notice, constitutes a violation.
- B. All costs associated with maintaining the Meters on a Groundwater Well will be borne by the Groundwater Well Owners.
- C. The Groundwater Well Owner is responsible for coordinating with the District to ensure the Meter remains operational. A Groundwater Well Owner shall notify the District of any damage to a Meter within 15 days. Failure to notify the District of Meter damage or intentional tampering with a Meter shall constitute a violation.
- D. The District reserves the right to inspect each Meter for every Groundwater Well, subject to reasonable notice and consistent with Water Code section 10725.4(c).

- E. The District reserves the right to use any other reasonable method to determine groundwater extractions in addition to installing a Meter.

1.5 GROUNDWATER USER REGISTRATION AND GROUNDWATER ALLOCATION: APPLICATION FOR GROUNDWATER

- A. To receive a Groundwater Allocation for agricultural purposes in a Contract Year, a Groundwater User must register for voluntary participation in the Groundwater Allocation Program by filing a completed Groundwater Allocation Application and Agreement at a designated District office annually on or before January 15 of the prior Contract Year. Applications received after January 15 shall be considered “late”. A Groundwater Allocation Application and Agreement that is late shall be accepted; provided, the application is received no later than July 31, in which case the Groundwater Allocation may not be available until 45 days from the date the late application is accepted.
 - 1. Each year, the District will review a Groundwater User’s registration in the Groundwater Allocation Program.
 - 2. For each Application, the District will verify the information contained therein to determine, among other information, whether the land on which groundwater would be used is within the Westside Subbasin. Supplemental information may be required from the Applicant in those cases where the submitted information is inadequate.
 - 3. A Groundwater User may seek authorization of their use of groundwater pursuant to the Variance procedures set forth in Section 1.19, if the application includes land that is not identified as a Gross Acre in the Westside Subbasin.
- B. Timely Applications shall receive the Groundwater Allocation by March 1, subject to available groundwater pumping and groundwater elevation data. The District, however, may reasonably delay assigning a Groundwater Allocation until groundwater pumping data and groundwater elevation data is available.
- C. If more than one Groundwater Allocation Application and Agreement for the same parcel of land is received, the Groundwater Allocation Application and Agreement

submitted by the landowner shall have priority. Other than in the case of a final binding court determination declaring the respective rights of multiple Applicants, if there is a dispute between or among Applicants, the landowner's Groundwater Allocation Application will have priority.

1. Disputes between or among co-tenants or joint owners will be resolved by allocating groundwater based on the pro-rata ownership share. If no Applicant owns the land, priority will be given to the Applicant who can provide satisfactory evidence of landowner's authorization to occupy the land, receive the Groundwater Allocation and apply groundwater for beneficial use. A lease or written instrument demonstrating consent to occupancy from the landowner is sufficient evidence.

- D. No Groundwater Allocation or Groundwater Credit shall be made to any land for which water charges, assessments, land-based charges, or any other money owed to the District have been delinquent for 30 days or more at the time the Groundwater Allocation is made or delinquent with respect to any land for which advance payment is required until such advance payment is received, or in lieu thereof security, in a form acceptable to the General Manager, for such payment has been provided.
- E. The failure to register for a Groundwater Allocation in any Contract Year, does not preclude a Groundwater User from the right to participate in the Groundwater Allocation Program in a future Contract Year. However, registration in any Contract Year does not cure the failure to register in any previous year and a new or intermittent registrant does not obtain any right to Unclaimed Groundwater.
- F. Unclaimed Groundwater will be held in reserve by the District for the benefit of the Subbasin and may be used in furtherance of the District's sustainability goals, including the District making the groundwater available for pumping: (1) pursuant to a Groundwater Allocation; (2) for use in furtherance of other GSP management objectives, including, but not limited to, groundwater quality and subsidence management; or (3) as a Provisional Allocation. Any Provisional Allocation shall be based on the total Gross Acres of Eligible Lands in a Groundwater Allocation

Application and Agreement for Contract Year. The decision on use of Unclaimed Groundwater will be made by the District.

1.6 GROUNDWATER ALLOCATION DURING THE TRANSITION PERIOD

A. The Groundwater Allocation Program will begin with an eight (8) year Transition Period from 2022-2030 (“Transition Period”) in which a uniform annual allocation is established at 1.3 AF per gross acre in 2022 and 2023 and then subsequently reduced each year by 0.1 AF per Gross Acre until 2030 (Table 1).

Table 1: Groundwater Allocation Transition Period (2022-2030)

Contract Year	Sustainable Yield	Transition Allocation	Allocation Cap
		(AF per Gross Acre)	
2022	0.6	0.7	1.3
2023	0.6	0.7	1.3
2024	0.6	0.6	1.2
2025	0.6	0.5	1.1
2026	0.6	0.4	1.0
2027	0.6	0.3	0.9
2028	0.6	0.2	0.8
2029	0.6	0.1	0.7
2030	0.6	0.0	0.6

B. In Year 1 of the Groundwater Allocation Program (March 1, 2022, through February 28, 2023), the District will implement a pumping cap of 1.3 AF per acre as an aggregate in the Subbasin and monitor the conditions, except for Groundwater Wells located in the Subsidence Prone Areas, as identified in Figure 2. In Year 1 only, Section 1.5 will not be applicable.

C. During the Transition Period:

1. Groundwater withdrawals will be measured and tallied in total. Withdraws **will not** be accounted for by aquifer.
2. The Transition Allocation is eligible for Carryover. However, the use of the Carryover Transition Allocation and current year’s Transition Allocation shall not exceed 0.4 AF per gross acre from 2026 and beyond. In years 2024 and

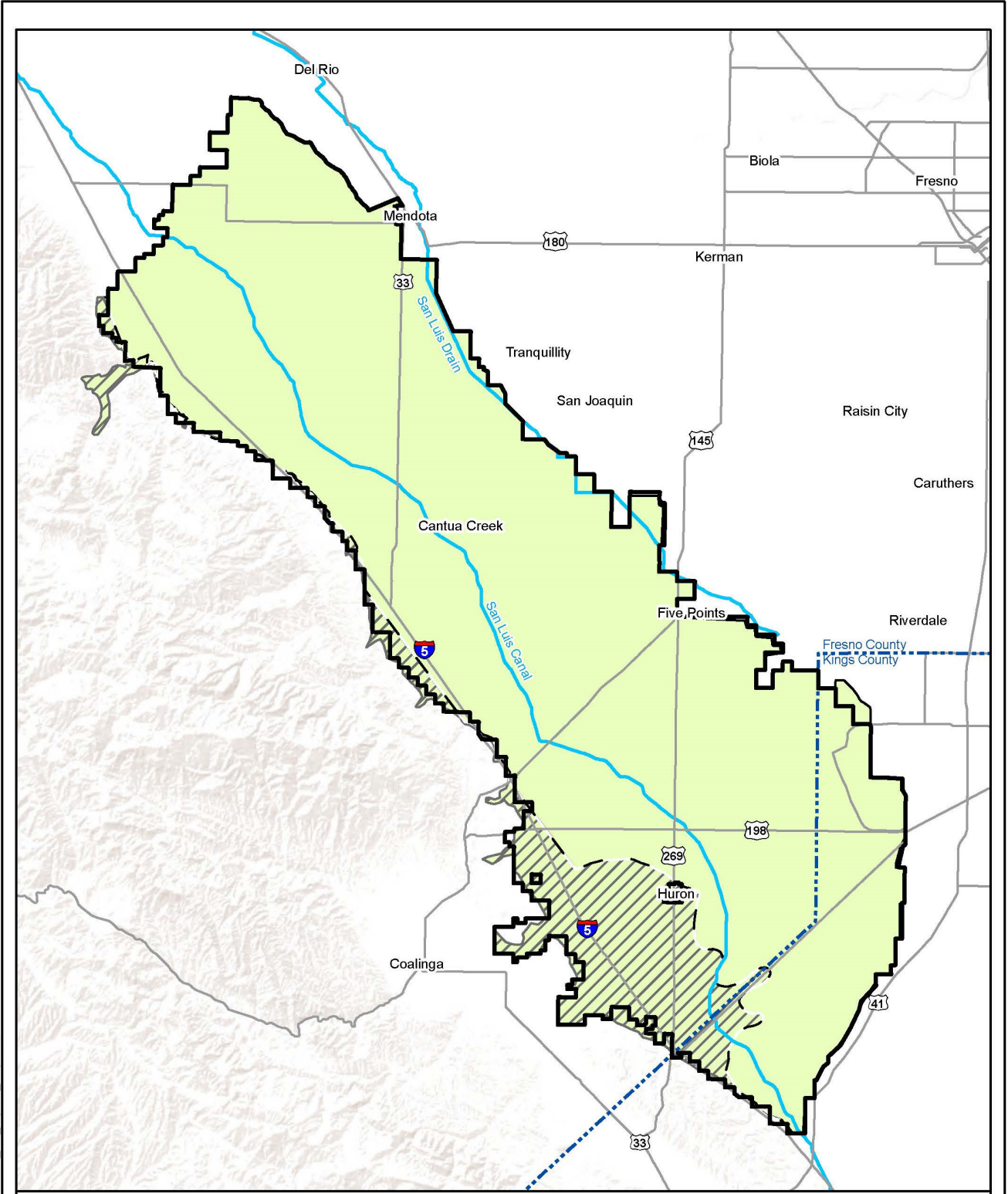
2025, Table 1 will govern.

1.7 GROUNDWATER ALLOCATION (Not Applicable on or until March 1, 2030)

- A. For the Groundwater Allocation beginning in the 2030 Contract Year, the Groundwater Allocation will be made to Eligible Lands based on the Gross Acres in the District. Subject to the conditions identified, the following options are available for Groundwater Allocation and which option a Groundwater User may select may be revised by the Groundwater User at any time, so long as the Groundwater Allocation is still available in the Groundwater Account.
1. Option 1: A Groundwater User with a well(s) that allows for pumping from the Upper Aquifer and Lower Aquifer may opt for an allocation of 0.6 AF per Gross Acre, 40 percent of which shall be deemed available from the Upper Aquifer and 60 percent of which shall be deemed available from the Lower Aquifer. The tallied amount will be determined based on the location of the well's screened intervals.
 2. Option 2: A Groundwater User with a well(s) that allows for pumping from the Upper Aquifer and/or Lower Aquifer who wishes to exclusively access only one aquifer may opt to have the Groundwater Allocation set at 0.45 AF per Gross Acre, all of which would be deemed available in the accessible aquifer.
 3. Option 3: A Groundwater User that overlies the aquifer where it is not bifurcated into the Upper Aquifer and Lower Aquifer may opt for an allocation of 0.6 AF per Gross Acre. Presently, this section applies only to that portion of the Westside Subbasin shown in Figure 1.
- B. For allocations under (1) or (2) above, if the District does not have evidence that the Groundwater User owns or has a legal right to use a well that allows for pumping from the Upper Aquifer and Lower Aquifer in the designated proportions, the Groundwater User will provide the District evidence that the Groundwater User owns or has a legal right to use a well from the two aquifers in the designated proportions. Upon the Groundwater User providing such evidence and the General Manager

determining the Groundwater has access to the Upper Aquifer and Lower Aquifer in the designated proportions, the allocation shall be made pursuant to (1) or (2) above, as may be applicable.

- C. The District may adjust the allocation, higher or lower, as currently presented in Table 1, after considering relevant data or other information acquired during the Transition Period, including but not limited to then prevailing groundwater conditions, and total number of Gross Acres, to ensure that the sustainable indicators' Minimum Thresholds are maintained.
- D. Production of all groundwater under the Groundwater Allocation Program is subject to the District's continued implementation of the GSP and the Groundwater Allocation Program, including but not limited to the avoidance of undesirable results and maintenance of water level elevations as described in Section 1.8.



Legend

- Westlands Water District Boundary
- Westside Subbasin
- Highways/Major Roads
- Waterway
- Absence of Corcoran Clay

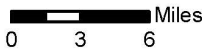


Figure 1: Extent of Corcoran Clay in the Westside Subbasin



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1.8 GROUNDWATER PUMPING LIMITATIONS

- A. The General Manager will:
1. On or about March 15, provide a projection of groundwater levels that may exist in the fall of the then current Contract Year; and
 2. By no later than January 15, identify the status of groundwater level conditions in the Subbasin as they existed in the fall of the prior calendar year and determine the “classification” for the upcoming Contract Year.
- B. The District will implement management actions based upon the following classifications: (1) during the Transition Period if groundwater levels are below 50 percent of the established Measurable Objectives in the Subbasin, and (2) in all Contract Years starting in 2030.
1. **Green.** The Green classification occurs when Groundwater levels in the Subbasin are 50 percent or greater than the established Minimum Threshold in the Subbasin. If the Subbasin receives a Green classification, then the District will implement the following:
 - a) **Limit a Groundwater Users pumping to 225% (1.35 AF per Gross Acre) of the current years’ allocation.**
 - b) Enforce pumping limitations in each month that the Groundwater Users exceed its Groundwater Allocation. If limits are exceeded, the Groundwater User shall balance their Groundwater Account by the end of the following month. Failure to balance their Groundwater Account could impact a Groundwater User’s future Groundwater Allocation as described in Section 1.7.
 - c) Take additional measures that, in its reasonable discretion are reasonably calculated to avoid undesirable results. These include but are not limited to, conditional pumping restrictions either in Subsidence Prone Areas identified on Figure 2 or areas

experiencing water quality degradation, restrictions on allocation trading, and in-lieu water use incentives or requirements.

