

**PANOCHÉ WATER DISTRICT  
BOARD OF DIRECTORS  
MEETING MINUTES  
AUGUST 8, 2023**

A regular meeting of the Board of Directors was held on August 8, 2023, at 9:30 am. Those present at the meeting were:

Directors: Aaron Barcellos, President  
Steve Fausone, Secretary (Via Phone)  
Neill Callis, Director  
Wayne Western, Director

Staff: Marlene Brazil  
Juan Cadena  
Chris Carlucci  
Lorena Chagoya  
Sandra Reyes

Others: Tomas Galindo, Westside Water  
Jim Gartung, Jim Gartung Engineering  
Chase Hurley, Interim General Manager  
Michael Linneman, Landowner  
Palmer McCoy, Grassland Basin Authority  
Patrick McGowan, Public  
Phil Williams, General Counsel

**CALL TO ORDER**

President Barcellos called the meeting to order at 9:30 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.

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE FOLLOWING BOARD MEETING MINUTES**

On a motion by Director Fausone and seconded by Director Barcellos, the Board approved the following minutes:

January 11, 2022, Regular Meeting  
January 25, 2022, Special Meeting  
February 8, 2022, Regular Meeting  
July 11, 2023, Regular Meeting

The vote on the matter was as follows:

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

**FINANCIAL REPORT**

- A. Accounts Payable
- B. Monthly Financials
- C. FYE 2024 Budget-to-Actual Report
- D. Quarterly Reports ending June 30, 2023.

Upon a motion by Director Callis and seconded by Director Western, the board approved the financial report as presented by Ms. Brazil. The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF A MANAGEMENT CONTRACT FOR THE GENERAL MANAGER POSITION**

Upon a motion by Director Callis, and seconded by Director Western, the board approved the Panoche Water District General Manager Contract with Mr. Patrick McGowan. The contract start date will be September 5, 2023, with an annual salary of \$167,000. The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER AUTHORIZING THE INTERIM GENERAL MANAGER HURLEY TO VOTE ON THE CANDIDATES FOR THE ACWA OFFICES OF PRESIDENT AND VICE PRESIDENT FOR 2024-25**

Upon a motion by Director Callis, and seconded by Director Western, the board approved Mr. Hurley to vote for the ACWA offices as follows: President Cathy Green and Vice President Ernie Avila. The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF AWARD FOR DISTRICT INFORMATION TECHNOLOGY SERVICES**

Upon a motion by Director Callis, and seconded by Director Western, the board approved awarding the Information Technology Services contract to BCT Inc. as presented by Mr. Hurley. BCT was one of multiple contractors who submitted quotes through the competitive bid process. The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ADOPTING THE EQUIPMENT RENTAL RATES FOR FISCAL YEAR 2023-24**

Upon a motion by Director Callis, and seconded by Director Western, the board approved the FY 2023-2024 equipment rental rates as presented by Mr. Carlucci. The vote on the matter was as follows:

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

## DIVISION REPORTS

### A. Ethics, Compliance, and Human Resources

#### Ms. Chagoya reported about the following activities that occurred in July:

- No calls were reported on the SpeakUp Hotline.
- Updates on an outstanding liability claim for damaged property
- Updates on two outstanding worker's compensation claims
- The updated experience modification rate for the worker's compensation program has been reduced from the prior fiscal year at 1.63 to 1.20 for fiscal year 7/1/2023-6/31/2024.
- Reports of an increase rate of 20% for PWD and PDD property program for fiscal year 7/1/2023-6/31/2024.
- No new COVID-19 cases were reported.
- Employee training on revised Alcohol and Drug Free Workplace Policy occurred at the end of July.
- Recruitment plans for a canal operator and welcoming a new part-time summer helper for the Maintenance Department.

### B. Operations and Maintenance

#### Mr. Carlucci reported on the following activities that occurred in July:

- Completed installation of the new diesel fuel tank
- Repaired pipe at 12E-2 pump #3
- Repaired a short section on the 509 ditch
- Installed new trash rack at Lateral #4 turnout 302A
- Fixed trash rack at T-4 canal
- Made repairs on Station 2 hand railing
- Forked T-Canal with excavator from T-1 to T-3 and Contour canal from Herndon south to second crossing
- Fixed air vent of 7W pipeline
- Weed control throughout the district

### C. Ms. Reyes updated the Board on the Water Supply as of August 1, 2023:

San Luis Reservoir Total Storage:	<u>1,861,181</u>	AF
San Luis Reservoir Federal Storage:	<u>876,375</u>	AF
San Luis Reservoir % of Total Capacity	<u>91</u>	%
Shasta Storage:	<u>3,889,848</u>	AF

#### Panoche Update as of August 1, 2023

USBR 2023 Water Balance:	<u>87,946</u>	AF
USBR Carryover Balance:	<u>0</u>	AF
July 2023 Deliveries:	<u>11,545</u>	AF
<b>Total Deliveries to date (Mar-July)</b>	<b><u>31,706</u></b>	<b>AF</b>

#### Mr. Hurley update the board on the following:

Contra Costa Water District (CCWD) 2,000 Acre Foot return water transfer: The transfer of 2,000 Acre Feet back to CCWD is scheduled for either August or September of this year. Panoche is working closely with the Bureau of Reclamation on final approvals before staff can officially transfer the water back to CCWD.

