

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
October 10, 2023**

A regular meeting of the Board of Directors was held on October 10, 2023, starting at 10:20 am. Those present at the meeting were:

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

Staff: Marlene Brazil, Accounting Supervisor
Juan Cadena, Water Resources Manager
Chris Carlucci, Maintenance Manager
Lorena Chagoya, Ethics & Compliance Officer
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 10:20 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

THE BOARD TO REVIEW AND CONSIDER APPROVING THE SEPTEMBER 18, 2023, ADJOURNED BOARD MEETING MINUTES

On a motion by Director Callis and seconded by Director Western, the Board approved the minutes of the September 18, 2023, Adjourned Regular Meeting.

The vote on the motion was as follows:

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

FINANCIAL REPORT

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

Maintenance Manager, Chris Carlucci asked if the budgeted amount for B.F. Sisk, that we are no longer participating in could be used to fund some maintenance projects that need to be done around the District. The Board asked to bring the suggestion as an Action Item, or Amended Budget in the future.

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

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

BOARD TO REVIEW AND CONSIDER APPROVING RESOLUTION #841-23, TO ADOPT THE CORONAVIRUS (COVID-19) PREVENTION PROCEDURES POLICY AND ITS' REVISIONS

Upon a motion by Director Callis, and seconded by Director Correia, the board approved Resolution #841-23. The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING RESOLUTION #842-23, AUTHORIZING EXECUTION OF SAN LUIS & DELTA-MENDOTA WATER AUTHORITY LONG-TERM NORTH TO SOUTH WATER TRANSFER PROGRAM ACTIVITY AGREEMENT AND RELATED ACTIONS

Upon a motion by Director Western, and seconded by Director Callis, the board approved Resolution #842-23. The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING EMPLOYEE'S REQUEST FOR A REIMBURSEMENT FOR THE LOST PERSONAL PROPERTY WHILE ON DUTY IN THE AMOUNT OF \$ 889.98

Ethics & Compliance Officer Lorena Chagoya explained to the Board that an employee was in a vehicle accident while on duty and driving a District vehicle. In the accident, the employee lost some of his personal property that was not covered by insurance. The employee was asking the District for reimbursement after having provided receipts.

Upon a motion by Director Correia, and seconded by Director Fausone, the board approved the reimbursement to the employee to replace the items lost. The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING THE AGREEMENT ADDENDUM FOR J. GARTUNG CONSULTING

General Manager Patrick McGowan explained that the original agreement in place only allowed for a maximum amount of \$ 20,000 to be billed. The addendum would allow for an increase from \$ 20,000 to \$ 50,000 and is warranted due to the increase in work for the engineering services being provided.

Upon a motion by Director Correia, and seconded by Director Fausone, the board approved the agreement addendum as presented. The vote on the motion was as follows:

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

DIVISION REPORTS

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

San Luis Reservoir Total Storage:	<u>1,656,587 AF</u>	
San Luis Reservoir Federal Storage:	<u>788,022 AF</u>	
San Luis Reservoir % of Total Capacity	<u>47%</u>	(Federal Share)

Panoche Update as of October 1, 2023:

USBR 2023 Water Balance:	<u>79,870 AF</u>
September 2023 Deliveries:	<u>4,724 AF</u>
Total Deliveries to date (MAR-SEP):	<u>45,223 AF</u>

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

- The O&M Budget has met it's 45,000 AF target delivery base and is 223 AF over this month.
- A cash flow analysis was presented to the board for WY 2023-2024 with estimations for the remaining months.
- The September O&M, Interest, and M&I billings will be completed and mailed out on 10/15/2023.
- The SLDMWA & the SJRECWA let us know that the 5yr Water Transfer that had been subscribed to by growers (this being the 5th and last year) decreased from 3,007 AF to 1,270 AF for WY 2023-2024 with the approval of all the participating Districts. For our growers this would mean a credit coming for the water cost paid for the AF difference in this subscription and the chance to utilize more of their 45,000 AF supply that they have been billed the water cost on already.

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

- General Maintenance
- Made metal lids for 10E-2 pipeline.
- Repaired 204B and Turnout 11 E head gates.
- Made new trash rack for Lateral 1, Turnout 101A.
- Made spill pipe for Turnout 22 for Oxford crossing.
- Weed Control – Sprayed Locations
 - a) **PWD:** PWD Yard, Lateral 2, 3, 4 & 5, 500 Ditch, 7W pipeline, Contour Canal. Canal Treatments – T-Canal, T-1, T-3, & Russell Turnout
 - b) **Pacheco Water District:** Lateral 4, 5, 6, &7, Pacheco Drains and Ponds,

Pacheco Lifts, Pacheco pipeline.