2. **Yellow.** The Yellow classification occurs when groundwater levels in the Subbasin exceed the established Minimum Thresholds in the Subbasin by 15 percent or are 50 percent below the Measurable Objectives. If the Subbasin receives a Yellow classification, then the District will implement the following:
 - a) Pumping limited to the current Contract Year Groundwater Allocation plus any Carryover, Transfers, or Groundwater Credit.
 - b) Enforce pumping limitations in each month that the Groundwater User exceeds their Groundwater Account balance. If limits are exceeded, the Groundwater User shall balance their Groundwater Account by the end of the following month. Failure to balance their Groundwater Account could result in an assessment of mitigation fees related to the cost of curing the impact, locking the well from future pumping, and restrict future Groundwater Allocations as described in Section 1.17.
 - c) Take additional measures that, in its reasonable discretion are reasonably calculated to avoid undesirable results including but not limited to, conditionally restricting pumping in Subsidence Prone Areas identified on Figure 2 or areas experiencing water quality degradation, restrictions on allocation trading, and in-lieu water use incentives or requirements.
3. **Red.** The Red classification occurs when groundwater levels in the Subbasin are within 15 percent or less of established Minimum Thresholds in the Subbasin. If the Subbasin receives a Red classification, then the District will implement the following:
 - a) Limit pumping of groundwater to the current Contract Year

Groundwater Allocation, plus any eligible Carryover or Groundwater Credits.

- b) If the District determines that there is a reasonable probability that undesirable results will occur unless additional measures are taken, then additional extraordinary measures authorized under the GSP may include, but not limited to:
 - i. Reducing that years' Contract Year Groundwater Allocation; or
 - ii. Requiring the delivery of surface water in- lieu of groundwater; or
 - iii. Limiting and potentially prohibiting the transfer of Groundwater Allocation as described in the Section 1.9 Use and Transfer of Groundwater; or
 - iv. Restrictions on pumping; or
 - v. Other measures that, in the reasonable discretion of the District, are reasonably calculated to avoid undesirable results.
- c) A Groundwater User with a Groundwater Account that has a Negative Balance will not be eligible to pump groundwater. A Groundwater User may resume pumping when the groundwater account has a positive balance.

1.9 USE AND TRANSFER OF GROUNDWATER

- A. A Groundwater User that receives a Groundwater Allocation may use it on any Eligible Land within the Westside Subbasin.
- B. The priority of groundwater use (considered the first water pumped) shall be as follows: (1) Carryover, (2) Groundwater Credits, and (3) the current years Groundwater Allocation. A Groundwater User may request an alternative priority of use.

- C. Except as limited by Section 1.6, a Groundwater User may pump groundwater for use on Eligible Land each Contract Year, bank any unused quantity as carryover and/or Transfer any unused portion of the Groundwater Allocation.
1. If the total groundwater allocated to the Groundwater Account exceeds the amount pumped, then the unused Groundwater Allocation as a Carryover that may be pumped or transferred in a subsequent Contract Year.
 2. If the total groundwater pumped exceeds the amount allocated, inclusive of Carryover, transfers, and Groundwater Credits, then the Groundwater Account will have a Negative Balance. A Groundwater User may not transfer any portion of its Allocation to a third party where there is a Negative Balance; provided that the Groundwater User with a Negative Balance may procure a Groundwater Allocation from a third party to balance its Groundwater Account and thereafter may continue to trade any portion of the groundwater in its Groundwater Account.
 3. A Groundwater User may transfer any portion of their Groundwater Allocation and Groundwater Credits(excluding the Transition Allocation), to another Groundwater User for use in the current and a subsequent Contract Year, provided that the transfer of an aquifer specific allocation is expressly limited to the transferee Groundwater User pumping groundwater from the same aquifer for which the Allocation was approved.
- D. All requests to transfer a Groundwater Allocation and Groundwater Credits (excluding the Transition Allocation), must be submitted in writing and approved in advance, by the General Manager. Transfers and use of previously approved Transfers are subject to an annual approval. Within 5 business days of receiving a request to transfer, the General Manager shall approve the transfer if they determine the following conditions are satisfied:
1. The Groundwater User making the groundwater available for transfer has sufficient groundwater supplies in its Groundwater Account;

2. The Groundwater User approved the transfer of groundwater from its Groundwater Account to another Groundwater User; and
 3. The transfer would not violate any other provision of these Rules and Regulations.
 4. GSA may place groundwater pumping limitations on transfer groundwater according to Article 1.8.
- E. The Board of Directors may prohibit or impose additional limitations on the transfer of a Groundwater Allocation, including Carryover and Groundwater Credits, into the Subsidence Prone Area. When considering a request to transfer, the General Manager will follow the “Westlands Water District Groundwater Sustainability Agency Guidance For Processing Groundwater Transfer”, which the Board of Directors may update from time to time without amendment to these Rules and Regulation.
- F. The General Manager may impose reasonable conditions on a transfer if necessary to support the findings required under paragraph D above. If the transfer of groundwater is subject to Section 1.7.A.3 and is transferred to an area of the Subbasin where the Corcoran Clay is present, then the credit shall be allocated per section 1.7.A.1 or 1.7.A.2.
- G. The General Manager may not re-assign during the Contract Year unused groundwater from a Groundwater Account to another Groundwater Account based on a change in ownership or lease of land, except where the transferor, upon the transfer of land through a change in ownership or lease, would no longer owns or leases any land in the Westside Subbasin, the transferor may request that the unused Groundwater Allocation be assigned to the successor in interest. In that circumstance, the unused Groundwater Allocation shall be assigned to the successor in interest upon the successor in interest filing a Groundwater Application with the District to retain the groundwater available previously available to the transferor.

- H. Consistent with the District's Groundwater Management Plan prepared pursuant to Water Code Section 10750 et seq. (Assembly Bill 3030) and the GSP, the District will continue to prohibit unconditioned export of groundwater from the Westside Subbasin.
- I. The General Manager may restrict or prohibit the use or Transfer of groundwater if a dispute exists between or among Groundwater Users regarding the allocation or use of such groundwater.

1.10 GROUNDWATER RECHARGE PROJECTS

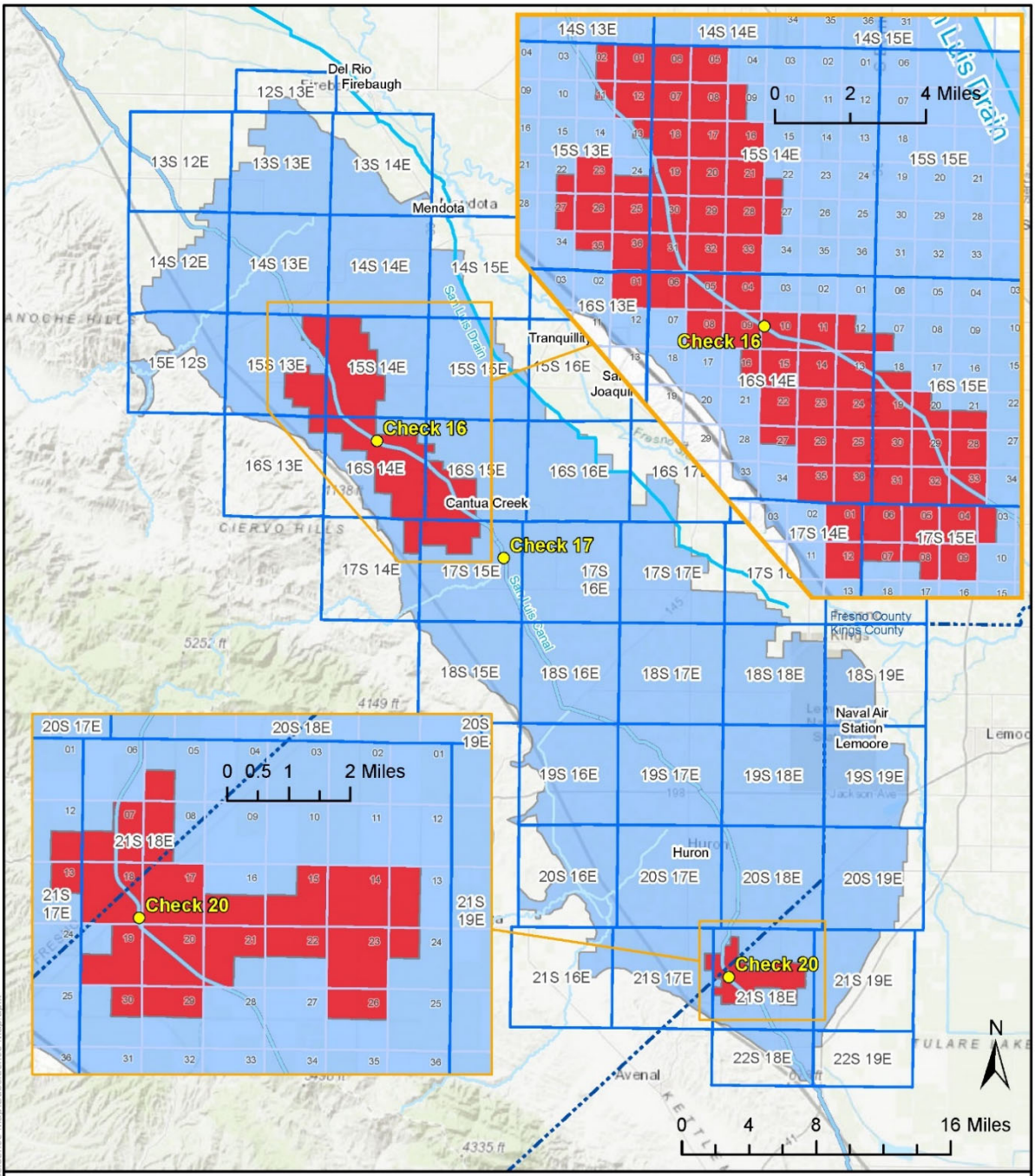
- A. The District anticipates that Groundwater Users will continue to implement projects to augment groundwater through recharge of Qualifying Surface Water and will request that the District provide Groundwater Credits to support or offset the Groundwater User's future groundwater pumping.
- B. The General Manager is directed to provide Groundwater Credits to Groundwater Users, consistent with the terms and conditions of this Section.
- C. The General Manager will review each Groundwater User's completed application for Groundwater Credit in the order applications are submitted.
- D. When considering an application for Groundwater Credit, the General Manager will (1) follow the "Westlands Water District Groundwater Sustainability Agency Guidance For Processing Groundwater Recharge Projects Application", as may be updated by the Board of Directors from time to time without amendment to these Rules and Regulations, (2) base decisions on the best available technical data (such as boring, cone penetration testing or a detail well log), and (3) limit the determination to whether the proposed recharge (a) involves Qualifying Surface Water, and (b) the extent it would recharge the Upper and Lower Aquifers.
- E. The General Manager will provide Groundwater Credits based on the amount of Qualifying Surface Water reasonably calculated as replenishing the Westside Subbasin.

- F. Groundwater Credits will be provided for Groundwater User projects identified in Chapter 4 of the Westside GSP, which include:
 - 1. Aquifer Storage and Recovery (ASR) wells,
 - 2. Recharge Basins,
 - 3. Dry Well Injection,
 - 4. Sublateral, and
 - 5. Over Irrigation Recharge Projects.
- G. When Groundwater Credits are requested for a project that recharges Qualifying Surface Water to the Westside Subbasin by a method that infiltrates water through the vadose zone or the unsaturated zone, the General Manager shall impose a one-time ten percent (10%) Leave Behind to mitigate for consumptive loss and migration.
- H. Available Groundwater Credits will be posted to each Groundwater Account at the end of each month. Groundwater Credits posted to a Groundwater Account will remain in the Groundwater Account until used or transferred.
- I. Groundwater Credits developed prior to 2030 will follow the rules set forth in the year the Groundwater Credits were developed.

1.11 SUBSIDENCE PRONE AREAS

- A. As referenced in Section 4.4 of the Westside Subbasin GSP, there are areas along the San Luis Canal that have experienced a large amount of subsidence during persistent drought periods. Land subsidence near Checks 16, 17, and 20 of the San Luis Canal/California Aqueduct during the 2013-2016 drought, also known as the “subsidence areas of concern” and depicted on attached [Figure 2](#), highlighted the need to reduce reliance on groundwater pumping from the Lower Aquifer to avoid undesirable results. The Subsidence Prone Areas (SPA) boundaries were developed from the 2016 Jet Propulsion Laboratory Report using Interferometric Synthetic Aperture Radar (InSAR) data between July 2013 and June 2016. The SPA near Checks 16 and 17 was revised based on the InSAR data collected

between January 2016 and January 2021. Approximately 3,000 acres were removed from the western boundary where the vertical displacement in the SPA is stable and not declining.