CCWD 6,000 Acre Foot Pilot Project: The pilot project has been pulled off the table for this year by CCWD. CCWD is working on a multi-year water right petition with the State Water Resources Control Board to cover this type of transfer in the future. CCWD thinks the pilot project is premature at this point and may conflict with negotiations on the water right petition.

**The Board received an update on the Domestic Water Treatment Plant from Mr. Gartung and Mr. Galindo as follows:**

- The current operations of the Domestic water treatment plant.
- The number of connections and how the District may want to verify that the treated water is not being used for landscaping.
- How to properly size a new facility (Gallons/Day) to replace the current unit that is having problems meeting the current state requirements.
- The prospects of working with the State on securing grant or loan funding for construction of a new system.

After further discussion with the consulting team, the board gave direction to Westside Water to work with staff on proceeding with a cross control in-field survey to determine if there is any cross connection between raw water and treated water. Staff stated that they would work on getting this done and having the results at the September board meeting.

**The Board received an update from Mr. Cadena on the Cal Poly ITRC Facilities Modernization Plan.** He indicated that staff hosted a facilities tour with Charles Burt (Dr. Burt) of the Cal Poly Irrigation Training and Research Center (ITRC). Dr. Burt visited the District to get a better understanding of how the operations work. The ITRC is working on a Modernization Plan for the District to help improve the efficiency of its existing pumping facilities. All the technical assistance will be funded by the United States Bureau of Reclamation. The vision is to have the Plan completed by December 31, 2023, and then use it as a resource tool for future system upgrades and budgeting for annual projects and capital reserves.

**The Board received an update from Mr. Hurley on the USBR Water Smart Grant Project for the Contour Canal.** He stated that the District is still waiting to receive the final USBR approval letter for funding the Contour Canal Lining project. USBR Sacramento staff has stated that Panoche will receive funding, but the final approval has yet to be received via letter.

#### **GENERAL MANAGER'S REPORT FROM THE INTERIM GENERAL MANAGER, MR. HURLEY**

**A. Sustainable Groundwater Management Act**

The subbasin is focused on the scope of work with EKI engineering that will lead to the submittal of a single GPS in the summer of 2024. EKI was awarded the contract to complete the GSP for a total of approximately \$1.4 million. Panoche is part of the Central Delta Mendota GSA and their pro-rata share of the \$1.4 million is already in reserves in the activity agreement within the San Luis and Delta Mendota Water Authority.

**B. Los Vaqueros Expansion Project**

Staff is continuing to work closely with Ms. Frances Mizuno, Del Puerto Water District and Westlands Water District on the Joint Powers Agreement for the expansion project. Panoche Water District has agreed to participate in the conveyance portion of the project.

**C. Water Storage and Conveyance Discussions and updates:**

1. **Arvin Edison Water Storage District:** Staff reviewed the draft agreement with Arvin Edison that would allow for a 30,00 Acre Foot exchange of surplus CVP water supplies in various water year types. Mr. Hurley reviewed various deal points and asked the directors to get with him on any further questions they may have. The goal is to get the current draft back in the hands of Arvin Edison for their input. Mr. Hurley reminded the board that this deal would be for 2024 and beyond. Arvin Edison is hamstrung on moving supplemental CVP water supplies down the California Aqueduct in 2023.

2. West Stanislaus Irrigation District (WSID): Staff will submit the latest bullet point outline to WSID and hopes to have a follow up discussion at the September board meeting.
- D. Legislative Update: Most of the state water rights proposed legislation has been successfully defeated and is considered “dead” for this year. But the water community needs to be diligent in staying on top of the process since most of the legislation will be brought back to the State Senate and Assembly in the Spring of 2024.

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

Mr. Hurley gave the board a brief update on the following:

- Proposed deep well injection project
- House owned on Althea Avenue east of the District office

**FUTURE MEETING DATES**

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

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

At 12:32 pm

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) at 1:49pm**

President Barcellos reported that there were no reportable items.

**PANOCHÉ WATER DISTRICT CLOSED SESSION at 1:50 pm**

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:

- ii. Imani Percoats & Chris Bettencourt vs. Panoche Water District  
Fresno County Superior Court Case No. 18CECG01651
- iii. 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
- v. 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
- vi. 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 REGARDING LABOR NEGOTIATIONS AND RECRUITMENT [GOV CODE §54950]

Pursuant to Section 54957.6:

Agency Designated Representative: Che Johnson; Legal Counsel

Employee Organization: International Brotherhood of Electrical Workers Local 1245

Pursuant to Section 54957(b)(1):

The Board will confer regarding recruitment for the position of General Manager.

**REPORT FROM CLOSED SESSION** at 2:02 pm

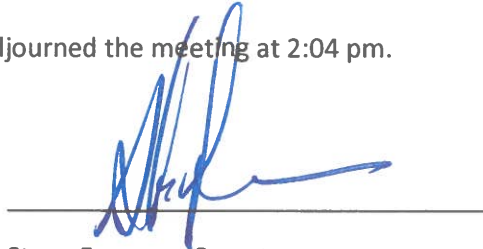
President Barcellos stated that there were no reportable actions.

**ADJOURNMENT**

With no further business, President Barcellos adjourned the meeting at 2:04 pm.



Aaron Barcellos, President



Steve Fausone, Secretary