

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
June 9, 2026**

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

Directors:	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 Phil Williams, Legal Counsel

CALL TO ORDER

Chair Pro Tempore Correia called the meeting to order at 9:45 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 MAY 12, 2026, REGULAR BOARD MEETING MINUTES

Upon a motion by Director Callis and seconded by Secretary Fausone, the Board approved May 12, 2026, regular board meeting minutes as presented.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF ACCOUNTS RECEIVABLE DETERMINED UNCOLLECTIBLE

After discussion by the Board and upon a motion by Secretary Fausone and seconded by Director Western, the Board approved the accounts receivable as presented to be deemed uncollectible.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF THE USBR'S WINN ACT/SJRRP OVERPAYMENT

General Manager Patrick McGowan reported that the District had received some correspondence on Panoche Water District's (PWD) USBR WINN Act/SJRRP pending credit. Mr. Sabir /Ahmad, the Division Manager of the Department of Interior Financial Management, had let PWD know that it does not have an existing O&M Deficit owed to the USBR. As a result, the USBR is requesting a written response by the end of June 30th on PWD's decision to amortize the pending credit over a period of four years.

After discussion by the Board and upon a motion by Director Callis and seconded by Secretary Fausone, the General Manager was given the direction to submit a written response to the USBR.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF THE PROPOSED GROUNDWATER CONVEYANCE LICENSE AGREEMENT

General Manager Patrick McGowan presented the Board with a draft Groundwater Conveyance License Agreement for Water Year 2026. GM McGowan noted that the last amended date had been May 24, 2023.

After discussion by the Board and upon a motion by Director Callis and seconded by Director Western, the Board approved the proposed Groundwater Conveyance License Agreement.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVAL OF RESOLUTION # 859-26 STATE WATER RESOURCES CONTROL BOARD EXPEDITED DRINKING WATER GRANT FUNDING PROGRAM PROJECT PROPOSAL AUTHORIZATION

General Manager Patrick McGowan reported to the Board that following the submittal of the District's Engineering Report, the State Water Resources Control Board Division of Financial Assistance contacted the District to encourage participation in the Expedited Drinking Water Grant Program. The program is intended to accelerate funding for critical drinking water infrastructure projects by streamlining application and review processes. GM McGowan noted that Black Water Consulting Engineers had hired a new manager to handle this project. Approving Resolution #859-26 would allow the General Manager, or designee to file a Financial Assistance Application for the planning, design, and construction of the Panoche Water Treatment Plant Replacement.

After discussion by the board and upon a motion by Director Callis and seconded by Secretary Fausone, the board approved Resolution # 859-26 authorizing the General Manager, or designee to move forward with the application for the Expedited Drinking Water Grant Funding Program Project.
The vote on the motion was as follows:

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

DIVISION REPORTS

A. Water Master Sandra Reyes gave the Water Supply Update as of June 1, 2026:

San Luis Reservoir Total Storage:	<u>1,502,980 AF</u>
San Luis Reservoir Federal Storage:	<u>727,147 AF</u>
San Luis Reservoir % of Total Capacity	<u>74%</u> (100% = 2,041,000 AF)
San Luis Reservoir Federal % Share	<u>49%</u>

Average 1,409,457 AF – As of Jun 1 – Overall at 107% of average

Panoche Update as of June 1, 2026:

USBR 2026 Water Balance:	<u>23,588 AF</u> (20%)
USBR Resch. Water Balance	<u>0 AF</u>
May, 2026 Grower Deliveries:	<u>7,875 AF</u>
Total Deliveries to date (Mar-May):	<u>15,507 AF</u>

The water figures do not include the Drought Pool of 2,262 AF.

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

- The April O&M billings, Interest billings, and M&I Water billings were completed and mailed out.
- May's Water Usage, Interest, and M&I Billings will go out on 6/15/2026.
- Colored and will report May'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 May.

- 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 May 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
- Verified USBR BORWORKS Delivery & Charges Reports for the DMC/SLC for Apr.
- 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).
- Updated the Supp'l Water Scenario spreadsheet for the board meeting.
- Updated the Water Forecast Scenario as of June 1st for the board meeting.
- Got online and completed the DWR Agricultural Aggregated Farm-Gate Delivery Reports for both 2024 and 2025 for PWD and 2025 for MSWD.
- Verified the USBR's WINN Act Overpayments as specified on letter received.
- Will be billing the 1st Installment of the WY26-27 Land O&M Assessment this month \$ 5.62/AC.
- Will also be billing the WY26-27 Groundwater Management Assessment of \$.93/AC.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for May for WY 26-27, a graph of the current reservoir conditions, as well as graphs specific to the San Luis Reservoir, a Supplemental Water Scenario spreadsheet, and a USBR water grower delivery spreadsheet for USBR FY 2023-2024.