- Westside Subbasin
- Subsidence Prone Areas

Figure 2: Westside Subbasin Subsidence Prone Areas

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Ver. 3: SPA Boundary Modified 08/11/2022

Date: 8/30/2022

B. In Subsidence Prone Areas:

1. A Groundwater User shall have the right to pump all, or part of Groundwater supply in its Groundwater Account from the Upper Aquifer.
2. If the District prohibits a Groundwater User from pumping more groundwater than the Groundwater User's share of a Groundwater Allocation (Reduced Supply) from the Lower Aquifer:
 - a. The District, in its capacity as the GSA, shall acquire and deliver to the Groundwater User a quantity of surface water (SGMA Substitute Water) equal to the Reduced Supply.
 - b. The Groundwater User shall: (a) accept from the District the delivery of the SGMA Substitute Water, and (b) be precluded from pumping an amount of groundwater equal to the quantity of SGMA Substitute Water delivered.
 - c. The District will debit the Groundwater User's Groundwater Account by an amount equal to the quantity of SGMA Substitute Water delivered to the Groundwater User by the District.
 - d. The Groundwater User shall pay for SGMA Substitute Water pursuant to this subsection at the lesser of: (a) the cost incurred by the District to acquire the SGMA Substitute Water, or (b) the cost the Groundwater User would have incurred if it were pumping groundwater from the Lower Aquifer. For purposes of this section, the cost of pumping groundwater, shall include but not be limited to the amortized capital cost of wells, facilities, appurtenances, operations and maintenance, power, measurement, and treatment. If the Groundwater User pays the cost the Groundwater User would have incurred if it were pumping groundwater from the Lower Aquifer, then the District, in its capacity as the GSA, will be responsible for the difference between the costs to deliver SGMA Substitute Water and the costs the Groundwater User would have incurred if it were pumping groundwater.

1.12 CARRYOVER, OTHER ALLOCATION RULES AND PROCEDURES

- A. Subject to then available aquifer capacity, a Groundwater User may obtain Carryover for Unused Groundwater, regardless of source, from one Contract Year to the next as set forth in Section 1.12.
- B. A Carryover may be earned, when in a Contract Year the quantity of groundwater allocated to the Groundwater User's account exceeds the amount of the actual quantity pumped.
- C. *Equation:*
$$GW\ Allocation - GW\ Extracted = Carryover$$
- D. The District may impose on Carryover a Leave Behind percentage in an amount no greater than ten percent (10%) after the unpumped groundwater has been stored for five consecutive water Contract Water Years to account for the potential risk to the Westside Subbasin associated with deferred recovery of the unpumped groundwater.
- a. A uniform leave behind percentage for Carryover water stored for more than five consecutive years will be established by the District, in advance of the Carryover being made available to the Groundwater Users.
 - b. The Carryover leave behind percentage will be set in an amount sufficient to avoid unreasonable risk that the cumulative pumping of Carryover by Groundwater Users will cause undesirable results and impair the District's ability to achieve sustainability in the Westside Subbasin during the implementation horizon but in amount not greater than ten percent (10%) per year.

1.13 DOMESTIC USERS

- A. Domestic users that are De Minimis Users are exempt from Article 1 requirements. The District, however, will reassess the De Minimis User metering requirement before the 2025 GSP Amendment Update.

1.14 MUNICIPAL AND INDUSTRIAL USERS

- A. All wells that serve Municipal and Industrial (M&I) users will be subject to Section 1.4. If the M&I User pumps more than two acre-feet a year, then the M&I user will not be a De Minimis User and will be subject to all other applicable requirements of this Article.

1.15 CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

- A. Compliance with the California Environmental Quality Act (CEQA) will occur pursuant to the Article 15 of the District's rules and regulations (providing for the general rules and procedures for operation of the District), as has been and may be amended.

1.16 PAYMENT FOR GROUNDWATER CHARGE OR AGREEMENT

- A. No groundwater shall be allocated to Delinquent Groundwater Users.
- B. The District's SGMA Land Based Charges are set forth through a cost recovery rate. Rates are established at the beginning of each Contract Year at a noticed public hearing through the District's Proposition 218 process. All lands in the Westside Subbasin are required to pay the SGMA Land Based Charges by September 25th of the Contract Year. If the September 25th due date falls on a weekend, then the payment will be due the following business day. A Groundwater User that does not pay the SGMA Land Based Charges by the due date shall be deemed a Delinquent Groundwater User. Delinquent Groundwater Users will be subject to penalty based on Section 1.17b, will not be eligible for a Groundwater Allocation for the following Contract Year, and shall be delinquent for purposes of Articles 2.5.D and 2.8 of the Rules and Regulations for the Allocation and Use of Agricultural Water within

Westlands Water District. A notice will be sent to a Groundwater User to cease pumping on the 1st of the following month.

- C. Per Section 1.4 of these Rules and Regulations, all Groundwater Wells are required to be mounted with a Meter to be eligible to participate in the Groundwater Allocation Program. All costs associated with the groundwater flow meter installation on the well are borne by the Groundwater Well Owner. The Groundwater Well Owner will pay for the costs to furnish and install each groundwater flow meter on the well.
- D. All costs associated with implementation of the ASR Program will be borne by the Groundwater Users that participate in the ASR Program. These costs include but are not limited to all capital, operations and maintenance costs and the costs incurred by the District in managing the ASR Program, as well conducting testing and monitoring. A Groundwater User participating in the ASR Program that fails to pay the cost associated with implementation of the ASR Program within 30 days of invoice shall not be entitled to receive Groundwater Credits through the ASR Program.

1.17 PENALTIES AND MITIGATION REMEDIES

A. Penalties

1. Any person that pumps groundwater in excess of the amount that is authorized under this Article shall be subject to a civil penalty not to exceed five-hundred dollars (\$500) per acre-foot pumped in excess of the amount the Groundwater User is authorized to extract. (Wat. Code. §10725.2 and §10732(a)(1).). Accrual of a negative account balance does not, by itself, constitute a violation.
2. A person who violates any provision, rule, regulation, ordinance or resolution of this Article shall be subject to:
 - a. A civil penalty not to exceed one thousand dollars (\$1,000) plus one hundred dollars (\$100) for each additional day the violation continues if the person fails to comply within thirty (30) days of notification by the District;
 - b. Restrictions on all water furnished by the District in accordance with Water Code Section 35423;
 - c. The penalties and mitigation remedies set forth (A) and (B) of this Section are cumulative and not exclusive.
3. In addition to the penalties and mitigation remedies provided in (A) and (B) in this Section, the District may initiate legal action against a person who violates any rule, regulation, ordinance or resolution of this Article and seek common law remedies under applicable law, including but not limited to public and private nuisance and Article X, Section 2 of the California Constitution.

B. Mitigation Remedies.

1. As a condition of the Groundwater Allocation Application and Agreement required by these Rules and Regulations, the Groundwater User covenants and agrees to mitigate the adverse impacts arising from their cumulative extractions exceeding its Allocation in quantities greater than 25 AFY, by the acquisition of supplemental replacement water in the same quantity as the exceedance.
 - a. The Groundwater User expressly authorizes the District, as its agent, to act on its behalf for purpose of identifying and acquiring supplemental replacement water as soon as practicable under then prevailing conditions.
 - b. The Groundwater User will reimburse the District for the actual costs incurred, as its agent, in acquiring supplemental replacement water to mitigate the adverse impacts of the exceedance, including but not limited to legal, administrative, engineering and water supply costs.
 - c. The “actual cost” of supplemental replacement water shall be equal to the per AF weighted average cost of all supplemental replacement water acquired by the District immediately following the issuance of a Notice of Violation to the Groundwater User. If no acquisitions are completed by the District for the benefit of the Groundwater User, then the actual costs will be those incurred thereafter for supplemental replacement water in amounts equal to or greater than the Groundwater User’s exceedance.
 - d. “Supplemental replacement water” means water acquired by the District from sources of supply outside the Westside Subbasin for the purpose of avoiding and minimizing undesirable results identified in the GSP as the agent for the Groundwater User.
 - e. “Notice of Violation” means written notification provided by the General Manager to the Groundwater User that identifies the specific quantity

of the exceedance and informs the Groundwater User that the District will be acting as its agent to acquire supplemental replacement water to mitigate the adverse impacts on the Basin on its behalf along with a summary estimate of the projected cost per AF. The Groundwater User will make a deposit of the District's estimated administrative and legal expenses attributable to the acquisition within 15 days of the Notice of Violation.

- f. Payments for the actual cost of supplemental replacement water will be paid within 30 days of the date of the invoice issued by the District.
- g. In years in which the District determines, in the exercise of its reasonable discretion, that prevailing conditions do not require a Groundwater User to acquire supplemental replacement water as a mitigation remedy to avoid undesirable results, the District will debit the Groundwater User's account, including future allocations, by an amount equal to the exceedance.

C. Consent and Acknowledgement

The Groundwater Allocation Application and Agreement shall include an express condition that provides in substantially the same form: "The Groundwater User acknowledges and consents to comply with the Rules and Regulations, including but not limited to the Penalties and Mitigation Remedies set forth in §1.17".

1.18 YEAR-END PROCEDURES

- A. After final groundwater use and supply accounting is completed for the Contract Year, the District will determine the amounts of Unused Groundwater or overuse for each Groundwater User's Groundwater Account.
- B. A Groundwater User may Carryover Unused Groundwater as provided in Section 1.12 of these Rules and Regulations.
- C. A Groundwater Account in which pumping exceeds the Groundwater Allocation plus Carryover will have a negative Groundwater Allocation balance carried forward to the following water year and attributed to all the land associated with the Groundwater User account.
- D. When there is change in ownership or Groundwater User status for lands that were registered in the Groundwater Allocation Program, the negative or positive allocation balance, inclusive of any Carryover or Groundwater Credit water, will be assigned to the Groundwater User's account associated with the land. A new Groundwater User for the same lands that seeks a new Groundwater Allocation in a subsequent year may apply for a Groundwater Allocation subject to any outstanding negative allocation balance for the associated lands. This means both negative and positive balances run with the land to future Groundwater Users as successors and assigns.

1.19 VARIANCE PROCEDURES

- A. Where a Groundwater Users seeks a Variance, the Groundwater User shall make the request pursuant to a form provided by the District.
- B. The request shall:
 - 1. Identify the specific measure that is subject of the request;
 - 2. the reason(s) for the request;
 - 3. whether the approval is required to avoid physical and economic harm to the Groundwater User and an explanation thereof; and
 - 4. A statement of the requested relief.
- C. Except in the event of the emergency:
 - a. Prior to the Board of Directors considering a request for Variance, the Technical Advisory Committee shall be provided an opportunity to consider the Technical Issue(s) raised by the request for Variance, if there are any identified by the General Manager, and, on said issue(s), may provide advice or recommendations to the Board of Directors for its consideration. The Board of Directors shall consider the request for Variance expeditiously and, if possible, at the first regularly scheduled meeting following the Technical Advisory Committee's consideration of the Technical Issue(s) but no later than 90 days from the Variance request filing date.
 - b. If the General Manager's determinates that the request for Variance does not raise a Technical Issue, the request for Variance will not be considered by the Technical Advisory Committee. The Board of Directors will directly consider such a request and do so expeditiously, and, if possible, at the next regularly scheduled meeting but no later than 90 days from the Variance request filing date.
- D. Prior to taking action on a request for Variance, the Board of Directors will consult with the County of Fresno GSA representative to ensure that the granting of the requested Variance does not contribute to or cause undesirable results.

- E. The Board of Directors may grant a Variance upon making the following findings:
- a. Issuing the Variance will not undermine the effective implementation of the GSP;
 - b. The actions authorized under the Variance are not anticipated to cause material harm to others who have rights to use groundwater within the Westside Subbasin;
 - c. The Variance and the authorized actions are reasonably necessary and narrowly tailored to avoid unreasonable physical and economic harm to the Groundwater User; and
- F. The decision of the Board of Directors shall constitute final action on the Variance, subject to judicial review pursuant to California Code of Civil Procedure section 1094.5.

