

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
May 12, 2026**

A regular meeting of the Board of Directors was held on May 12th, 2026, starting at 9:30 am. Those present at the meeting were:

Directors: Aaron Barcellos, President
Beau Correia, Vice-President
Steve Fausone, Secretary

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

Others: Jeff Bryant, Firebaugh Canal Water District
Chase Hurley, Water and Land Solutions
Palmer McCoy, Grassland Basin Authority
Phil Williams, Legal Counsel

CALL TO ORDER

President Barcellos called the meeting to order at 9:36 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

At this time, General Manager Patrick McGowan informed the Board that we would be deferring Agenda Items 5 and 6 due to the Proposition 218 Public Hearing scheduled to start at 10:00 am.

BOARD TO REVIEW AND CONSIDER APPROVING APRIL 14, 2026, REGULAR BOARD MEETING MINUTES

Upon a motion by Secretary Fausone and seconded by Vice-President Correia, the Board approved April 14, 2026, regular board meeting minutes as presented.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER ANY SUGGESTED AMENDMENTS TO THE CENTRAL VALLEY PROJECT WATER TRANSFER POLICY

General Manager Patrick McGowan reported that the CVP Water Transfer Policy establishes the framework to balance protection of in-District water supply reliability with limited flexibility for transferring CVP water within the District. Transfers are generally prohibited when supplies are insufficient to meet historical in-District demand but may be considered as a hardship request subject to Board approval. GM McGowan noted that the existing policy allows flexibility to our growers while retaining Board oversight.

After discussion by the Board, no changes or amendments were suggested.

BOARD TO REVIEW AND CONSIDER ANY SUGGESTED AMENDMENTS TO THE GROUNDWATER CONVEYANCE POLICY

General Manager Patrick McGowan reported that the Groundwater Conveyance Policy provides a framework for landowners to use District facilities to convey groundwater as a supplemental supply while ensuring water quality protection and equitable cost recovery. GM McGowan also addressed the eligibility and requirements, as well as the Water Quality Standards.

After discussion by the Board, the language was revised as suggested by GM McGowan.

At this time, General Manager Patrick McGowan informed the Board that it was 10:00 am and time for Agenda Items 5 and 6 to be discussed.

PROPOSED 2026-2027 OPERATIONAL AND MAINTENANCE RATES FOR WATER SERVICE FEE AND LAND-BASED CHARGES PUBLIC HEARING

Pursuant to Proposition 218, President Barcellos opened the public hearing at 10:00 am to receive testimony regarding the proposed 2026-27 Operations and Maintenance rate for Water Service Fee and Land-Based Charges. Receiving no testimony, President Barcellos closed the public hearing at 10:02 am. General Manager Patrick McGowan reported to the board that the District received two protest letters, totaling 45 acres.

BOARD TO REVIEW AND CONSIDER APPROVAL OF RESOLUTION # 857-26 FORMALIZING AND ADOPTING THE DISTRICT'S 2026-2027 WATER RATES AND LAND BASED CHARGES

After discussion by the board and upon a motion by Secretary Fausone and seconded by Director Correia, the board approved Resolution # 857-26 formalizing and adopting the District's 2026-27 water rates and land based charges of \$86.50/AF O&M and \$ 11.25/AC Land O&M Assessment, while acknowledging the two protest letters received.

The vote on the motion was as follows:

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

At this time, the Board Meeting resumed with Agenda Item 10.

BOARD TO REVIEW AND CONSIDER APPROVING MARV COIT FARM'S REQUEST TO TRANSFER WATER TO WESTLANDS WD

General Manager Patrick McGowan explained that the District had received a hardship request from Marv Coit Farms to transfer a portion of his CVP Water to Westlands Water District. GM McGowan explained that the proposed transfer poses no detriment to the District and recommended approval of Mr. Coit's request.

After discussion by the Board and upon a motion by Director Correia and seconded by Secretary Fausone, the Board approved Mr. Coit's request to transfer water to Westlands Water District.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF RESOLUTION # 858-26 AN ADDENDUM TO THE MITIGATED NEGATIVE DECLARATION FOR THE PANOCHÉ WATER DISTRICT (PWD) SURFACE WATER TREATMENT PLANT REPLACEMENT

General Manager Patrick McGowan presented the Board with an addendum that had been prepared by Summers Engineering, Inc. reporting that it addresses minor modifications to the previously approved project consisting of a minor relocation of the proposed surface water treatment plant. The original proposed location of the new surface water treatment plant was to be adjacent to and immediately north of the existing treatment plant and the new proposed location will be at the Panoche Water District office complex.

