

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
October 14, 2025**

A regular meeting of the Board of Directors was held on October 14th, 2025, starting at 9:30 am. Those present at the meeting were:

Directors: Aaron Barcellos, President
 Beau Correia, Vice-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, Operations & Maintenance Manager
 Josh Marquez, Contracts Administrator
 Sandra Reyes, Water Master

Others: Chase Hurley, Water and Land Solutions
 Chris Linneman, Summers Engineering
 Palmer McCoy, Grassland Basin Authority (GBA)
 Phil Williams, Legal Counsel

CALL TO ORDER

President Barcellos called the meeting to order at 9:38 am.

ROLL CALL

A quorum of the Board of Directors was present.

POTENTIAL CONFLICTS OF INTEREST

There were no conflicts of interest.

PUBLIC COMMENT

Mr. Chase Hurley of Water and Land Solutions addressed the board and expressed his thanks and appreciation to the District for their help with some maintenance items located in other neighboring water districts that Mr. Hurley also manages.

ACTION ITEMS

BOARD TO REVIEW AND CONSIDER APPROVING THE SEPTEMBER 9, 2025, REGULAR BOARD MEETING MINUTES

Upon a motion by Secretary Fausone and seconded by Director Western, the Board approved the September 9th, 2025, regular board meeting minutes as presented.

The vote on the motion was as follows:

Ayes: Barcellos, Callis, Fausone, Western
Nays: None

Absent: None
Abstain: Correia

BOARD TO REVIEW AND CONSIDER APPROVING RESOLUTION # 853-25 AWARDING CONTOUR CANAL LINING PROJECT CONTRACT TO MCELVANY CONSTRUCTION, INC.

General Manager Patrick McGowan and Engineer Chris Linneman reported that bids were accepted on October 9th, 2025, for the Contour Canal Lining Project. Two bids were submitted and McElvaney, Inc. was the lowest. The board was reminded that the Panoche Water District is paying fifty-one percent of this project and a grant will pay the balance. Mr. Linneman also noted that the seepage reduction in lining the contour canal is approximately 1,500 AF annually.

After discussion by the Board and upon a motion by Director Callis and seconded by Secretary Fausone, the Board approved Resolution # 853-25 awarding the contour canal lining project contract to McElvaney, Inc.

The vote on the motion was as follows:

Ayes: Barcellos, Callis, Correia, Fausone, Western
Nays: None
Absent: None
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 Secretary Fausone and seconded by Director Callis, the board approved the financial reports as presented by Accounting Supervisor Mrs. Brazil.

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, 2025:

San Luis Reservoir Total Storage:	<u>1,076,669 AF</u>
San Luis Reservoir Federal Storage:	<u>252,694 AF</u>
San Luis Reservoir % of Total Capacity	<u>53% (100% = 2,041,000 AF)</u>
San Luis Reservoir Federal % Share	<u>24%</u>

Average 870,015 AF – As of October 1 – Overall at 124% of average

Panoche Update as of October 1, 2025:

USBR 2025 Water Balance:	<u>21,490 AF</u> (55%)
USBR Resch. Water Balance	<u>0 AF</u>
September, 2025 Grower Deliveries:	<u>4,631 AF</u>
Total Deliveries to date (Mar-Sep):	<u>50,529 AF</u>

The water figures do not include the Drought Pool of 2,215 AF.

