

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
September 8, 2026**

A regular meeting of the Board of Directors was held on September 8th, 2026, 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: Ajay Chopra, USC Farms, LLC
Palmer McCoy, Grassland Basin Authority
Darryl Smith, Bryant L. Jolley, CPA
Phil Williams, Legal Counsel
Ronald Ewing, Decorum Wealth Management
Edward Macha, Decorum Wealth Management
Andres Curiel IV, Decorum Wealth Management

CALL TO ORDER

President Barcellos called the meeting to order at 9:26 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 AUGUST 11, 2026, REGULAR BOARD MEETING MINUTES

Upon a motion by Director Callis and seconded by Director Western, the Board approved the August 11, 2026, regular board meeting minutes as presented.

The vote on the motion was as follows:

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

Absent: None
Abstain: None

REVIEW OF DISTRICT INVESTMENT POLICY AND CONSIDERATION OF AN AGREEMENT WITH DECORUM WEALTH MANAGEMENT FOR INVESTMENT MANAGEMENT SERVICES

General Manager Patrick McGowan reported that at the August 11, 2026, board meeting, the board reviewed the District's Investment Policy and discussed opportunities to increase earnings and maximize the efficiency of the District's cash management system. Consistent with the Board's direction, staff requested information from Decorum Wealth Management (Decorum), who is a Merced based financial management firm currently working with other irrigation and water districts providing financial planning, investment management, along with other related advisory services. Mr. Ronald Ewing and his partners, Mr. Edward Macha, and Mr. Andres Curiel presented to the board an overview of Decorum and the services they provide.

After discussion by the Board and upon a motion by Vice-President Correia and seconded by Director Callis, the Board approved authorizing the General Manager to move forward with providing financial information to Decorum Wealth Management.

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 DELDON'S REQUEST TO TRANSFER WATER TO PACHECO WD

General Manager Patrick McGowan and Water Master Sandra Reyes explained that they had received a request from Lee DelDon's 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 Pacheco Water District.

After discussion by the Board and upon a motion by Vice-President Correia and seconded by Director Western, the Board approved DelDon's request to transfer water to Pacheco WD.

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 BETHEL'S REQUEST TO TRANSFER WATER TO PACHECO WD

General Manager Patrick McGowan and Water Master Sandra Reyes explained that they had received a request from Lance LeVake representing Kenneth Bethel 2015 Trust asking to transfer a portion of this 2026-2027 Central Valley Project water from his account in Panoche Water District to his account in Pacheco Water District.

After discussion by the Board and upon a motion by Vice-President Correia and seconded by Director Western, the Board approved Bethel's request to transfer water to Pacheco WD.

The vote on the motion was as follows:

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

REVIEW AND CONSIDER APPROVAL OF DRAFT CONSERVED WATER TRANSFER AGREEMENT WITH TRIANGLE T WATER DISTRICT

General Manager Patrick McGowan reported that Panoche Water District has surplus water that it has purchased from the San Joaquin River Exchange Contractors Water Authority (SJRECWA) through the San Luis & Delta-Mendota Water Authority (SLDMWA) for calendar year 2026. Triangle T is seeking transfer water for agricultural use and a water transfer would fall under the existing environmental framework already in place. GM McGowan presented the Board with the proposed 2026 Water Transfer Agreement between Panoche WD and Triangle T and answered any related questions.

After discussion by the Board and upon a motion by Director Callis and seconded by Secretary Fausone, the Board approved the water transfer agreement for 1,953 AF with Triangle T and authorized the General Manager to finalize and execute the proposed agreement.

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 APPROVAL OF DRAFT EAST SIDE WATER TRANSFER AGREEMENT WITH TRIANGLE T WATER DISTRICT

General Manager Patrick McGowan reported that Panoche Water District currently receives conserved water through an existing water transfer and exchange agreement between East Side Canal Company, San Luis Canal Company, and Panoche Water District. Staff has been coordinating a proposed transaction with Triangle T Water District under which Panoche Water District would transfer 800 AF of water for their agricultural use and this water transfer would also fall under existing environmental framework already in place. GM McGowan presented the Board with the proposed 2026 Water Transfer Agreement between Panoche WD and Triangle T and answered any related questions.

After discussion by the Board and upon a motion by Director Western and seconded by Vice-President Correia, the Board approved the water transfer agreement for 800 AF with Triangle T and authorized the General Manager to finalize and execute the proposed agreement.