After discussion by the Board and upon a motion by Secretary Fausone and seconded by Director Correia, the Board approved Resolution # 858-26 the addendum to the PWD surface water treatment plant replacement.

The vote on the motion was as follows:

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

FINANCIAL REPORTS

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

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

The vote on the motion was as follows:

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

At approximately 10:30 am, President Barcellos announced that the Water District meeting would be taking a five-minute break.

At approximately 10:38 am, President Barcellos announced that the Water District meeting would resume with the Division Reports.

DIVISION REPORTS

- A. Water Master Sandra Reyes gave the Water Supply Update as of May 1, 2026:
San Luis Reservoir Total Storage: 1,733,128 AF**

San Luis Reservoir Federal Storage:	<u>778,803 AF</u>
San Luis Reservoir % of Total Capacity	<u>85% (100% = 2,041,000 AF)</u>
San Luis Reservoir Federal % Share	<u>45%</u>

Average 1,686,677 AF – As of May 1 – Overall at 103% of average

Panoche Update as of May 1, 2026:

USBR 2026 Water Balance:	<u>18,866 AF (20%)</u>
USBR Resch. Water Balance	<u>2,022 AF</u>
April, 2026 Grower Deliveries:	<u>4,103 AF</u>
Total Deliveries to date (Mar-Apr):	<u>7,632 AF</u>

The water figures do not include the Drought Pool of 2,285 AF.

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

- The March O&M billings, Interest billings, and M&I Water billings were completed and mailed out.
- April's Water Usage, Interest, and M&I Billings will go out on 4/15/2026.
- Colored and will report April's Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR/DWR.
- Will finalize the Water Payment Summaries for the DMC & SLC to the USBR & SLDMWA for April.
- Finalized the PDD and PWD Board Meeting Minutes for last month's meetings.
- Reconciled all the bank statements and Fresno County Fund for the month of April and posted any interest in the GL for all Districts.
- Processed the Board Meeting AR Reports for PDD & PWD
- Reached out to growers regarding their delinquencies for both PDD & PWD
- Updated the Supp'l Water Scenario spreadsheet for the board meeting.
- Finalized the PWD WY 2025-2026 Water Inventory File & let Darryl know it's ready to go.
- Still working on a project for Juan of the overall District map APN's and ownership / researching and updating to current / Currently on Division I out of V. (Juan has completed Sections 3, 4, and 5 already).
- Processed the PDD 1st Installment Drainage Service Fee 4-15-26 (Total of \$ 859,608.31).
- Processed the USBR Allocation Deposit Billing 5-17-26 (Total of \$ 1,145,224.50).
- Tabulated the WY 2025-26 Crop Reports & gave the final version to Juan to submit.
- Keeping an eye on water balances and contacting growers when running low.
- Created an incoming list of Water Transfer coming in by month for 2026-2027.
- Created a spreadsheet showing the breakdown of what needs to be brought in through the Direct Connects for Juan & the canalmen.
- Processed the WY2026-27 Supplemental Water Cost Billing 5-5-26 (Total of \$ 9,008,500).
- Processed the WY 2026-27 SSMA Allocation Program Water Cost Billing 5-5-26 (Total of \$ 240,700).
- Still working on MSWD audit.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for April for WY 26-27, a graph of the current reservoir conditions, as well as graphs specific to the San Luis Reservoir, and a Supplemental Water Scenario spreadsheet. Water Resources Manager Juan Cadena presented the board with a total water delivery graph for the month of April, as well as water quality graphs for the District.

B. General Manager Patrick McGowan, in the absence of Operations and Maintenance Manager Chris Carlucci, reported on the following operations and maintenance activities that occurred in April :

- General Maintenance.
- Staff installed a new gate for Lateral 2. (204B ditch)
- Staff installed a new road crossing pipe for Turnout #22. (Oxford Ave.)
- Staff made repairs to Turnout #21 – meter bracket.
- Contour Canal Project – Still waiting for trash racks for all turnouts and canal gates for check structures.
- Weed Control – Staff sprayed T-Canal, PWD main canal, and 10E-2 ditch.
- Water Treatment Plant – No Activity to report.
- Pacheco WD – No Activity to report.
- GBA - No Activity to report.
- Preventative Pump Maintenance Plan. (work in progress)

GM McGowan reported that Mr. Carlucci and Mr. Cadena have been working on a grant list to see if any of our projects will qualify for assistance.