- All materials are billed from ounces and gallons.
- Equipment and labor billed by the hour

Mr. Carlucci also discussed O&M Capital Related Projects he would like to start working on within the District and presented the Board with an itemized list and estimates. After discussion, the Board directed Chris to proceed with Items 1-3, as well as items 9, 10, 11, 12, 13, and 15.

- C. Mr. McGowan reported on the Domestic Water Treatment Plant. He explained that he has been reviewing the contract with Westside Water Conditioning and Jim Gartung engineering. The cross-connection survey has been completed by Westside Water and J. Gartung Consulting and potentially eight backflows will be required to be installed. A cost proposal is being formulated now, and will be brought to the Board in November's meeting for review and potential approval. Mr. McGowan and Mr. Cadena went to meet with the City of Dos Palos and Mr. McGowan asked to be put on the quarterly December Water Quality Dos Palos JPA agenda. It is the hope of our District that we can meet and discuss our existing JPA agreement and potentially making revisions to assist with the new proposed surface water treatment plant. Mr. McGowan is actively recruiting current District employees to obtain their water treatment certifications. This would add redundancy and assist in operations while adding value to employees.
- D. Ethics & Compliance Officer Lorena Chagoya reported on the following compliance, risk management and human resources activities that occurred in September:
- Compliance and Risk Management:
- No calls were reported on the Speak-Up Hotline.
 - No new liability claims were reported.
 - a) Claim # 23-0773 closed and resolved.
 - b) Claim # 24-0131 closed and resolved.
 - No new worker's compensation claims were reported.
 - a) Two Claims remain open.
 - b) One employee remains on leave until November.
- Human Resources:
- COVID-19 cases – one new positive case was reported and resolved.
 - The District is pleased to introduce and welcome a new canal operator, Mr. Roger Candelaria, to the District.
 - Eco's resignation announcement and delegation of responsibilities plan.

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

Contracts Administrator Josh Marquez reported on the Contour Canal Lining Project Budget Schedule that was presented. Mr. Marquez explained that the design and NEPA Compliance would start this fall (October – December, 2023). He also confirmed for the board that by lining the contour canal, the District would be saving 1,588 AF a year. Panoche Water District is 51% of the total cost and a grant of USBR Funds would make up the other 49%. The District is also hoping for a categorical exclusion.

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 September 18, 2023.

GENERAL MANAGER’S REPORT

Mr. McGowan gave the following manager update for October:

A. Sustainable Groundwater Management Act

There was a meeting held with the sub-committee for the Groundwater Sustainability Plan (GSP) and the discussions centered around identifying wells. There is going to be a Delta Mendota Subbasin Committee meeting tomorrow. The GSP did not get approved, so we have been handed back to the SWRCB (State Water Resources Control Board). A tour is being held to educate everyone and help them to better understand our subbasin. Right now they are working to finalize the agreement between all of the members.

B. Los Vaqueros Expansion Project

There was a conference call held this morning. Although Panoche Water District is not interested in storage and only conveyance, no costs have been given yet on the conveyance side. It was stated though that members will be able to work amongst themselves if not using their portion in any given year.

C. Water Storage and Conveyance Discussions: No update provided at this time.

D. San Luis Delta Mendota Water Authority

1. South of Delta Drought Contingency Plan

Nothing to report at this time.

2. Exchange Contractors Transfer Program

The SLDWMA activity agreement members, of which Panoche is a participant, is continuing to meet with the Exchange Contractors on negotiations of a two-year conserved water transfer program.

3. North of Delta Transfer Program

The District has presented the Board with the Activity Agreement and Resolution needed and upon approval will be submitting the paperwork to the SLDWMA.

E. Other: Mr. McGowan updated the board that an appraisal was completed on the owned house on Althea Avenue east of the District’s headquarters and was available for their review.

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 11:55am

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 1:43pm

The Board met in Closed Session and no reportable actions were taken.

PANOCHÉ WATER DISTRICT CLOSED SESSION at 1:20 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

REPORT FROM CLOSED SESSION

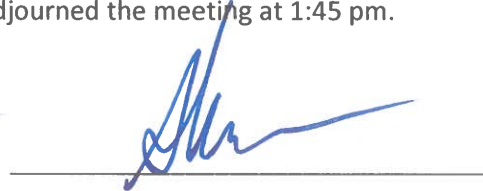
The Board met in closed session and no reportable actions were taken.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 1:45 pm.



Aaron Barcellos, President



Steve Fausone, Secretary