PANOCHE WATER DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
October 13, 2026

A regular meeting of the Board of Directors was held on October 13th, 2026, starting at 9:30 am. Those present at the meeting were:

Directors:	Aaron Barcellos, 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:	Ajay Chopra, USC Farms, LLC	
	Jeff Bryant, Firebaugh Canal Water District	
	Mr. Makram (Mark) Hanna, Landowner	
	Maureen Hanna, Landowner	
	Lauren Lane, Legal Counsel for Almendra Properties	(Arrived 10:13 am)
	Palmer McCoy, Grassland Basin Authority	
	Michelle Paul, California Farm Water Coalition	
	Phil Williams, Legal Counsel	
	Edward Macha, Decorum Wealth Management	
	Andres Curiel IV, Decorum Wealth Management	

CALL TO ORDER
President Barcellos called the meeting to order at 9:41 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

CALIFORNIA FARM WATER COALITION NEW EXECUTIVE DIRECTOR, MICHELLE PAUL MEET AND GREET WITH BOARD DIRECTORS
General Manager Patrick McGowan introduced the new Executive Director Michelle Paul to the Board. Ms. Paul explained that she had been hired by the California Farm Water Coalition (CFWC) and assumed the position formerly held by Mike Wade. Ms. Paul provided an overview of CFWC's strategic plan and discussed the organization's current priorities and outreach efforts.

BOARD TO RECEIVE PROPOSAL OUTLINING INVESTMENT STRATEGIES FROM DECORUM WEALTH MANAGEMENT

General Manager Patrick McGowan reported that staff had completed it's review of the District's cash and investment balances, reserve reports, historical cash levels, current obligations, receivables, and operating cycle to determine an appropriate initial amount available for investment without compromising PWD's ability to meet water costs, payroll, operations, capital obligations, and unexpected expenditures. Decorum Wealth Management also explained that the money has been transferred and placed into a short-term U.S. Treasury investment collecting interest and fully backed by FDIC. A Ladder Report was prepared for Panoche Water District (PWD) showing Candidates Details based on the maturity of the investment.

BOARD TO REVIEW AND CONSIDER SURFACE WATER PRIORITIZATION POLICY AND MISCELLANEOUS FEE SCHEDULE

General Manager Patrick McGowan presented the board with a proposed Surface Water Prioritization Policy for implementation, as well as a fee schedule beginning in the 2027-2028 water year. The policy and schedule are intended to support PWD's groundwater sustainability obligations by requiring agricultural water users to prioritize District surface water before relying on groundwater. The intent is not to prohibit groundwater use, but to prevent groundwater from being used in place of reasonably available District surface water. Compliance would be verified through District delivery records, well registration and metering information, and other records as necessary.

After discussion by the Board, it was decided that this Agenda Item would be discussed further in Closed Session and brought back in November's meeting for further discussion.

BOARD TO REVIEW AND CONSIDER APPROVING SEPTEMBER 8, 2026, REGULAR BOARD MEETING MINUTES

Upon a motion by Director Callis and seconded by Secretary Fausone, the Board approved the September 8, 2026, regular board meeting minutes as presented.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING THE DISTRICT'S REVISED AND UPDATED EMERGENCY ACTION AND EVACUATION PLAN

Contracts Administrator Josh Marquez reported that PWD's Emergency Action and Evacuation Plan had originally been adopted in 2023. Mr. Marquez explained that the Emergency Action and Evacuation Plan had been updated to include the two automated external defibrillators (AED).

After discussion by the Board and upon a motion by Director Callis and seconded by Director Western, the Board approved the District's revised and updated Emergency Action and Evacuation Plan as presented.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING ALMENDRA'S REQUEST TO TRANSFER WATER TO SAN LUIS WATER DISTRICT

General Manager Patrick McGowan and Water Master Sandra Reyes explained that they had received a request from Almendra Properties office asking to transfer a portion of his 2026-2027 Central Valley

Project water from his account in Panoche Water District to his account in San Luis Water District. GM McGowan explained that the transfer poses no detriment to the District.
After discussion by the Board and upon a motion by Director Callis and seconded by Director Western, the Board approved Almendra's request to transfer water to San Luis WD.
The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER ENTERING INTO A MASTER SERVICES AND MUTUAL NONDISCLOSURE AGREEMENT WITH FOREFRONT POWER

General Manager Patrick McGowan reported that Forefront Power and PWD have agreed that the most efficient process would be for PWD to provide vegetation-management services associated with the solar site facilities. The proposed arrangement would allow District staff to perform mowing, herbicide spraying, and general weed-abatement work so that vegetation is controlled appropriately and on a timely schedule.
After discussion by the Board and upon a motion by Director Western and seconded by Secretary Fausone, the Board approved entering into a master services and mutual nondisclosure agreement with Forefront Power.
The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER PROPOSED BOARD GOVERNANCE EXPECTATIONS

General Manager Patrick McGowan presented the Board with a draft of Panoche Water District's Governance Expectations and Standards. GM McGowan explained that the document is meant to establish a clear and consistent understanding of the expectations associated with service on the PWD Board of Directors. The Governance Expectations and Standards are also intended to serve as a practical reference for current Directors and as an orientation document for newly elected, or appointed Directors. After discussion by the Board, it was decided that the Governance Expectations and Standards would be brought before the Board in November's meeting for continued review and possible approval.

