

**PANOCHÉ WATER DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING MINUTES  
November 12, 2024**

A regular meeting of the Board of Directors was held on November 12, 2024, starting at 9:30 am. Those present at the meeting were:

Directors:                 Aaron Barcellos, President  
                                  Steve Fausone, Secretary  
                                  Neill Callis, Director  
                                  Wayne Western, Director

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

Others:                    Phil Williams, Legal Counsel

**CALL TO ORDER**

President Barcellos called the meeting to order at 9:35 am.

**ROLL CALL**

A quorum of the Board of Directors was present.

**POTENTIAL CONFLICTS OF INTEREST**

There were no conflicts of interest.

**PUBLIC COMMENT**

There was no public comment.

**ACTION ITEMS**

**BOARD TO REVIEW AND CONSIDER APPROVING THE OCTOBER 15, 2024, REGULAR BOARD MEETING MINUTES**

Upon a motion by Director Callis and seconded by Secretary Fausone, the board approved the October 15, 2024, regular board meeting minutes as presented.

The vote on the motion was as follows:

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

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

General Manager Patrick McGowan reported to the Board that there were minor revisions made to the Central Delta-Mendota Groundwater Sustainability Agency Subsidence policy. Mr. McGowan noted that there were two items he wanted to bring to the Board's attention for direction: one being the target price for Water Year 2025 mitigation water pool, and the amount of water each home District shall contribute of Subsidence Pool water. Mr. McGowan also noted that he had met with General Manager Amy Montgomery of Santa Nella County Water District and discussed a potential water transfer that would be utilized for this mitigation pool.

The Board suggested a target rate of \$150/AF for the mitigation pool.

**BOARD TO REVIEW AND CONSIDER ACCEPTING ADDENDUM NO. 2 TO CLIENT-CONSULTANT AGREEMENT FOR GARTUNG ENGINEERING SERVICES FOR COMPLETION OF THE PRELIMINARY ENGINEERING REPORT FOR THE WATER TREATMENT FACILITY**

General Manager Patrick McGowan reported that the District had received an Addendum No. 2 for Engineering Services from Gartung Consulting for \$15,000, noting that this is the second addendum being received for work that was expected to have been covered with the first addendum. Gartung Consulting spent time working with Westside Water Conditioning on the Cross-Connection survey that was done for the District, as well as helping Water Resources Manager Juan Cadena with the City of Dos Palos line. Mr. McGowan also informed the Board that he had spoken with Joel Greathouse on the State Water Resources Control Board updating him on the project. Mr. Greathouse explained that the money spent for the cross-connection survey of \$77,000, as well as the backflows being installed could possibly be covered through a grant, or reimbursable.

The Board gave the direction to Mr. McGowan to look into additional Engineering services if needed.

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

General Manager Patrick McGowan reported that the modernization project currently has a May, 2025, deadline. Mr. Chris Linneman of Summers Engineering has not been able to get much further along in this project as they are currently under-staffed and looking to hire more employees.

**FINANCIAL REPORTS**

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

General Manager Patrick McGowan noted to the Board that the District will be sending Mike Gonzalez to a water treatment class for his T1 license, noting that our new Domestic Water Treatment Plant would require a T2 license. Mr. McGowan also noted that Panoche Water District's audit is currently being handled by Price, Paige, & Associates, but will go out for bid next year .

After discussion by the Board and upon a motion by Secretary Fausone and seconded by Director Western, the board approved the financial reports as presented by Accounting Supervisor Mrs. Brazil.

The vote on the motion was as follows:

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

## DIVISION REPORTS

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

San Luis Reservoir Total Storage:	<u>1,061,118 AF</u>
San Luis Reservoir Federal Storage:	<u>333,827 AF</u>
San Luis Reservoir % of Total Capacity	<u>52% (100% = 2,041,000 AF)</u>
San Luis Reservoir Federal % Share	<u>31%</u>

Panoche Update as of November 1, 2024:

USBR 2024 Water Balance:	<u>18,447 AF</u>
USBR Resch. Water Balance	<u>0 AF</u>
October, 2024 Grower Deliveries:	<u>3,614 AF</u>
Total Deliveries to date (Mar-Oct):	<u>49,655 AF</u>