1.20 APPEAL

- A. A Groundwater User (“appellant”) may appeal any decision made by the General Manager pursuant to these Rules and Regulations, by filing within 20 calendar days of that decision, a written notice of appeal with the District Secretary. The written notice of appeal shall include:
1. Name and address of the appellant,
 2. Brief description of the project (if applicable),
 3. The specific decision which appellant appeals,
 4. The date on which the decision was made,
 5. The basis or bases for the appeal,
 6. The specific action which appellant requests be taken on appeal, and
 7. All information appellant relies upon to support appellant’s appeal.
- B. Prior to the Board of Directors considering the appeal, the Technical Advisory Committee shall be provided an opportunity to consider the Technical Issue(s) raised by the appeal, if there are any identified by the General Manager, and, on said issue(s), may provide advice or recommendations to the Board of Directors for its consideration. The Board of Directors shall consider the appeal expeditiously and, if possible, at the first regularly scheduled meeting following the Technical Advisory Committee’s consideration of the Technical Issue(s).
- C. If the General Manager’s determinates that the appeal does not raise a Technical Issue, the appeal will not be considered by the Technical Advisory Committee and will be directly considered by the Board of Directors. The decision of the Board of Directors shall be final.
- D. The Board of Directors consideration of an appeal pursuant to (B) or (C) no later than 90 days from the date the appeal was filed.
- E. Upon the request of the project proponent or sua sponte by the District, the General Manager may reconsider a prior decision made pursuant to these Rules and Regulations, if there is new material information that was not reasonably available to the project proponent at the time the prior decision was made. For a decision on an

application for credits, (1) reconsideration may not occur until 5 years after the credits were provided, unless reconsideration is required to avoid a significant and undesirable result, and (2) if upon reconsideration the credits are reduced, the reduction shall be implemented over 6-year period, so long as the 6-year reduction would not result in a significant and undesirable result.

- F. The decision of the Board of Directors shall constitute final action on the appeal, subject to judicial review pursuant to California Code of Civil Procedure section 1094.5.

1.21 MISCELLANEOUS

- A. The General Manager is authorized and directed to do any and all things necessary to implement and effectuate these Rules and Regulations.
- B. The Board of Directors shall consider any changes or revisions to these Rules and Regulations at a public meeting.
- C. The General Manager shall provide notice of any Board of Director's approved changes or revision to these Rules and Regulations to all District landowners and Groundwater Users.
- D. These Rules and Regulations implement the GSP and are intended to avoid Undesirable Results within the Westside Subbasin. As such, the Rules and Regulations shall not be construed to authorize or direct action, of any kind, that would cause Undesirable Results.

**Attachment 1: Westlands Water District Groundwater Sustainability Agency
Guidance For Processing Groundwater Transfer**

WESTLANDS WATER DISTRICT GROUNDWATER SUSTAINABILITY AGENCY GUIDANCE FOR PROCESSING GROUNDWATER TRANSFERS

BACKGROUND

Westlands Water District (District), serving as the Groundwater Sustainability Agency (GSA) of the Westside Subbasin, adopted the Westside Subbasin Groundwater Sustainability Plan on January 8th, 2020. The Westside Subbasin Groundwater Sustainability Plan (GSP) supports the utilization of Groundwater Transfers. Additionally, the District's Article 1: Regulations for Groundwater Allocation Program and Use of Groundwater within the Westside Subbasin Section 1.9 D describes the Groundwater Transfer Process.

The purpose of this guidance document is to clarify the District's review process when a groundwater transfer application is submitted for the District's consideration.

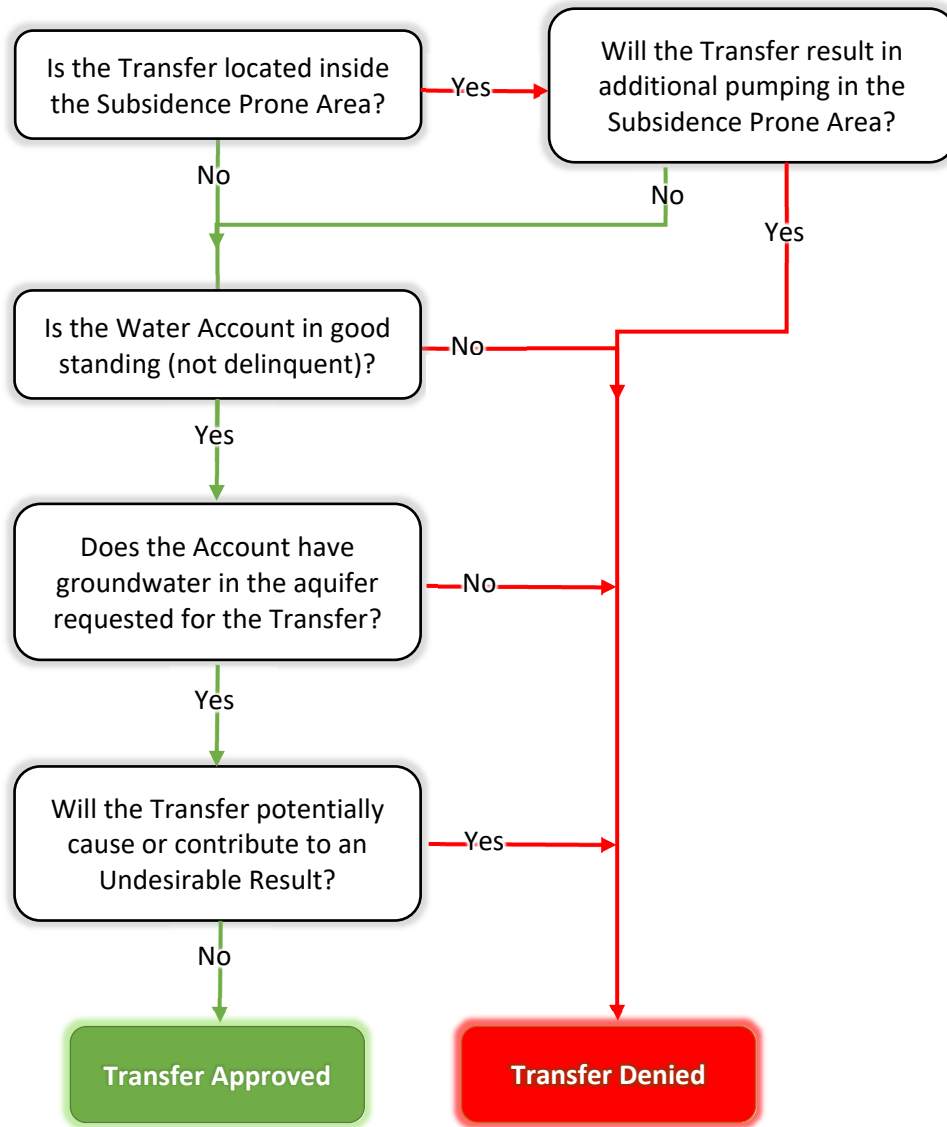
GOALS AND OBJECTIVES

1. Ensure the Westside Subbasin is sustainably managed
2. Ensure groundwater use in the District is optimized
3. Review and approve projects effectively, efficiently, and timely
4. Ensure any transfers do not cause an undesirable result
5. Enhance groundwater management flexibility

FACTORS TO BE CONSIDERED

1. Is the Groundwater User delinquent?
2. Is Groundwater available in the aquifer requested (if applicable) for the transfer?
3. Will the transfer potentially cause or contribute to an undesirable result? The attached figures describe the water levels by monitoring network location that could result in an undesirable result. Transfers shall be approved so long as the most recent fall or spring groundwater levels for the pumping location are greater than the listed parameters in the attached figures.

GROUNDWATER TRANSFER PROCESS



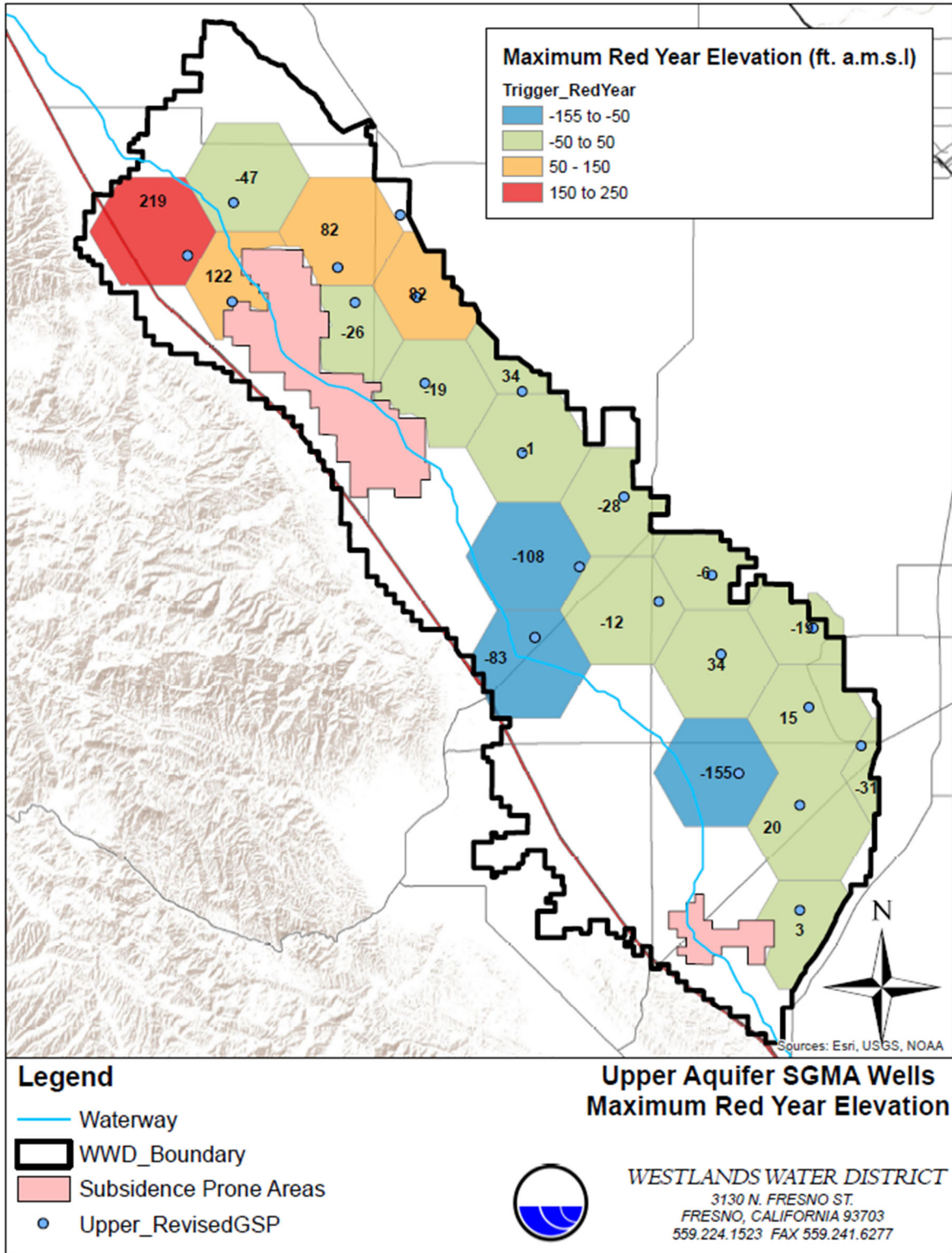


Figure 1: Upper Aquifer Red Year Trigger

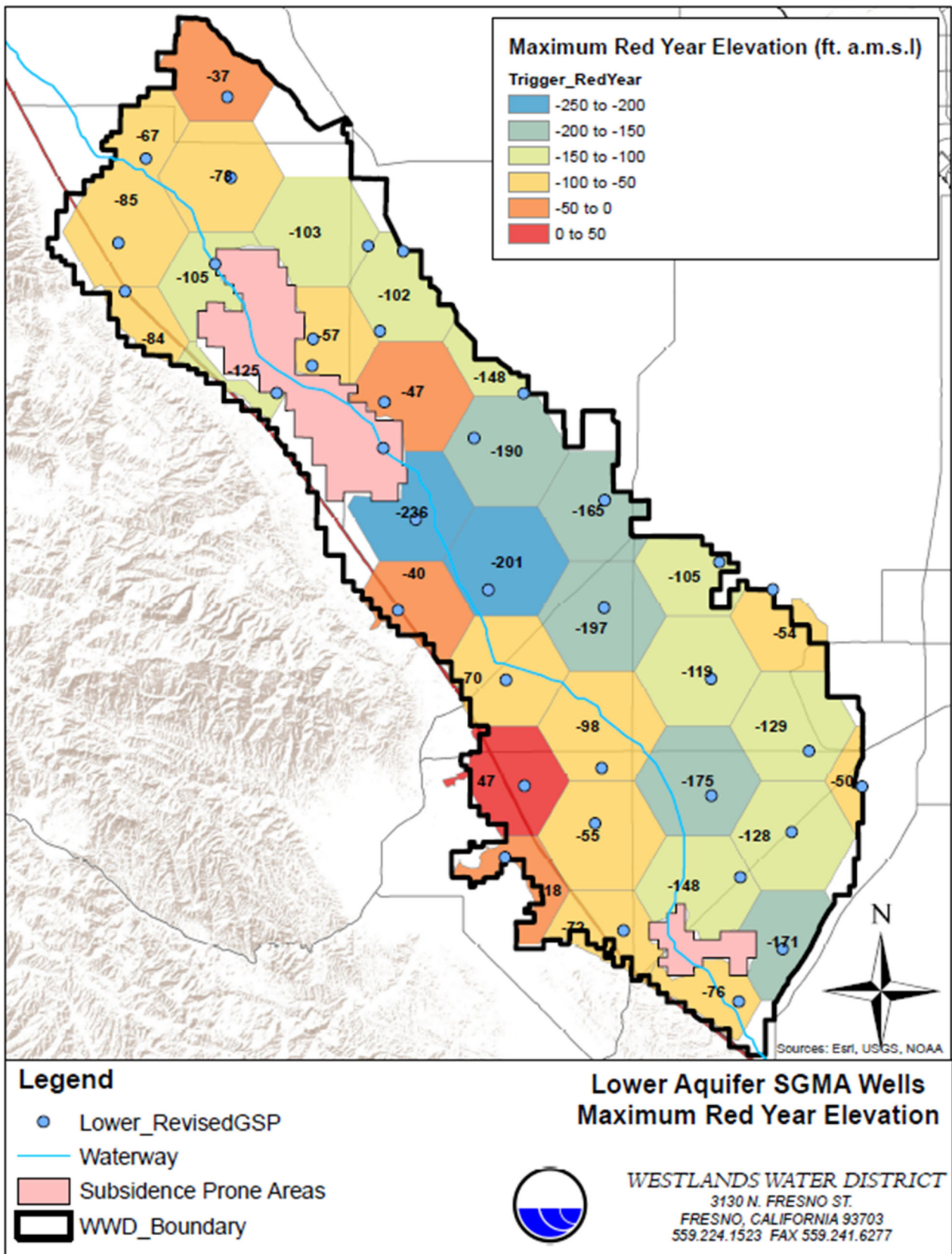


Figure 2: Lower Aquifer Red Year Trigger

**Attachment 2: Westlands Water District Groundwater Sustainability Agency
Guidance For Processing Groundwater Recharge Projects Application**