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

- The August O&M billings, Interest billings, and M&I Water billings were completed and mailed out.
- September's Water Usage, Interest, and M&I Billings will go out on 10/15/2025.
- Colored and reported September's Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR/DWR.
- Need to finalize the Water Payment Summaries for the DMC & SLC to the USBR & SLDMWA for September.
- 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 September for all Districts.
- Reconciled the AR accounts between Storm & Sage to make sure they were in balance for all Districts.
- Processed the Board Meeting AR Reports for PDD & PWD
- Reached out to growers regarding their delinquencies for both PDD & PWD and am receiving payments.
- Verified the USBR BORWORKS monthly water delivery and payment reconciliation.
- Updated the Water Forecast Scenario spreadsheet for the board meeting.
- Attended another two bi-weekly training seminars via Zoom with Streamline.
- Processed the USBR credit invoices for USBR water turned back to the District. (6,568 AF for a total credit of \$ 676,504.00)
- Processed the Final Billing for the Supp'l Water Cost 9/19/2025 for \$ 2,323,840.00.
- Processed the Final Billing for the USBR Water Cost 9/19/2025 for \$ 3,383,155.56.
- Processed a water transfer agreement between EFWD & PWD for Sept. for JFB & sent it in for approval to the USBR.
- Processed CDD's 2nd Installment Drainage Service Fee Billing last week.
- Will be processing PDD's 2nd Installment Drainage Service Fee Billing this week.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for September for WY 25-26, and the District's Power and Reclaimed Water spreadsheet for September, a graph of the current reservoir conditions, as well as a graph specific to the San Luis Reservoir, and the forecasted water scenario.

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 for the month of September.

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

- General Maintenance.
- Staff finished placing Pistachio fencing guidepost on Lateral 2 & 3.
- Staff made repairs to 11E turnout head gates.
- Staff fixed washouts on PWD main canal. (Station 4 to Station 5)
- Staff started making safety railing for all PWD pump stations.
- Weed Control – Staff sprayed PWD Main Canal, Russell Lift, T- Canal, and 500W ditch.
- Water Treatment Plant – No activity.
- Pacheco WD – No activity.
- Preventative Pump Maintenance Plan. (work in progress)

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

- 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 September.
- Attended Ethics and Compliance webinar via Ethico.

Risk Management:

- Safety Compliance Company trained on Respirator Equipment.
- Review staff trainings schedule make-ups.
- Appointment set with Mike from BCT for phone lines.

Contract Administration:

- Contour Canal – Attended mandatory pre-bid meeting. Bid opening 10/9. Attended call with USBR. Work on Semi Annual Report to be submitted before 10/31.
- Forefront – Phase 1 construction on track. Phase 2 – on track, Giulian update provided by Patrick.

General Manager Patrick McGowan and Contracts Administrator Josh Marquez also reported on a letter received from the USBR detailing the government shutdown and any delays that may entail.

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 September:**

Workers' Compensation Update: No Changes

Currently there is one active open workers' compensation claim:

- The other employee has signed and returned his Stipulations with Request for Award document. It has to be e-filed with a judge on the Worker's Compensation Appeals Board for their final decision. The judge will decide the final award such as future medical care, etc.
- There were no new claims in September.

Employee Anniversaries:

- Patrick McGowan: 2 years. Patrick was hired on September 5th, 2023
- Juan Cadena: 17 years. Juan was hired on September 22nd, 2008
- Sandra Reyes: 25 years. Sandra was hired on September 27th, 2000
- Arnold "Arnie" Jorge: 37 years. Arnie was hired on September 29th, 1986

Recognition:

- Congratulation to Jose Pimentel. Jose has successfully completed the CA QAC – Laws, Regulations, and Principles exam with the California Department of Pesticide Regulation. Jose is actively working towards obtaining his Chemical Application License/ Certificate.

E. **Other Matters:**

GM McGowan noted that there was nothing else to report for September.

UPDATE FROM DISTRICT ENGINEER

A. East Side Conveyance Phase 1 SJRIP Well Pumping:

Engineer Chris Linneman presented the board reported that Panoche Water District had expressed interest in the potential of conveying well water from the SJRIP into PWD as a supplemental water supply. Over the last several months, he, GBA General Manager Palmer McCoy, GM Patrick McGowan, and Ken Schmidt have met to discuss and formulate a plan for the well project. Engineer Linneman provided a well project phase outline to the board that provided two basic alternative methods to provide and treat the water. The first would extend and utilize the existing well pipeline within the SJRIP and the second would install a new two and a half mile pipeline. The board requested a more in-depth report once the work comes in from Ken Schmidt.