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

- The September O&M, Interest, and M&I billings were completed and mailed out mid-October.
- October's Water Usage, Interest, and M&I Billings will go out on 11/15/2024.
- Colored and reported October's Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR.
- Need to allocate Grower transfer and well water for October's billings.
- Working on the Water Payment Summaries to the USBR & SLDMWA for October.
- Finalized the PDD and PWD Board Meeting Minutes for last month's meetings.
- Reconciled all the bank statements for the month of October for all Districts.
- Processed the Board Meeting AR Reports for PDD & PWD
- Have credited and bad-debted the PDD side prior to Prop 218 / Still need PWD's side.
- Will mail out the Joint Solar Policy this week.
- Created the USBR Spreadsheet for the Board showing USBR Wtr overages.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for October for WY 24-25, the District's Power and Reclaimed Water spreadsheet for September, a Tier 3 Supplemental Water spreadsheet for October, and a USBR Overage / Rescheduling spreadsheet that estimates grower's totals at the end of the water year.

Water Resources Manager Juan Cadena presented the board with a total water delivery graph, a water quality graph for the Main Station and another water quality graph for the T-Canal.

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

- General Maintenance.
- Staff started cleaning out Russell Lift.
- Staff forked Russel lift cell #1 to T-Canal.
- Staff made repairs to Turnout 71 pipeline.
- Staff made turnout covers for – Turnouts 52, 53, and 200 off Lateral 2.

- Weed Control – Staff sprayed PWD Main Canal, T-Canal.
- Preventative Pump Maintenance Plan. (work in progress)
- Equipment Replacement Forecast Plan. (work in progress)
- Started working on Winter Project List.
- Started working on PWD chemical cost estimate for 2025 /26 spray program.
- Started pulling Recirculation pumps for yearly maintenance & repairs.
- Started pulling pumps on PWD main canal for yearly maintenance & repairs.
- Finished a cost share agreement with growers on fencing along Pistachio Orchards. The approximate cost share agreement would be \$ 66,500 – with PWD’s share being \$ 33,250.
- Finished planning, designing, and estimate for Nyman manifold upgrade per AWWA standards. Waiting for one more cost estimate for the second quote.
- Bennett residence has made the transition from potable water usage to raw water usage for landscaping. Next will be the Bennett office and landscaping and then it will be their chemical station in the main yard.

C. **Domestic Water Treatment Plant:**

General Manager Patrick McGowan noted that he had covered his report on the Domestic Water Treatment Plant.

- I. Update on Discussions with SWRCB
- II. Update on USBR Water Smart Grant Project for Contour Canal and Expenses

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

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

Ethics and Compliance:

- No calls were reported on the Speak-Up Hotline for the month of October.
- Compliance training conducted for all employees on the topic of Social Media.
- Appointment Certificates received from Fresno County. Notarizations to follow. Appointments for Mr. Barcellos, Mr. Correia, and Mr. Western will be effective December 6, 2024, through December 1, 2028.

Risk Management:

- Safety Compliance Company conducted safety training on Wintertime Operations. This month’s training will focus on Holiday Accidents and Stress in the Workplace.

Contract Administration:

- Contour Canal – No significant updates. Monthly call with USBR, Applied Earthworks, and Chris Linneman was attended.
- Forefront – Monthly meeting attended; Forefront estimates Phase 1 project groundbreaking early March 2025 if there are no significant delays in the permitting process. Phase 2 results have been delayed to 11/21 by P.G. & E.

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

WMC:

YTD we have two open workers compensation claims:

- One employee continues to be on modified duties & hours. The treating

physician requested a referral to pain management to write a final permanent & stationary report which includes addressing work status (regular work vs permanent work restrictions.)

- The other employee has returned to work with no restrictions, but is still under medical care.
- 4 of the previous claims should close by Late November, Early December.
- There were no new claims in October.

#### Training:

- October 9<sup>th</sup> and 10<sup>th</sup>, 2024, 7 of our Maintenance Employees successfully completed the CAL/OSHA 10 Hour Training, conducted by ACWA-JPIA's Lead Risk Control Advisor Matt Bunde and received their cards administered by the University of California San Diego's OSHA Training Institute Education Center.
- October 30<sup>th</sup>, 2024, We completed our Annual Mandatory Fire Extinguisher Inspection and Training.