Water Resources Manager Juan Cadena presented the board with a total water delivery graph for the month of May, as well as water quality graphs for the District.

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

- General Maintenance.
- Staff installed new trash rack screens for turnout # 204A (Lateral 2).
- Staff made repairs to weir structure for turnout # 52 (50 gate).
- Staff installed 2 extension boxes for turnout #48 (Lateral 1).
- Contour Canal Project – Trash racks were delivered and installed. Just waiting for wintertime to install gates, once we can dewater the canal.
- Weed Control – Staff sprayed Lateral 1, Lateral 5, and 11-E ditch. Staff also did canal treatments on the PWD main canal, Lateral 2, and Lateral 3.
- Water Treatment Plant – No Activity to report.
- Pacheco WD – Staff sprayed Lateral 3 and Lateral 6 canals. Staff also did canal treatment on the Main Lift Station and Lateral 6.
- GBA - No Activity to report.
- 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 May:

- 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 May.
- Trained staff on Alcohol and Drug Free Workplace Policy.
- Submitted Final Ethics and Compliance Report for the 2025 year.

Risk Management:

- Safety Compliance Company conducted safety training on Teamwork (all Staff), Chemical Safety and Electrical Safety (O&M Staff).
- PWD Annual Risk Assessment ACWA – Report received and attached. Good report; Experience Modification (e-mod) for Worker's Comp Program is 1.23; E-mod for Liability Program 0.94. Will plan on submitting for JPIA Risk Control Grant of \$ 10,000 opening 10/1/26-12/1/26.
- PDD Annual Risk Assessment ACWA – Report received and attached. Also a good report; E-mod for liability program 0.97.

Contract Administration:

- Contour Canal – Matthew Stonebridge correspondence has begun last week to draw Funds.
- Forefront – No current updates; awaiting PTO from PG&E for office lot.

- 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 May:**

Workers' Compensation Update: No Changes

Currently there are two 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.
- One claim was filed for May.

Employee Anniversaries:

- Mike Gonzalez: 12 years. Mike was hired on May 1, 2014.
- Ralph Marquez: 42 years. Mr. Ralph was hired on May 9, 1984.
- Chris Carlucci: 13 years. Chris was hired on May 13, 2013.
- Anthony Zavala Sr.: 19 years. Anthony was hired on May 23, 2007.

- E. **Other Matters:**

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

BOARD TO RECEIVE UPDATES ON CROP REPORT/MAP AND WATER BUDGET

Water Resources Manager Juan Cadena reported that he and Engineer Chris Linneman are waiting on some information from growers and would have the map updated for next month's meeting.

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 May 12th, 2026, and answered any questions that the Board had.

GENERAL MANAGER'S REPORT

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

A. SGMA:

I. Central Delta-Mendota GSA:

GM McGowan reported that the CDMGSA meeting held in May showed expenditures being below budget and discussion focused on the cost allocation for the model calibration. Exhibit B was approved for model calibration only with all other costs remaining on the 1/7th split. Work is progressing as well on all wells throughout the group being registered.

II. Delta Mendota JPA:

GM McGowan reported that the USBR has discontinued DMC subsidence monitoring benchmarks and at the last meeting held they reviewed subsidence graphs and overdraft numbers.

- B. Domestic Water Treatment Plant PER Update:** GM McGowan noted that this had been touched upon earlier in the meeting.
- C. USBR Contour Canal Reimbursement:** GM McGowan noted that this had also been discussed earlier and upon review from District Engineer Project Manager Chris Linneman the drawdown request will be submitted to USBR.
- D. Brackish Well Water Recovery Program:** GM McGowan reported that PWD is currently bringing in 8 cfs and is working on ways to increase the amount of water coming in.
- E. Forefront Power Update:** GM McGowan reported that this would be discussed in Closed Session.
- F. Water Supply, Storage, and Conveyance Discussions:** GM McGowan reported that PWD is maximizing the delivery of our water supply and transfers in the most efficient and economical way possible.

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

No other items.

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

At 11:33 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 11:34 am, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHE WATER DISTRICT CLOSED SESSION:

At 11:40 am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:19 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

FUTURE MEETING DATES

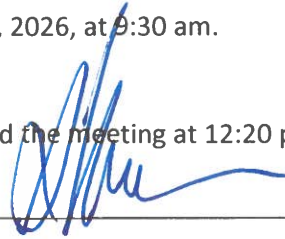
- A. Next Regular Board Meeting Date: July 14th, 2026, at 9:30 am.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 12:20 pm.



Aaron Barcellos, President



Steve Fausone, Secretary