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

DIVISION REPORTS

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

San Luis Reservoir Total Storage:	1,468,506 AF
San Luis Reservoir Federal Storage:	487,373 AF
San Luis Reservoir % of Total Capacity	72% (100% = 2,041,000 AF)
San Luis Reservoir Federal % Share	34%

Average 870,015 AF – As of Oct 1 – Overall at 169% of average

Panoche Update as of October 1, 2026:

USBR 2026 Water Balance:	17,638 AF	(28%)
USBR Resch. Water Balance	0 AF	
September, 2026 Grower Deliveries:	3,355 AF	
Total Deliveries to date (Mar-Sept):	47,269 AF	(Includes Transfers Out)

The water figures do not include the Drought Pool of 2,202 AF, or the banked water of 1,500 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 10/15/2026.
- Worked with CCID/FCWD to color SJRECWA transfers, colored all other water, and will report September's Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR/DWR.
- Finalized the Water Payment Summaries for the DMC & SLC to the USBR & SLDMWA for September and coded them for AP to process for payment.
- Finalized the PDD and PWD Board Meeting Minutes for last month's meetings. (MSWD's too)
- Reconciled all the bank statements and Fresno County Fund for the month of September and posted any interest in the GL for all Districts / Scanned them all onto the server.
- 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 August.
- 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 Water Forecast spreadsheet as of 10/1/26 for the board meeting.
- Allocated all transfer in water and well water pumped to grower's accounts prior to billing.
- Kept updating a "No Delivery Water List" for the canalmen letting them know who is low on water, or no longer has water to accept water orders / Working with the growers on the list to bring them to current / Also notes delinquencies, if any.
- Processed three water transfers among the different districts and coordinated delivery and approval with the participating Districts and the USBR/SLDMWA.
- Worked with other Districts and water users to coordinate inter-District transfers.
- Billed out additional Supp'l Water sold (103.65 AF) (Total of $ 51,825)
- Updated the Supplemental Water Pool spreadsheet for the board meeting as of 10/1/2026
- Will bill out the PDD 2nd Installment Drainage Service Fee in October ($ 18.49/AC)
- Starting a project of processing an individualized grower water reconciliation showing allocations, rescheduling, usage to date, and estimated usage to 2/28/27 to send out.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for September for WY 26-27, a graph of the current reservoir conditions, as well as graphs specific to the San Luis Reservoir, and a Water Forecast as of 10/1/26 spreadsheet.
Water Resources Manager Juan Cadena presented the board with a total water delivery graph for the month of September, 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 September:**

- General Maintenance.
- Staff replaced pipeline at 500 W box. (Shields Ave)
- Staff made repairs to Old Station pipeline. (Pump #2)
- Staff installed a new turnout. (Lateral 1)
- Staff made a new weir for turnout #22.
- Contour Canal Project – Just waiting for wintertime to install gates, once we can dewater the canal.
- Weed Control – Staff sprayed PWD main canal and Contour canal. Canal treatments at Russell turnout and 11E ditch.
- Water Treatment Plant – Weekly site visits. (Mondays & Fridays)
- Pacheco WD – No Activity.
- GBA - No Activity.
- Preventative Pump Maintenance Plan. (work in progress)
- AgMonitor – Main Canal Pump station #1 is now active. We are now tracking Water Use Per (AC-AF) and Cost Per (AC-AF).
- Golden Mussel – I've done a 30-day study at PWD – CCID direct connect, DMC Main Canal station #1, DMC Canal T-Canal station T-1, and at the Aqueduct 10E-2 turnout. I have checked these locations once a week and have not found a high number of mussels at these locations. I am going to keep these traps up and keep monitoring them on a weekly basis.

Mr. Carlucci also presented a report from AgMonitor noting that he and Mr. Cadena had compared the report to the District deliveries.

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.
- Revised Emergency Action Plan to include AED's and certified employees; gave training on EAP.
- Attended Ethico Training regarding AI accountability, governance, oversight, and human responsibility.