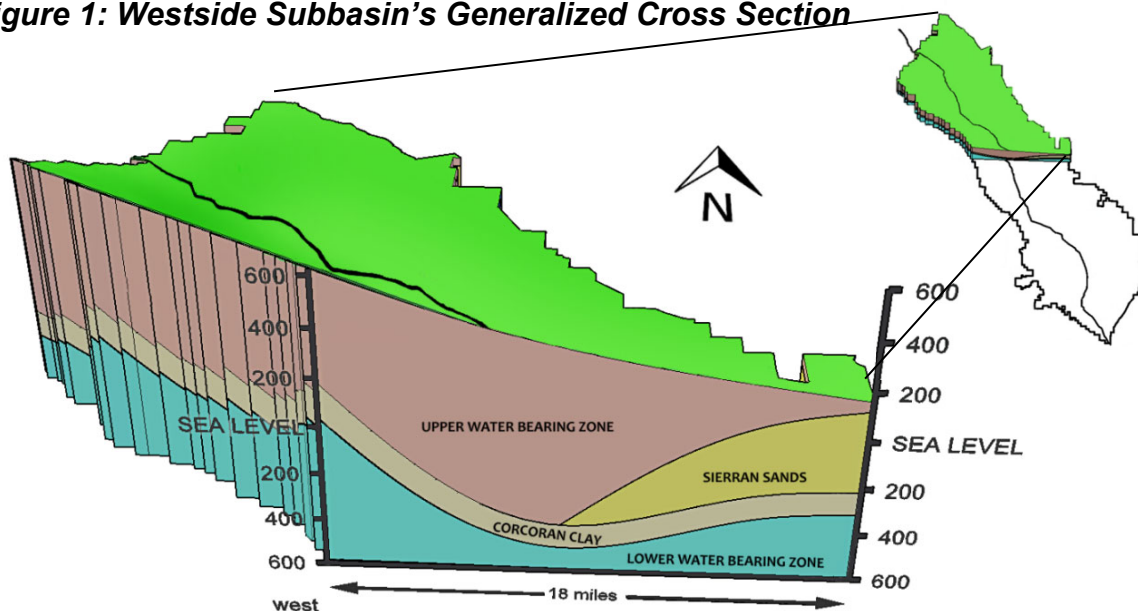
WESTLANDS WATER DISTRICT GROUNDWATER SUSTAINABILITY AGENCY GUIDANCE FOR PROCESSING GROUNDWATER RECHARGE PROJECT APPLICATIONS

BACKGROUND

Westlands Water District (District), serving as the Groundwater Sustainability Agency (GSA) of the Westside Subbasin, adopted the Westside Subbasin Groundwater Sustainability Plan on January 8th, 2020. The Westside Subbasin Groundwater Sustainability Plan (GSP) supports the development of recharge activities.

The Westside Subbasin (Subbasin) includes 622,000 acres in Fresno and Kings counties. Fresh groundwater bearing geologic deposits in the Subbasin are subdivided into three units: the Upper Aquifer, the Lower Aquifer, and the Corcoran Clay, which separates the two water bearing aquifers. The Corcoran Clay underlies approximately 544,000 acres of the Subbasin, absent only in a small southwest area of the Subbasin where the Upper Aquifer and Lower Aquifer is a single aquifer unit. Figure 1 titled “Westside Subbasin’s Generalized Cross Section” depicts the Corcoran Clay as the confining layer that separates the Upper Aquifer and Lower Aquifer.

Figure 1: Westside Subbasin’s Generalized Cross Section



The purpose of this guidance document is to clarify the District's review process when a groundwater recharge project application is submitted for the District's consideration. Specific guidance is enclosed regarding recharge projects that overlie the Corcoran Clay.

GOALS AND OBJECTIVES

1. Develop feasible recharge projects
2. Review and approve projects effectively, efficiently, and timely
3. Ensure water use in the District is optimized through enhancing: (a) the quantity of water in the Subbasin, and (b) conjunctive use of available surface water and groundwater from the Subbasin
4. Ensure the credits provided to a project are for water that would not be in the Subbasin absent the project
5. Encourage the right recharge project in the right area of the Subbasin
6. Enhance water supply management

FACTORS TO BE CONSIDERED

1. Project location and geology
2. Location of the Corcoran Clay
3. Credits requested in the Upper Aquifer and/or Lower Aquifer
4. Drainage impaired lands
5. Well data availability
6. Water quality impacts

DISTRICT PROCESS TO REVIEW FILED APPLICATIONS

The District takes the following steps in reviewing applications:

1. Check the project application for completeness and notify the applicant if additional information is required to complete staff's review
2. Evaluate the project's potential for recharge
 - a. If clarification or additional information is needed, staff will contact the applicant to resolve any issues

- b. If the project application is complete and in order, staff may approve the application.
 - c. The criteria for evaluating aquifer credit are described below.
3. Confer with the applicant to determine if staff linked all water user accounts correctly
4. Review the wells associated with application and request opening meter readings prior to start of the project
5. Email approval, which includes the following:
 - a. Surface water meter location used to determine the amount of water recharged;
 - b. Reference term 1 of the application, which required the applicant not to pump groundwater or receive surface water from entity that pumped groundwater for the balance of the Contract Water Year; and
 - c. Aquifer credit location (See the Section titled Determination of Aquifer Credit Criteria), which is determined based on Corcoran Clay depth or extent, and presence of other clay layers in the Upper Aquifer
6. Project operation review includes:
 - a. Collecting weekly meter reading data;
 - b. Monitoring by the applicant; and
 - c. Validating the evaporation assumptions provided by the applicant
7. At the conclusion of the Contract Water Year, the District will send an email notifying the applicant of the Groundwater Credit Developed by Aquifer.

DETERMINATION OF AQUIFER CREDIT CRITERIA

The determination of an aquifer credit location and amount is dependent on the project type.

Aquifer Storage and Recovery

Aquifer Storage and Recovery (ASR) refers to the recharge activity of injecting surface water into the aquifer using a groundwater well or dry well for temporary storage, which is then later recovered for irrigation or other beneficial use. Figure 2 titled "Typical ASR

Recharge Basins, Sublateral Recharge, and Over Irrigation

Recharge basin refers to an above ground location that is designed to infiltrate surface water through permeable soils into the aquifer. Figure 3 titled, “Sublateral Recharge Project Example” illustrates a typical infiltration schematic of a sublateral recharge project completed below the root zone, using perforated pipelines.

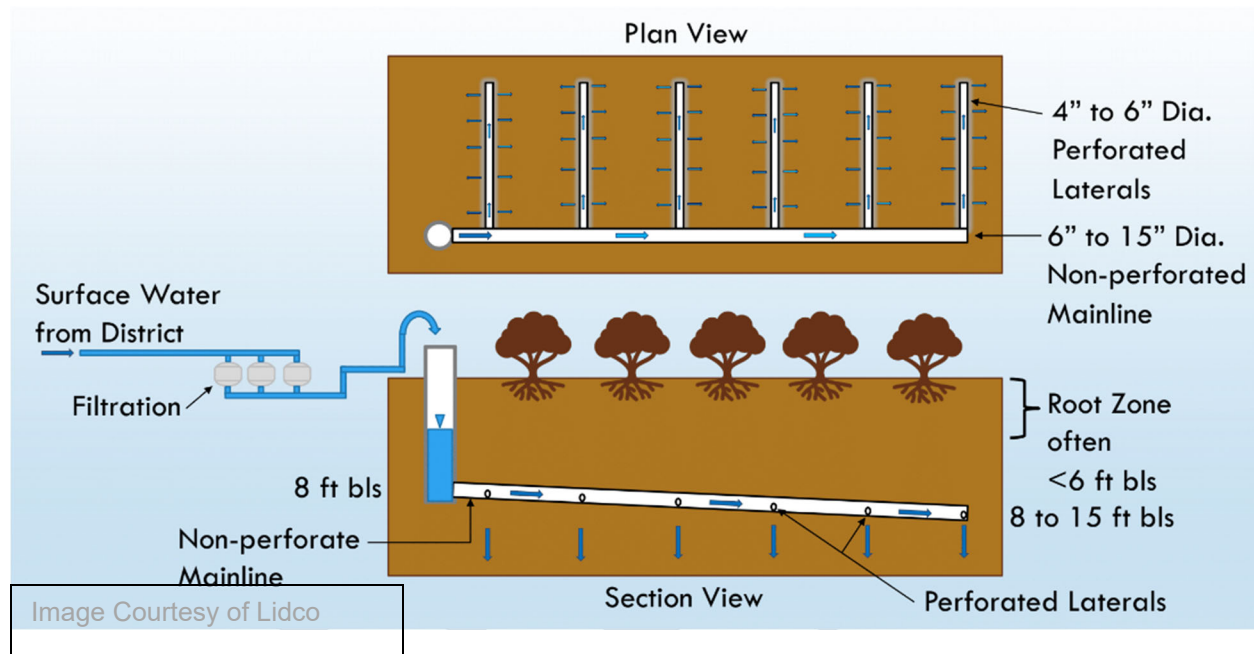


Figure 3: Sublateral Recharge Project Example

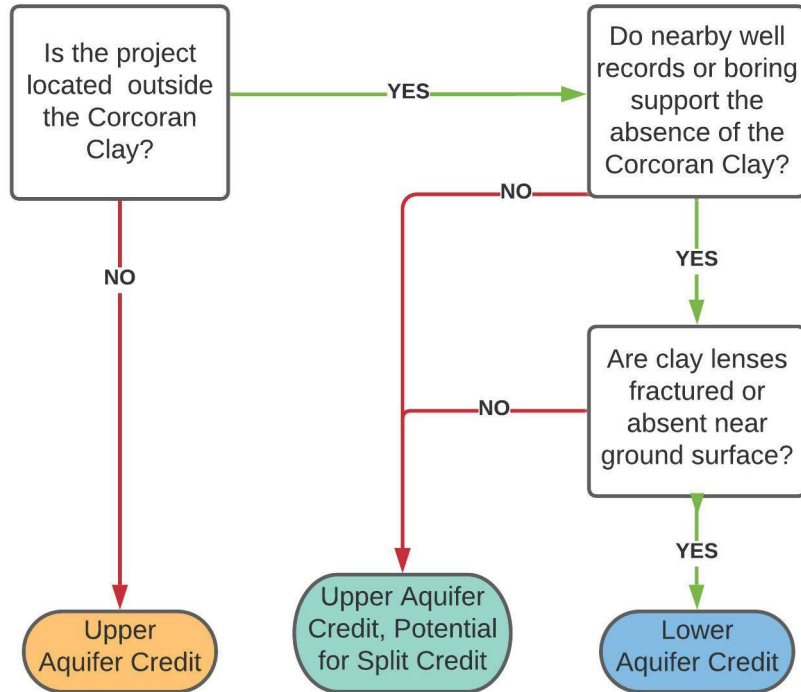
Applications submitted for a recharge basin, sublateral recharge and over irrigation type projects receive an aquifer credit based on the underlying geologic conditions. Staff confirms that the proposed location is not designated as drainage impaired or located in an area with a shallow water table.

If the project location overlies the Corcoran Clay, then an Upper Aquifer credit is provided.