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

- 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 to the Hotline for the month of April.
- Trained staff on Eye Wash Stations.

Risk Management:

- Safety Compliance Company conducted safety training on trenching and excavation.

Contract Administration:

- Contour Canal – Completed and submitted semi annual report. Working with USBR so Point of Contact can be assigned by their staff to draw funds approximately \$ 1.4M.
- Annual Risk Assessment with ACWA conducted with Diego Casillas. Good remarks, Report will be presented to BOD once received.
- Forefront – Reviewed District historical usage and contractual obligation of power purchase. Met with Forefront and PG&E representative. PG&E representative confirmed ability to move meters based on contiguity.

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

Workers' Compensation Update: No Changes

Currently there is one active open workers' compensation claim:

- The employees' claim has been resolved with 0% permanent disability: however, the employee does have future medical. According to the labor code, the claim will remain open for 2 years from the last treatment, which was on 1/20/25, and can be closed as of 1/20/2027.
- There were no new claims in April.

E. Other Matters:

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

BOARD TO RECEIVE UPDATES ON PERMANENT CROP MAP AND SUPPLEMENTAL WATER NEEDS FOR WATER YEAR 2026-2027

Water Resources Manager Juan Cadena reported that he had submitted the crop report information to Engineer Chris Linneman to further update the Crop Map and determine our Supplemental Water needs.

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

General Manager Patrick McGowan reported on various items that had been completed, or were ongoing, on the Action Items List presented – dated April 14th, 2026, and answered any questions that the Board had.

GENERAL MANAGER’S REPORT

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

A. SGMA:

I. Central Delta-Mendota GSA:

GM McGowan reported that the CDMGSA meeting will be held on May 28th. Last month’s meeting focused on discussions regarding the cost share splits, noting that right now 1/7th split applies, as well as the model calibration that will occur in two phases. Well registration was also discussed and fines for wells that are not registered may be enforced beginning 6/1/26.

II. Delta Mendota JPA:

GM McGowan reported that the first cash calls for SGMA have been paid and the Hallmark Group provides all our program management services.

- B. Domestic Water Treatment Plant PER Update:** GM McGowan reported that Black Water Engineering group has submitted the Preliminary Engineering Report to the State and six comments were received and answered during the comment period. Engineer Jeff Black will be meeting this week with GM McGowan and the focus will be on our efforts with the grant funding application.
- C. Forefront Power Phase 1 & Phase 2 Update:** GM McGowan presented the Board with a handout from Forefront Power and reported that the District should know by the end of April if they qualified for the LICB adder. McGowan will continue discussions with the group on finalizing our PPA rates for both the Office and Linneman projects.
- D. Water Supply, Storage, and Conveyance Discussions:** GM McGowan reported that Pacheco Water District General Manager Chase Hurley had been helpful with the SSMA grower information and handouts. GM McGowan also reported on the SLDMWA meetings held that focused on the DMC Subsidence Correction Project scope of work, as well as the cost methodology. GM McGowan has a meeting scheduled with Ag Monitor on Friday to discuss maximizing our solar potential. GM McGowan also noted that he attended the SLDMWA O&M Tour.

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

No other items.

At approximately 11:26 am, President Barcellos announced that the Water District meeting would be taking a five-minute break.

At approximately 11:34 am, President Barcellos announced that the Water District meeting would resume with the Division Reports.

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

At 11:35 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 11:36 am, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

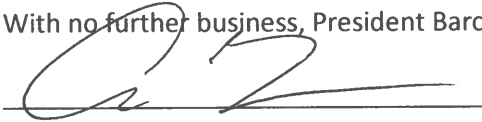
At 11:45 am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:03 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

FUTURE MEETING DATES

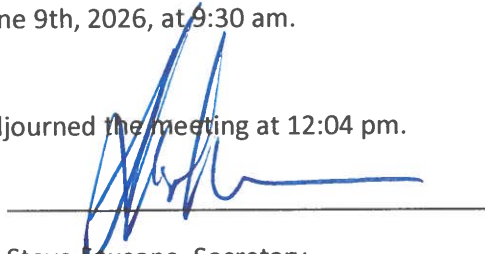
A. Next Regular Board Meeting Date: June 9th, 2026, at 9:30 am.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 12:04 pm.



Aaron Barcellos, President



Steve Fausone, Secretary