B. Contour Canal Lining Project:

Engineer Chris Linneman provided the board with a budget projection summary for the contour canal lining project that McElvaney, Inc., was awarded the contract to. The project is funded through a USBR WaterSMART grant that will fund 49% of the project costs. To date, PWD has spent 8% of its 51% match obligation. Mr. Linneman also noted that based on project expenditures and estimated future costs, the District is below budget by approximately 15% and should result in a savings to the District of approximately two hundred and ninety thousand dollars.

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 September 9th, 2025, and answered any questions that the Board had. GM McGowan also noted that a meeting is scheduled on the 16th to go over the finalizing the preliminary engineering report.

GENERAL MANAGER'S REPORT

GM McGowan gave the following manager update for the month of August

- A. SGMA:** GM McGowan reported that there are growing concerns from some of DWR's senior staff regarding subsidence on the San Luis Canal now. Panoche, San Luis Water District, and Pacheco are in communication with the coordination committee on continued outreach to the California Aqueduct Subsidence Program team. McGowan reported that CDMGSA AD HOC committee held a meeting to discuss the potential cost savings for implementation of a well registration platform or software through a third-party consultant. Additionally, the committee had conversations on implementing a volumetric pumping fee starting with this next water year.
- B. Domestic Water Treatment Plant PER Update:** GM McGowan attended a monthly reoccurring meeting with the Department of Water Resources (DWR) to discuss progress in moving forward. A meeting is scheduled with Black Water Engineering and Westside Water Conditioning for October 16th, to discuss finalization of the Preliminary Engineering Report. Once the PER is complete Black Water Engineering will move forward in assisting the District with developing a funding application to solicit potential grant funding. The goal is to have the project be 100% funded.
- C. Water Supply, Storage, and Conveyance Discussions:** GM McGowan reported that he's had continued conversations with a water banking district to discuss potential storage opportunities.
- D. SLDMWA – Upper DMC Subsidence Correction Project:** GM McGowan discussed the attached memo that he had prepared highlighting the four tasks associated with the project and the various options presented to fund them. Currently the proposed options are under review and will be discussed further in the next Planning Committee meeting scheduled for November.
- E. ACWA Fall Conference:** GM McGowan presented the board with the Fall Conference newsletter letting the board know that he has signed up and plans attending. GM McGowan

expressed to the board that if anyone has any interest in attending to please let office staff know.

- F. **Other:** GM McGowan reported that the District has found a good candidate that was offered the position of the groundskeeper/office maintenance position listed and will go through the onboarding process.

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

No other items.

At approximately 11:34 am, President Barcellos announced that the Water District meeting would be taking a five-minute break.

At approximately 11:39 am, President Barcellos announced that the Water District meeting would resume.

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

At 11:43 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 12:04 pm, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

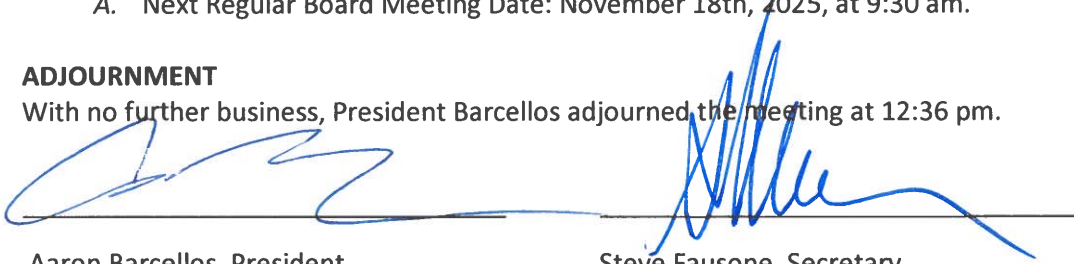
At 12:18 pm, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:35 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

FUTURE MEETING DATES

- A. Next Regular Board Meeting Date: November 18th, 2025, at 9:30 am.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 12:36 pm.



Aaron Barcellos, President

Steve Fausone, Secretary