Figure 4 shows sections in the subbasin where the Corcoran Clay is present, absent, or a combination of both. If the project location does not overlie the Corcoran Clay, as listed in **Table 1**, then staff investigates the project questions below for concurrence:

1. Do the well completion report(s) in the vicinity of the project support the absence of the Corcoran Clay?
2. Are clay lenses absent or fractured near ground surface?

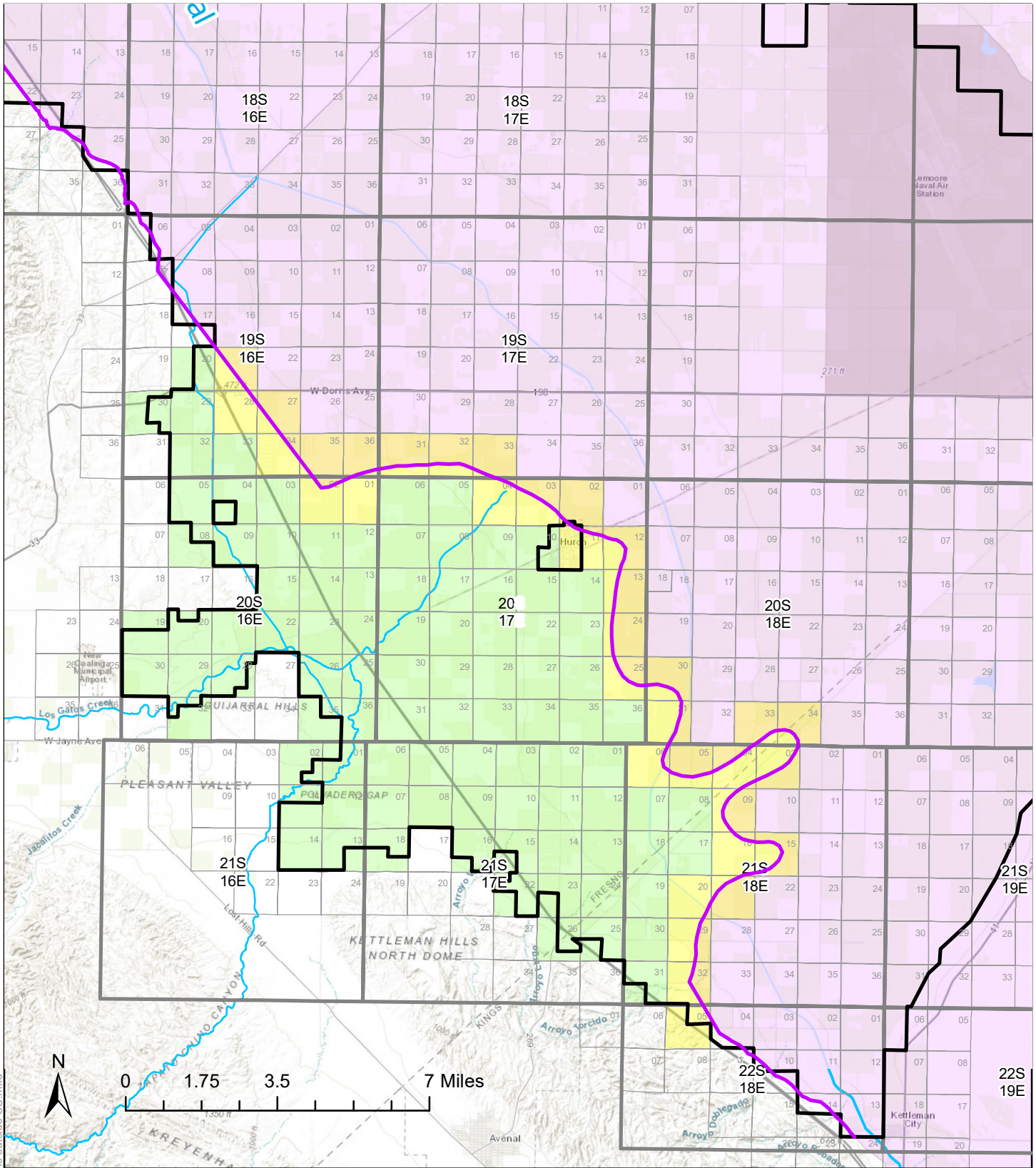
3. Does the supplemental information, such as exploratory borings, support infiltration potential to the Lower Aquifer?









If the answer to these questions is yes, then the project's credits are attributed to the Lower Aquifer.

Table 1: Unconfined Aquifer Sections in the Westside Subbasin

Township	Sections									
T. 19S R. 16E	29	30	32	33						
T. 20S R. 16E	3	4	5	8	9	10	11	12	13	
	14	15	16	19	20	21	22	23	24	
	25	26	27	28	29	30	32	35	36	
T. 20S R. 17E	5	6	7	8	9	10	14	15	16	
	17	18	19	20	21	22	23	26	27	
	28	29	30	31	32	33	34	35	36	
T. 21S R. 16E	1	2	11	12	13	14				
T. 21S R. 17E	1	2	3	4	5	6	7	8	9	
	10	11	12	13	14	15	16	18	22	
	23	24	25	26						
T. 21S R. 18E	7	8	17	18	19	30	31			



Legend

-  WWD Boundary
-  Waterway
-  Extent_of_Corcoran_Clay
-  Extent of the Corcoran Clay (CVHM; Page, 1986)
-  Sections Completely Outside the Corcoran Clay (92 sections)
-  Sections Bordering the Corcoran Clay (35 sections)

**WWD Sections
Bordering and Outside
the Corcoran Clay Boundary**



WESTLANDS WATER DISTRICT
3130 N. FRESNO ST.
FRESNO, CALIFORNIA 93703
559.224.1523 FAX 559.241.6277

R:\IDWGSArchive\2021-W-0044\Sections outside CC.mxd

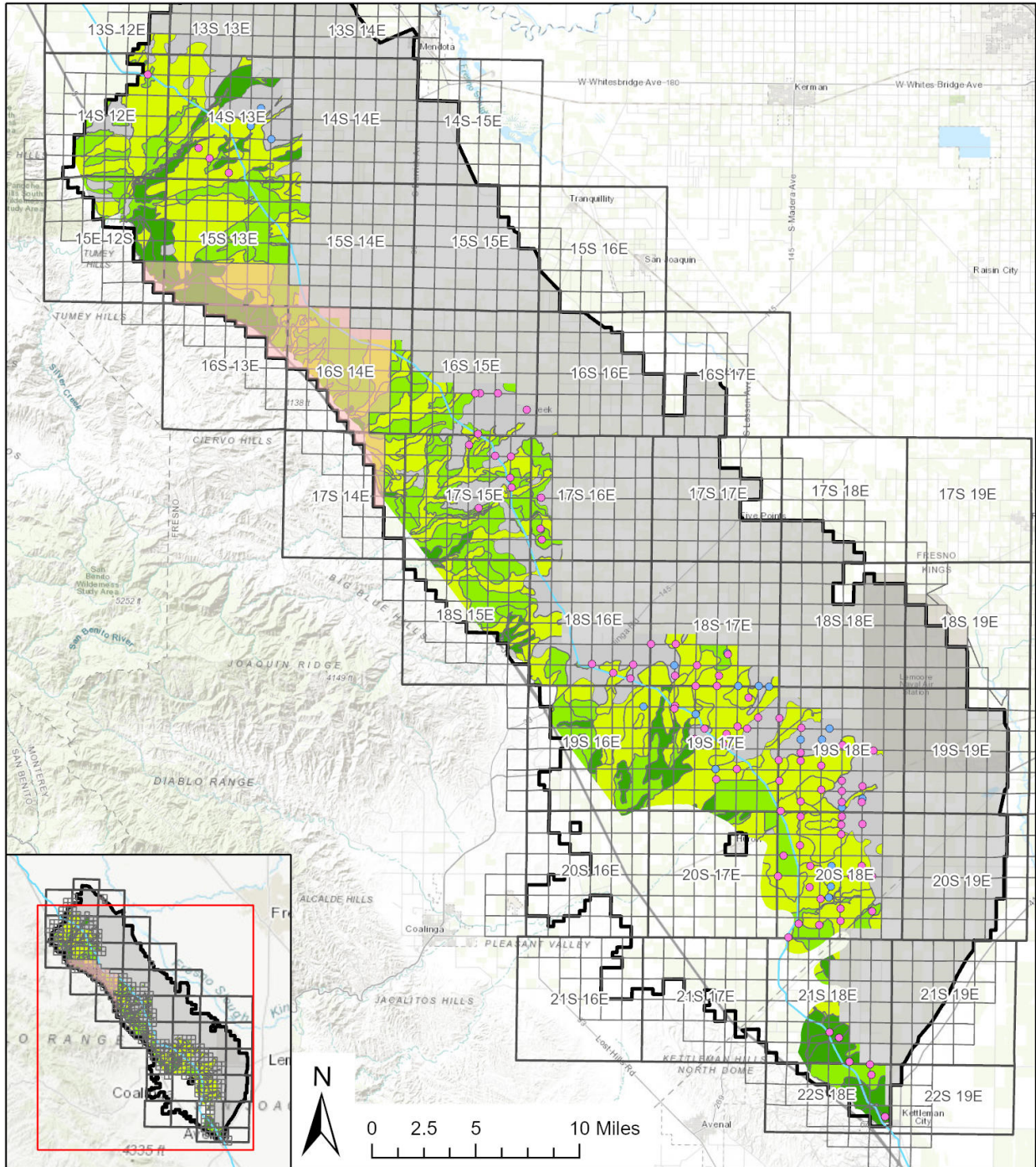
POTENTIAL UPPER AQUIFER RECHARGE AREAS

Recharge projects that overly the Corcoran Clay and recharge through the vadose zone are eligible for 100% of the net water recharged to be credited to the Upper Aquifer. Figure 5 shows areas of the subbasin that have potential for Upper Aquifer recharge based on the modified Soil Agricultural Groundwater Banking Index (SAGBI)¹ developed by UC Davis, drainage impaired lands designated by USBR (2004), and availability of Upper Aquifer and composite wells, for extraction. The modified SAGBI index was developed using five site specific factors to determine recharge potential:

1. **Deep percolation:** soils must be able to transmit water beyond the root zone (5 ft)
2. **Root zone residence time:** the duration of saturated/near saturated conditions after water application
3. **Topography:** less steep slopes hold water better and score higher than steeper slopes
4. **Chemical limitations:** high salinity soils may result in saline leachate and poor water quality
5. **Soil surface conditions:** certain soils may be susceptible to compaction and erosion if large volumes of water are applied

The SAGBI index was intended to be used by growers as a tool for determining feasibility of off-season over-crop recharge and only focuses on the top 5-10 feet of soil as a result. Underlying aquifer materials vary widely, and the SAGBI index may not offer a complete view of recharge potential. The GSA highly recommends and may require geotechnical support (borings, penetration tests, etc.) be undertaken prior to application and/or construction of any recharge projects.

¹ O'Geen A, Saal M, Dahlke H, Doll D, Elkins R, Fulton A, Fogg G, Harter T, Hopmans J, Ingels C, Niederholzer F, Sandoval Solis S, Verdegaal P, Walkinshaw M. 2015. Soil suitability index identifies potential areas for groundwater banking on agricultural lands. Calif Agr 69(2):75-84. <https://doi.org/10.3733/ca.v069n02p75>.



<p> Westlands District Boundary</p> <p>Active Wells</p> <p>Aquifer</p> <ul style="list-style-type: none"> Composite Upper Aquifer 	<p>Modified SAGBI Index</p> <p>Recharge Potential</p> <ul style="list-style-type: none"> Excellent Good Moderately Good Not Suitable for Recharge Not Recommended; lack of Upper Aquifer Wells 	<p>Upper Aquifer Areas with Recharge Potential: Westlands Water District</p> <div style="text-align: center;">  Westlands Water District </div>
---	---	---

Table 2: Favorable Sections for Upper Aquifer Recharge

Township	Sections								
14S/12E	02	11	12	13	14	24	25	26	27
	28	33	34	35	36				
14S/13E	18	19	20	21	22	27	28	29	30
	31	32	33	34	35				
15S/12E	01	02	12	13					
15S/13E	01	02	03	04	05	06	07	08	09
	10	11	12	13	14	15	16	17	18
	20	21	22	23	24				
15S/14E	07								
16S/14E	13	14	24	25	35	36			
16S/15E	19	29	30	31					
17S/14E	01	13							
17S/15E	06	08	12	13	17	19	27	28	29
	32	33	34						
17S/16E	07								
18S/15E	02	03	04	10	11	13	14	24	
18S/17E	27	28	33	34					
19S/16E	01	04	08	09	10	11	12	13	
	14	15	16	22	23	24	25	26	
19S/17E	03	04	05	06	07	08	10	15	18
	19	20	21	25	26	27	28	29	30
	34	35	36						
19S/18E	29	30	31	32					
20S/17E	02								
20S/18E	04	05	06	07	08	09	15	16	17
	18	19	20	21	22	27	28	29	32
21S/18E	27	28	33	34					
22S/18E	02	03							

Other Losses

Percolation basins, over irrigation, or any other projects where water is applied to the ground surface are subject to evaporation losses. Subsurface lateral recharge or other underground recharge projects may not be subject to evaporation losses. All projects that recharge through the vadose zone (the unsaturated zone between the surface and the top of the water table) are subject to a 10% loss.