Risk Management:

- Safety Compliance Company conducted safety training on Forklift, SDS, and Hazard Containment.
- Annual Fire Extinguisher training completed for all employees.
- Attended meeting with ACWA risk advisor Diego Casillas, result will be coordinating for trainings from ACWA; saving expected due to reduced need from SCC.

Contract Administration:

- Contour Canal – Semi-annual report due 10/31.
- Prop 84 – Worked on invoicing and submitted to DWR.

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 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.
- There were no new claims for September.

Employee Benefits:

Open Enrollment for 2027 will begin October 5, 2026, and end on November 6, 2026

- This is the annual period when eligible employees can review their current benefits and make changes to their coverage for the upcoming 2027 plan year.

Employee Anniversaries:

- Patrick McGowan: 3 years. Patrick was hired on September 5, 2023.
- Juan Cadena: 18 years. Juan was hired on September 22, 2008.
- Sandra Reyes: 26 years. Sandra was hired on September 27, 2000.
- Arnold Jorge: 40 years. Arnold was hired on September 29, 1986.

Mrs. Moses thanked the employees for their dedication, hard work, and continued commitment to the team.

E. **Other Matters:** GM McGowan noted that there were no other matters to discuss.

BOARD TO RECEIVE INFORMATION REGARDING THE PROPOSED ANNEXATION OF LANDS INTO FIREBAUGH CANAL WATER DISTRICT AND DETACHMENT FROM PANOCHE WATER DISTRICT

Firebaugh Canal Water District (FCWD) General Manager Jeff Bryant and Engineer Chris Linneman reported to the Board that FCWD is anticipating building a fourteen-acre reservoir and in order to hold FCWD water, the land has to be annexed into FCWD. The annexation pertains to 14 acres of APN # 006-160-021S along Nees Avenue. The District will not currently make any changes in Storm until LAFCO's approval has been received.

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

Water Resources Manager Juan Cadena presented the Board with an updated crop map highlighting the different crops grown throughout the District and acreage totals.

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 8th, 2026, and answered any questions that the Board had.

GENERAL MANAGER'S REPORT

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

A. SGMA:

I. **DMJPA Prop 4 SGMA Grant:**
GM McGowan reported Panoche Water District is evaluating the projects for potential state grant funding, including opportunities association with Proposition 4 SGMA implementation and watershed resilience programs. The projects are intended to address documented and emerging challenges associated with land subsidence, groundwater management, conveyance reliability, water quality, and protection of critical water infrastructure. Together these investments would support the District's efforts to reduce reliance on groundwater, maximize the beneficial use of available water supplies, and improve long-term resilience within the Delta-Mendota Subbasin.

II. **Delta Mendota Model Calibration Ad-Hoc Committee:**
GM McGowan reported that the meeting was held yesterday and discussions were held on model calibration, as well as moving forward with volumetric pumping.

B. **Domestic Water Treatment Plant Update:** GM McGowan reported that the State Water Resources Control Board's Division of Financial Assistance (DFA) has confirmed that PWD's Surface Water Treatment Plant project meets the grant/principal-forgiveness eligibility criteria under the 2026-2027 Drinking Water State Revolving Fund Intended Use Plan. A complete preliminary EDWG application has been submitted and DFA is currently completing its review. Black Water Consulting Engineers is preparing an updated amendment intended to carry the project through engineering design, construction, and commissioning, while also providing continued support for the EDWG funding application.

C. **Employee Evaluations:** GM McGowan reported that he would be conducting the employee evaluations this next month.

D. **Solar Project Update:** GM McGowan reported that the office solar site has reached PTO and noted that the service agreement between Forefront Power and PWD had already been discussed earlier. The Linneman Project is moving along on schedule.

E. **Healthy Rivers & Landscapes Program / Voluntary Agreements:** GM McGowan reported that the Healthy Rivers & Landscape Program, formerly referred to as the Voluntary Agreements was developed as an alternative approach for updating the Bay-Delta Water Quality Control Plan. The State Water Resources Control Board released its final draft Bay-Delta Plan on August 19th, 2026. The State Water Board is scheduled to consider adoption on October 28-29, 2026.

F. **Fresno County Fire Protection District:** GM McGowan reported that the District has submitted a letter to the Fresno County Fire Protection District requesting a temporary deferral to implement a site fire suppression system at the District's facility. PWD's goal is to incorporate the necessary fire suppression improvements as part of the new Domestic Water Treatment Plant design. In doing so, the combined project may allow the District to utilize state grant funding to offset a portion of these costs.
solar sites.

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 11:37 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 11:44 am, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHE WATER DISTRICT CLOSED SESSION:
At 11:51 am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:20 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

FUTURE MEETING DATES

A. Next Regular Board Meeting Date: November 10th, 2026, at 9:30 am.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 12:21 pm

Aaron Barcellos, President

Steve Fausone, Secretary