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 ADOPTION OF RESOLUTION # 862-26 CERTIFYING A NO-CONTEST IN THE 2026 GENERAL ELECTION AND REQUESTING THE FRESNO COUNTY BOARD OF SUPERVISORS TO APPOINT THOSE CANDIDATES WHO FILED DECLARATIONS OF CANDIDACY

General Manager Patrick McGowan reported that there were two positions on the Board of Directors set to expire in 2026 and the only two candidates to file declarations of candidacy were incumbent members of the Board of Directors. GM McGowan noted that Panoche Water District is requesting that the Fresno County Board of Supervisors appoint those two candidates who had filed their declaration of candidacy forms – Mr. Neill Callis and Mr. Steve Fausone.

After discussion by the Board and upon a motion by Vice-President Correia and seconded by Director Western, the Board adopted Resolution # 862-26 certifying a no-contest election and appointing the two candidates who filed their forms as presented.

The vote on the motion was as follows:

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

REVIEW AND CONSIDER APPROVAL OF AMENDED LINNEMAN SOLAR PROJECT LEASE AGREEMENT

General Manager Patrick McGowan reported that the principal purpose of the replacement documents is to correct the legal ownership/lessor parties on the original March 1, 2023, lease, while continuing the lease of approximately six acres needed for construction, operation, and maintenance of the District's solar project. GM McGowan also noted that the replacement lease is effective as of March 1, 2023, notwithstanding its 2026 execution.

After discussion by the Board and upon a motion by Director Western and seconded by Vice-President Correia, the Board approved the Amended Linneman Solar Project Lease Agreement and the related Memorandum of Lease Agreement as presented.

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

DIVISION REPORTS

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

San Luis Reservoir Total Storage:	<u>1,287,386 AF</u>
San Luis Reservoir Federal Storage:	<u>428,772 AF</u>
San Luis Reservoir % of Total Capacity	<u>63%</u> (100% = 2,041,000 AF)
San Luis Reservoir Federal % Share	<u>34%</u>

Average 781,740 AF – As of Sep 1 – Overall at 165% of average

Panoche Update as of September 1, 2026:

USBR 2026 Water Balance:	<u>19,125 AF</u> (28%)
USBR Resch. Water Balance	<u>0 AF</u>
August, 2026 Grower Deliveries:	<u>6,036 AF</u>
Total Deliveries to date (Mar-Aug):	<u>42,522 AF</u>

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 August:

- The July O&M billings, Interest billings, and M&I Water billings were completed and mailed out.

- August's Water Usage, Interest, and M&I Billings will go out on 9/15/2026.
- Worked with CCID/FCWD to color SJRECWA transfers, colored all other water, and will report August'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 August.
- Finalized the PDD and PWD Board Meeting Minutes for last month's meetings. (CDD's too)
- Reconciled all the bank statements and Fresno County Fund for the month of August 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 July.
- 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 9/1/26 for the board meeting.
- Allocated all transfer in water and well water pumped to grower's accounts prior to billing.
- Kept updated 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 a water transfer for Gargiulo to Westlands WD & coordinated it with Jose Rangel and the USBR.
- Attended a zoom meeting with Patrick and Phil to discuss the M&I Water Applications.
- Scanned some requested information over to the PWD auditors.
- E-mailed the growers about the add'l 3% USBR allocations and updated the grower's books in Storm to show the add'l allocation.
- Finalized the USBR spreadsheet showing rescheduling allotments / Water Usage estimated to 2/28/2027.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for August 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 9/1/26 spreadsheet. Water Resources Manager Juan Cadena reported that staff is currently working with Fresno County reviewing a list of APN's and once the review has been completed, any outstanding refunds will be processed accordingly. Mr. Cadena also presented the board with a total water delivery graph for the month of August, 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 August:

- General Maintenance.
- Staff repaired the head gate at 509 box. (Shields Ave)
- Staff made repairs to Old Station pipeline. (Pump #1)
- Staff made repairs to turnout # 48 box. (Lateral 1)
- Staff made repairs to Raw water line backflow and meter piping. (Bennett Rd)
- Contour Canal Project – Just waiting for wintertime to install gates, once we can dewater the canal.