ALISO WATER DISTRICT

PROPOSITION 218 FEE STUDY FOR CAPITAL PROJECTS

APRIL 2020

Prepared for:

Aliso Water District

Prepared by:



DATE SIGNED 4/29/2020

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Fresno, California

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ACRONYMS and ABBREVIATIONS

AF.....Acre-Feet
Art. XIII D..... California Constitution Article XIII D
AWD..... Aliso Water District
CASGEM..... California Statewide Groundwater Elevation Monitoring
District Aliso Water District
ET..... Evapotranspiration
GSA.....Groundwater Sustainability Agency
GSP..... Groundwater Sustainability Plan
GW.....Groundwater
ITRC..... Irrigation Training and Research Center
SGMA..... Sustainable Groundwater Management Act
SW Surface Water
SWRCB..... State Water Resources Control Board

REPORT SUMMARY

The Sustainable Groundwater Management Act (SGMA) became law in September 2014. SGMA requires local government in high and medium priority basins to halt overdraft and to bring groundwater basins into balanced levels of groundwater pumping and recharge. Specifically, Groundwater Sustainability Agencies (GSAs) are required to manage basins sustainably and must adopt Groundwater Sustainability Plans (GSPs) to work towards the goal of reaching groundwater sustainability by 2040.

The Aliso Water District (District) serves as the GSA for the lands within its boundaries, which overlies a portion of the Delta-Mendota Subbasin. The District is working cooperatively with stakeholders to develop and implement a GSP for its lands and is collaborating with other GSAs within the Delta-Mendota Subbasin to attain groundwater sustainability.

On March 31, 2020, the District landowners voted to initiate and implement a land-based assessment to fund the operations of the District; the "Operations Assessment". This assessment is currently in effect.

In addition to the Operations Assessment, the District now proposes to charge each groundwater extractor a Capital Projects Extraction Fee to implement specific projects identified in the GSP to meet sustainability. The table below provides a schedule of the proposed projects to be funded by the Capital Project Extraction Fee. Based on the District's needs, **the District's Board of Directors is proposing to establish a new groundwater extraction fee of up to \$13.44 per acre-foot**. The actual extraction fee will be set annually by the Board, based on the budget needs, but will not exceed the proposed maximum rate. Although the fee is based on projections through 2024, the fee will continue beyond 2024 to fund future sustainability-related capital projects.

The District recognizes that certain landowners have already implemented and will continue to operate projects with their own funds to import surface water and recharge groundwater (directly or in-lieu). The District has determined that the continued operation of these projects should be encouraged, as they decrease the District's overall need for additional surface water and recharge projects. Therefore, it is proposed that landowners who import surface water will be provided a credit against the groundwater extraction fee in recognition of their shared responsibility and contribution to meeting sustainability goals.

The proposed fee is considered an extraction fee under SGMA (Water Code Section 10730.2) and is subject to the provisions of Sections 6(a) and (b) of Article XIII D of the California Constitution (Art. XIII D). The proposed fee was calculated using the District's annual budget for surface water supplies and capital projects to comply with SGMA, divided by the estimated total acre-feet of groundwater to be pumped in the District under certain conditions. Because the fee is based on amounts pumped, the fee is directly

correlated to the lands which use groundwater, and in proportion to the use of groundwater.

To comply with Art. XIII D Section 6(a), the Board will conduct a public hearing for the proposed fee on June 16, 2020. Hearing notices will be mailed to all affected landowners at least 45 days in advance of the hearing date. Property owners may submit written protests to the proposed fee prior to the hearing. If a majority of property owners submit written protests, the District may not adopt the fee. Absent a majority protest, the District is authorized to adopt the proposed fee at its public adoption hearing on June 16, 2020.

1. LEGISLATIVE REQUIREMENTS

1.1. SGMA Legislation

The Sustainable Groundwater Management Act (SGMA) was passed by California Legislature in 2014. The Act requires that sub-basins defined by the Department of Water Resources (DWR) Bulletin 118 that are deemed High- and Medium-priority by the California Statewide Groundwater Elevation Monitoring Program (CASGEM) be sustainable by 2042. Further, if the subbasin is deemed Critically Overdrafted, the deadline is accelerated to 2040. Sustainability is defined as not creating undesirable results in the following categories:

- Lowering Groundwater Levels
- Reducing Groundwater Storage
- Seawater Intrusion
- Degrading Water Quality
- Land Subsidence
- Depleting Interconnected Surface Water

To comply with SGMA, local agencies were required to form Groundwater Sustainability Agencies (“GSA”) by June 30, 2017. These GSAs were tasked with preparing Groundwater Sustainability Plans (“GSP”) by January 31, 2020 (in Critically Overdrafted sub-basin). The GSPs will develop a course of action to become sustainable by 2040. The GSAs will have the ongoing responsibility to monitor the subbasin for compliance and develop Annual Reports and 5-Year Interim Updates. The State Water Resources Control Board will intervene if the GSAs do not comply with SGMA, to ensure the subbasins are sustainable.

1.2. District Compliance Activities and GSP Development

The Aliso Water District (District) serves as the GSA for the lands within its boundaries, which overlie the Delta-Mendota Subbasin. The District is working cooperatively with stakeholders to develop and implement a GSP for its lands and is collaborating with other GSAs within the Delta-Mendota Subbasin to attain groundwater sustainability.

The District is located in western Madera County, and encompasses approximately 26,348 accessible acres (**Figure 1**). The land is predominantly agricultural. Most of the crops in the District are permanent crops--the bulk being nuts and vines with some annual row crops. The District is completely developed, although developed land use may change over time. In addition to agricultural land, there are a nut processing plant and an underground natural gas storage facility. There are less than 20 permanent residences in the District and no cities or towns. There are no adjudicated areas or state or federal lands within the GSA except the Chowchilla Bypass, which is owned by the State and maintained by the Lower San Joaquin Levee District.

1.3. SGMA Extraction Fees and Art. XIII D Requirements

Water Code Section 10730.2 authorizes a GSA to impose fees on the extraction of groundwater to fund costs of groundwater management, including, but not limited to (a) the acquisition of lands or other property, facilities, and services, and (b) supply, production, treatment, or distribution of water. The GSA must comply with Sections 6(a) and (b) of Art. XIII D in adopting such fees.

1.3.1. Procedural Requirements

Section 6(a) of Art. XIII D requires:

- **Noticing Requirement** - The District must mail a notice of the proposed fee to all affected property owners or ratepayers. The notice must specify the amount of the fee, the basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed fees will be considered/adopted.
- **Public Hearing** – The District must hold a public hearing prior to adopting the proposed fee. The public hearing must be held not less than 45 days after the required notices are mailed.
- **Rate Increases Subject to Majority Protest** - At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the fees cannot be adopted.

1.3.2. Substantive Requirements

Section 6(b) of Art XIII D requires:

- **Cost of Service** - Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the "cost of service".
- **Intended Purpose** - Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
- **Proportional Cost Recovery** - The amount of the fee or charge levied on a landowner shall not exceed the proportional cost of service attributable to that landowner.
- **Availability of Service** - No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.

Charges for water services, such as the proposed property-related fee, are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to procedural requirements of Proposition 218.

1.4. Legal Review

The District's legal counsel has reviewed the fee described in this report, and has determined that the fee is authorized under as an extraction fee under SGMA (Water Code Section 10730.2) and that the District must comply with Sections 6(a) and (b) of Art. XIII D in adopting the fee. As described in this report, the fees are calculated from the District's proposed 5-year budget, which documents the cost of the water supplies and recharge projects (i.e., the cost of service) on which the fees are based. The cost of service is divided by the estimated year with the least groundwater pumping within the District to calculate a \$/acre-foot ("AF") fee.

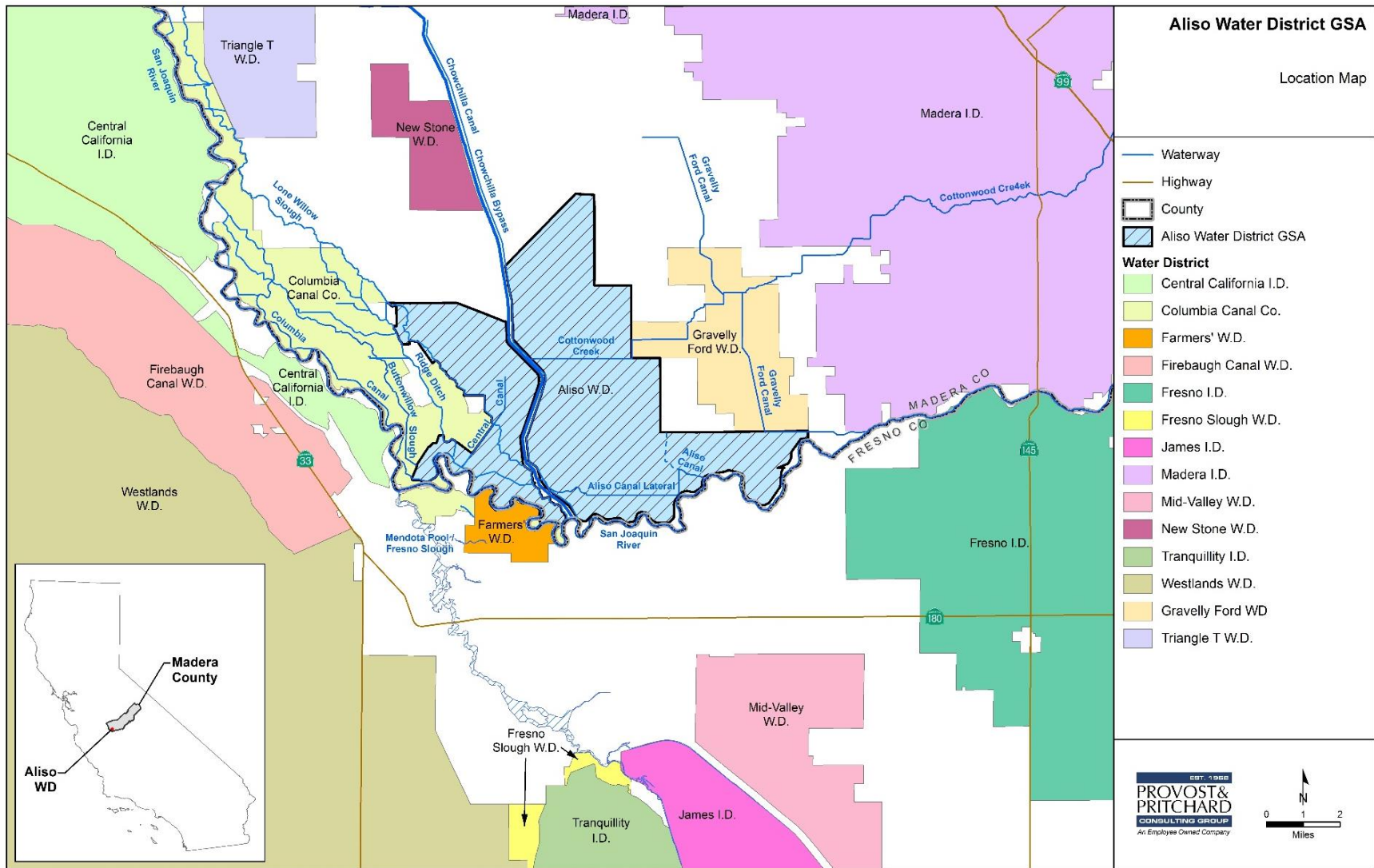


Figure 1. District Location Map

2. COST OF SERVICE AND RATE DESIGN

2.1. Cost of Service

The cost of service for the fees recommended in this report are based on the District's budget for fiscal year (FY) 2020 through FY2024. Annual expenses are estimated at \$662,500 (see **Table 2-1**). Costs for the ratepayers could potentially be reduced through grant funding and/or direct financial contributions from entities within the basin (e.g. project partners). This report identifies the maximum rate that could be expected and this report, as well as Proposition 218, allows the District's Board to set rates lower than identified here should outside funding become available.

Table 2-1. GSP Development and Implementation Costs.

Capital Projects	2020	2021	2022	2023	2024 and thereafter
Projects to Increase Sustainable Yield	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Recharge Site Lease	120,000	120,000	120,000	120,000	120,000
Water Rights on Bypass	10,000	10,000	10,000	10,000	10,000
Water Purchase Fund	50,000	50,000	50,000	50,000	50,000
Total Capital Projects Costs	\$530,000	\$530,000	\$530,000	\$530,000	\$530,000
Contingency/Reserve	132,500	132,500	132,500	132,500	132,500
Grand Total Capital Projects Costs	\$662,500	\$662,500	\$662,500	\$662,500	\$662,500

The budget was approved by the Board based on estimated costs to develop and implement the GSP. A 25% contingency factor was added to all cost categories.