#### Employee Anniversary / Recognition:

- Roger Candelaria – 1 year. Roger was hired on October 2, 2023.
- Jesus Faria – 2 years. Jesus was hired on October 24, 2022.

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

Staff reported on various items that had been completed, or were ongoing, on the Action Items List presented - dated October 15th, 2024. Mr. McGowan also reviewed the rest of the list with the Board and answered any questions they had.

### **GENERAL MANAGER'S REPORT**

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

- A. Sustainable Groundwater Management Act:** GM McGowan reported that the SGMA Coordination Committee held a special meeting last Friday where John Brodie announced his retirement, noting that Water and Land Solutions has agreed to take over the management until the end of the water year. GM McGowan mentioned the scheduled tour with the State Water Resources Control Board and the SGMA coordination committee group.
- I. Central Delta Mendota SSMA:** GM McGowan reported that we are working to add the pumping reduction plans of all areas throughout the subbasin to provide a unified document for our GSP.
- B. Los Vaqueros Expansion Project:** GM McGowan reported that included in the board packet was a letter written by Contra Costa Water District regarding ending their participation in Phase 2 of Los Vaqueros Expansion Project due to costs increasing and benefits decreasing. GM McGowan noted that there is still hope that the Bethany pipeline will receive government or state funding. GM McGowan also noted that he plans on attending a manager's meeting at December's ACWA meeting.
- C. Water Supply, Storage, and Conveyance Discussions**
  - I. Water Banking Opportunities** – Will be discussed in Closed Session.
  - II. M & I Water** – McGowan/Cadena/Reyes will be meeting with USBR to discuss this in the following week.
  - III. South of Delta** - GM McGowan reported that the District has stored 2,350 AF in San Luis Reservoir (SLR) for the USBR Drought Program and that this water is subjected to a 1% loss on the 1<sup>st</sup> of every month. GM McGowan noted that he is going to look at banking opportunities as opposed to storing this project water in the SLR.

- D. **SLDMWA:** GM McGowan reported that the SLDMWA Board meeting was mainly election oriented. The challenges and benefits of a new administration were discussed briefly.
- E. **Proposition 218 Bond Reconciliation:** GM McGowan reported that staff has been working diligently on the reconciliation for the Prop 218 bond funds. Mr. Cadena reported that on November 6th, 2024, District staff reviewed the Prop 218 bond over-collection repayment plan with Darryl Smith of the Bryant L. Jolley accounting firm. Mr. Smith’s recommendation was that we go forward with refunding two years of over-collection. Mr. Cadena also noted that the refund will be re-visited annually. At this point, the District staff recommends refunding the 2021-2022 and 2022-2023 years.
- F. **Certificate of Appointment and Oath of Office for Directors:** GM McGowan noted that the District has received the appointment letters for three of its Directors; Mr. Barcellos, Mr. Correia, and Mr. Western.

*At approximately 11:04 am, President Barcellos announced that the Water District meeting would be taking a five-minute break.*

*At approximately 11:09 am, President Barcellos announced that the Water District meeting would resume and go into Closed Session.*

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

No other items.

**FUTURE MEETING DATES**

- A. Next Adjourned Special Meeting Date: December 10th, 2024, at 9:30 am.

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

At 11:11 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 11:25 am, Mr. Williams reported that no reportable actions were taken in Closed Session.

**PANOCHE WATER DISTRICT CLOSED SESSION:**

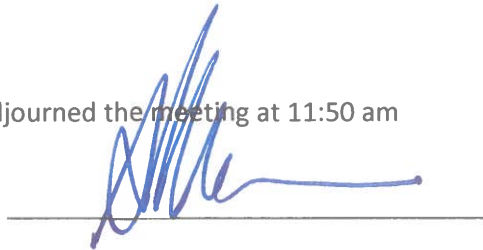
At 11:26 am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 11:49 am, Mr. Williams reported that no reportable actions were taken in Closed session.

**ADJOURNMENT**

With no further business, President Barcellos adjourned the meeting at 11:50 am



Aaron Barcellos, President



Steve Fausone, Secretary