- Weed Control – Staff sprayed PWD main canal, T-Canal, Lateral 2, and Russell lift. Canal treatments at T-Canal and Russell lift.
- Water Treatment Plant – Weekly site visits. (Mondays & Fridays)
- Pacheco WD – No Activity.
- GBA - No Activity.
- Preventative Pump Maintenance Plan. (work in progress)
- AgMonitor –

Mr. Carlucci reported to the board that the last two summers there have been issues with Station 2 with the electrical panels. PG&E has come out and inspected Station 2 and found that the main breaker needs to be replaced and the pump station needs to be re-done. Failure to do so could result in a danger of electrocution. Mr. Carlucci has acquired a quote that would involve switch gear, new wiring, new boxes, and new soft starts.

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

- 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 August.
- Updated Emergency Action Plan to include AED's and will train.
- Attended Ethico Training.

Risk Management:

- Safety Compliance Company conducted safety training on In Case of Serious Injury.

Contract Administration:

- Contour Canal – Semi-annual report due 10/1.
- PWD – Uncontested election.
- PDD – Uncontested election.
- Prop 84 – Budget update with Engineer Chris Linneman and monthly meetings scheduled to begin with DWR for the 16th.

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 August:**

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 August.

Training:

- Mrs. Diana Moses attended the 2026 Regional HR Group Training, which covered several key human resources topics and discussions, including **Workmen's Compensation and Employment Practices, Resolving Performance Issues, and Leaves of Absence**. The training featured presentations and insights from representatives of **ACWA-JPIA, LCW Legal, and Regional Government Services**. The sessions provided valuable information and practical guidance on addressing workplace and employment -related matters, managing employee performance issues, and effectively handling leave of absence processes.

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

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. Mr. Cadena noted that acreage totals would be the last item added.

BOARD TO RECEIVE AN UPDATE ON CONTOUR CANAL BUDGET-RELATED QUESTIONS

General Manager Patrick McGowan noted that some discussion had already taken place, but further follow-up would be discussed in Closed Session.

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 August 11th, 2026, and answered any questions that the Board had.

GENERAL MANAGER’S REPORT

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

A. SGMA:

I. GSP Public Comments:

GM McGowan reported public comments have been received during the comment period for the Amended Groundwater Sustainability Plan (GSP). The GSP is currently being reviewed and GM McGowan noted that staff will continue to monitor the review process and advocate for measures that protect critical infrastructure while remaining technically supported, locally targeted, and operationally workable for the District.

II. Groundwater Level Exceedances:

GM McGowan reported that the District has consistently taken a proactive and aggressive approach toward groundwater management, with the objective of addressing overdraft, protecting groundwater conditions, and maintaining groundwater levels consistent with our GSP 2015 baseline conditions. The District is taking monthly readings. GM McGowan noted that at the CDMGSA meeting discussions centered on setting fees for not having wells registered and moving forward with volumetric pumping.

- B. Domestic Water Treatment Plant PER Update:** GM McGowan presented the Board with an Action Checklist that Black Water Engineering Group is working on noting that the funding application will take twelve to eighteen months to complete.

- C. YUBA Water:** GM McGowan reported that additional YUBA water is available. This non-project water can be carried over into the subsequent water year. The board agreed to take an additional 1,000 acre-feet.

- D. Water Supply, Storage, and Conveyance Discussions:** GM McGowan reported that the District does still have water in storage and will try to send more this year, if possible.

- E. Fresno County:** GM McGowan reported that the District is currently working with Black Water Engineering Group on incorporating the “fire suppression system” into our Domestic Water Grant that we have requested an extension on.

- F. Forefront Solar:** GM McGowan reported that PTO has been requested. Construction beginning on the Linneman Solar Project on 9/14/26. GM McGowan also noted that Mr. Carlucci submitted a proposal to Forefront having the District address the weed control at the solar sites.

At approximately 11:14 am, President Barcellos announced that the Water District would be taking a short break.

At approximately 11:19 am, President Barcellos announced that the Water District meeting would resume picking up on Agenda Item 19.

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

No other items.

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

At 11:59 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 12:01 am, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

At 11:20 am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 11:58 am, Mr. Williams reported that no reportable actions were taken in Closed session.

FUTURE MEETING DATES

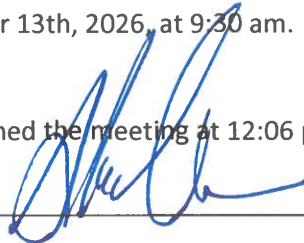
A. Next Regular Board Meeting Date: October 13th, 2026, at 9:30 am.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 12:06 pm



Aaron Barcellos, President



Steve Fausone, Secretary