2.2. Rate Design

2.2.1. Methodology

Art. XIII D Section 6(b) requires that fees charged to each customer be proportional to the cost of service attributable to that customer and be based upon the benefit received. There are many methods to achieve proportionality in structuring rates such as: per-acre fees, rates charged per acre-foot of actual groundwater pumped (i.e. extraction fees), annual charges based on well capacity, etc.

In developing proposed fees, the District must consider how it incurs cost and the availability of customer data. The costs of water supplies and capital projects are expected to vary over time, reflecting the severity of groundwater conditions in the subbasin. The District finds extraction fees to appropriately and proportionally distribute these costs. In other words, the costs are imposed on the activity (pumping) that creates the need for the surface water supplies and projects, in direct proportion to the amount pumped.

At this time, groundwater use for each parcel is estimated based on cropping records, as most wells in the District do not have meters. Surface water use (for landowners that have access to surface water) has been accounted for when estimating groundwater use.

2.2.2. Surface Water Import Incentive Program

The District's Groundwater Sustainability Plan contemplates the use of surface water import and recharge projects to help groundwater usage become sustainable. To lessen the burden on the District and to support quicker implementation of surface water import and recharge, the District encourages growers to implement their own projects. Therefore, the District will implement a credit system to avoid charging the extraction fee on pumped water deemed recharged from imported surface water, and to partially account for the difference in costs between imported surface water and groundwater.

Landowners importing surface water will receive up to a 4:1 credit (determined as discussed below) against future extraction fees. In other words, each acre-foot of surface water imported can be credited against up to 4 acre-feet of groundwater pumped at a later time. **It is important to note that this credit is only a credit against the extraction fee. Landowners will not be considered to have "banked" groundwater.**

The 4:1 ratio is based on the difference in costs between imported surface water and pumped groundwater. The approximate cost of a surface water recharge project is estimated at \$160/AF¹, while the approximate cost to pump groundwater in the district is estimated at \$40/AF², resulting in a ratio of 4 to 1. (While costs may vary for individual landowners and specific projects, these values appear to reflect the average conditions experienced throughout the District.)

The amount of the credit will be reduced by 20% per year, if not used within two years after the import of surface water. For example, if a landowner imports 100 AF of surface water in the year 2020, the landowner will not have to pay the extraction fee on the 400 AF groundwater pumped in 2021 and 2022. If the landowner only pumps 300 AF over that time, the remaining 100 AF will be reduced by 20% to 80 AF, and remaining amounts will be reduced by 20% in each following year. The import quantity from each import event will be reduced on individual schedules. Furthermore, the water imported first will be depleted before the credit the next event is used. The reduction in the credit reflects (a) the District's policy that recharged surface water is considered to be pumped prior to natural groundwater, and (b) the natural migration of groundwater within the District. It is proposed that the migration factor will drawdown the credit account as shown in **Table 2-2**.

¹ Based on proposed Cottonwood Creek Recharge Project to divert 10,000 AF every 4 years from the Chowchilla Bypass and recharge into an 80-acre recharge site.

² Based on pumping a groundwater well from a depth to water of 130-ft @ \$0.20/kWh with 65% pumping plant efficiency.

Table 2-2. Migration Factor Implementation.

Year Since Flood	Migration Factor applied to year's beginning balance
0 (import year)	0%
1	0%
2	0%
3 and thereafter	20% ³

The proposed methodology discussed above for setting the proposed fees is complex. The following examples describe how this proposed methodology would be applied to a number of different situations for a landowner with a 2,000 AF demand and varying access to surface water, so that a more thorough discussion and understanding is documented.

Scenario 1 in **Table 2-3** demonstrates how the program would work for a grower with no surface water supply and a groundwater pumping amount of 2,000 AF. In this scenario the grower does not have any extraction fee credits as no water was imported by the grower. This grower would pay the complete groundwater extraction fee. Growers that pump more groundwater would pay more fees as a proportion of how much more groundwater was pumped.

Scenario 2 in **Table 2-4** demonstrates how the program would work for a grower with moderate surface water supply. Like scenario 1, the grower is pumping 2,000 AF in most years but in this case is able to import 2,000 AF in flood years. This scenario shows a grower whose groundwater pumping credit is insufficient to meet demand until the next flood cycle. This grower would pay a partial groundwater extraction fee.

Scenario 3 in **Table 2-5** demonstrates how the program would work for a grower with significant surface water supply. This scenario shows a grower whose groundwater pumping credits exceeds demand until the next flood cycle. This grower would not pay a groundwater extraction fee.

³ Roughly 20% of the natural inflow into the District leaves the District's northerly and easterly boundaries.

Table 2-3. Scenario 1 - Grower with No Surface Water Supplies.

Year	Import Event 1				+	Import Event 2				=	Total GW Credit Summary			Amount Due @ \$13.44/AF
	SW Import	GW Pumping Credit	Migration Loss (20%)	Balance		SW Import	GW Pumping Credit	Migration Loss (20%)	Balance		Total GW Pumping Credit	GW Pumping demand	Balance	
2015-2019	0	0	0	0		0	0	0	0		0	0	0	NA
2020	0	0	0	0		0	0	0	0		0	(2,000)	(2,000)	\$ 26,880
2021	0	0	0	0		0	0	0	0		0	(2,000)	(2,000)	\$ 26,880
2022	0	0	0	0		0	0	0	0		0	(2,000)	(2,000)	\$ 26,880
2023	0	0	0	0		0	0	0	0		0	(2,000)	(2,000)	\$ 26,880
2024	0	0	0	0		0	0	0	0		0	(2,000)	(2,000)	\$ 26,880
2025	0	0	0	0		0	0	0	0		0	(2,000)	(2,000)	\$ 26,880
2026	0	0	0	0		0	0	0	0		0	(2,000)	(2,000)	\$ 26,880
2027	0	0	0	0		0	0	0	0		0	(2,000)	(2,000)	\$ 26,880

Table 2-4. Scenario 2 - Grower with Moderate Surface Water Supplies.

Year	Import Event 1				+	Import Event 2				=	Total GW Credit Summary			Amount Due @ \$13.44/AF
	SW Import	GW Pumping Credit	Migration Loss (20%)	Balance		SW Import	GW Pumping Credit	Migration Loss (20%)	Balance		Total GW Pumping Credit	GW Pumping demand	Balance	
2015-2019	2,000	8,000	0	8,000		0	0	0	0		8,000	0	8,000	NA
2020	0	8,000	0	8,000		0	0	0	0		8,000	(2,000)	6,000	\$ -
2021	0	6,000	0	6,000		0	0	0	0		6,000	(2,000)	4,000	\$ -
2022	0	4,000	(800)	3,200		0	0	0	0		3,200	(2,000)	1,200	\$ -
2023	0	1,200	(240)	960		0	0	0	0		960	(2,000)	(1,040)	\$ 13,978
2024	0	0	0	0		2,000	8,000	0	8,000		8,000	(2,000)	6,000	\$ -
2025	0	0	0	0		0	6,000	0	6,000		6,000	(2,000)	4,000	\$ -
2026	0	0	0	0		0	4,000	0	4,000		4,000	(2,000)	2,000	\$ -
2027	0	0	0	0		0	2,000	(400)	1,600		1,600	(2,000)	(400)	\$ 5,376

Table 2-5. Scenario 3 - Grower with Significant Surface Water Supplies.

Year	Import Event 1				+	Import Event 2				=	Total GW Credit Summary			Amount Due @ \$13.44/AF
	SW Import	GW Pumping Credit	Migration Loss (20%)	Balance		SW Import	GW Pumping Credit	Migration Loss (20%)	Balance		Total GW Pumping Credit	GW Pumping demand	Balance	
2015-2019	3,500	14,000	0	14,000		0	0	0	0		14,000	0	14,000	NA
2020	0	14,000	0	14,000		0	0	0	0		14,000	(2,000)	12,000	\$ -
2021	0	12,000	0	12,000		0	0	0	0		12,000	(2,000)	10,000	\$ -
2022	0	10,000	(2,000)	8,000		0	0	0	0		8,000	(2,000)	6,000	\$ -
2023	0	6,000	(1,200)	4,800		0	0	0	0		4,800	(2,000)	2,800	\$ -
2024	0	2,800	(560)	2,240		3,500	14,000	0	14,000		16,240	(2,000)	14,240	\$ -
2025	0	240	(48)	192		0	14,000	0	14,000		14,192	(2,000)	12,192	\$ -
2026	0	0	0	0		0	12,192	0	12,192		12,192	(2,000)	10,192	\$ -
2027	0	0	0	0		0	10,192	(2,038)	8,154		8,154	(2,000)	6,154	\$ -

2.3. Fee Calculation

The District's review of historical cropping patterns and surface water imports resulted in chargeable groundwater pumping estimates ranging from 49,300 AF in wetter years to 69,900 AF in other years (**Table 2-6**). Therefore, the proposed fees were calculated as the annual cost to develop capital projects divided by the anticipated chargeable pumping estimate as shown in **Table 2-7**.

Table 2-6. Pumped Groundwater Calculation.

Description	2020	2021	2022	2023	2024
Applied Water* (AF)	98,800	98,800	98,800	98,800	98,800
Surface Water Credit Applied* (AF)	49,500	36,000	31,400	28,900	48,800
Remaining Groundwater Pumping to be Charged (AF)	49,300	62,800	67,400	69,900	50,000
*All values are estimates based on previous hydrology and forecast analysis					

Table 2-7. Fee Estimate Calculation.

Description	2020	2021	2022	2023	2024
Capital Improvements Budget	\$662,500	\$662,500	\$662,500	\$662,500	\$662,500
Remaining Groundwater Pumping to be charged (AF)	49,300	62,800	67,400	69,900	50,000
Proposed Extraction Fee (\$/AF)	\$13.44	\$10.55	\$9.83	\$9.48	\$13.25

The year with the most groundwater credits to be applied (i.e. the year with the least amount of chargeable groundwater pumping) was chosen as a worst-case scenario so that the extraction fee would annually cover the capital improvement costs. In other years, more groundwater would be pumped, resulting in an excess collection of funds. In such case, the extraction fee may be reduced in the subsequent year by the Board by the amount of surplus collections that occurred in the previous year. **The maximum of \$13.44/AF will remain in perpetuity. The Board may not raise the fees beyond \$13.44 per AF without another Proposition 218 election.**

2.3.1. Implementation & Collection

Below are the assumptions and methods that will be used to begin implementation and collection of the proposed extraction fee.

- All landowners will be given a credit for the surface water that was imported during the period from 2015 (when SGMA was entered into law) through 2020 (when SGMA is to begin implementation). During this time growers modified the water management practices in response to SGMA to import surface water and will be recognized for their efforts.
- Any groundwater pumping prior to 2020 (i.e., prior to SGMA implementation) will not be counted.

- As a default, groundwater extractions will be estimated based on the best available cropping data, Cal Poly ITRC ET data, effective precipitation, and finally an irrigation efficiency of 80%:

$$\text{Groundwater Extraction} = \frac{(\text{Parcel size} * \text{Crop ET}) - \text{Effective Precipitation}}{\text{Irrigation Efficiency}}$$

- A grower may opt to provide flow meter reading for groundwater extraction data in-lieu of the cropping-data estimate method above.
- Any meter data for groundwater extraction or surface water import must meet the standard of the District's meter policies, as adopted from time to time.
- This fee will become effective as of January 1, 2020.

3. IMPLEMENTATION PROCEDURES

To comply with Art. XIII D Section 6(b), the Board will conduct a public hearing for the proposed fee on June 16, 2020. Hearing notices will be mailed to all affected landowners at least 45 days in advance of the hearing date. Property owners may submit written protests to the proposed fee prior to the hearing. If a majority of property owners submit written protests, the District may not adopt the fee. Absent a majority protest, the District is authorized to adopt the proposed fee at its public adoption hearing on June 16, 2020.

4. REFERENCES

Aliso Water District GSA Groundwater Sustainability Plan, January 2020. Provost & Pritchard Consulting Group.

Proposition 218, Local District Guidelines for Compliance, 2007 Update (May 2007) Association of California Water Agencies

Sustainable Groundwater Management Act, and related provisions, effective January 1, 2016, [http://groundwater.ca.gov/docs/2014 Sustainable Groundwater Management Legislation with 2015 amends 1-15-2016.pdf](http://groundwater.ca.gov/docs/2014_Sustainable_Groundwater_Management_Legislation_with_2015_amends_1-15-2016.pdf)

Bulletin No. 118, California's Groundwater, 2003 and 2016 Interim Update California Department of Water Resources

Madera County Assessor's Office, Ownership Records, January 2020.

California Department of Water Resources, Groundwater Information Center Interactive Map Application, https://gis.water.ca.gov/app/gicima/#bookmark_DepthBelowGroundSurface