

**PANOCHÉ WATER DISTRICT MEETING MINUTES  
ADJOURNED REGULAR MEETING OF THE BOARD OF DIRECTORS  
MAY 17, 2023**

An adjourned meeting of the Board of Directors was held on May 17, 2023, 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: Marlene Brazil  
Chris Carlucci  
Lorena Chagoya  
Sandra Reyes

Others: Mitch Coit, Coit Farming  
Michael Gardner, Water & Land Solutions, LLC  
Chase Hurley, Interim General Manager  
Phil Williams, General Counsel  
Sam Zantzinger, Forefront Power (Via Phone)  
Palmer McCoy, Grassland Basin Authority  
Michael Linneman, Linneman Farms

**CALL TO ORDER**

President Barcellos called the meeting to order at 9:59 am.

**ROLL CALL**

A quorum of the Board of Directors was present.

**POTENTIAL CONFLICTS OF INTEREST**

President Barcellos, Vice President Correia and Interim General Manager Hurley will recuse themselves from Item 11 and step out of the board room.

**PUBLIC COMMENT**

There was no public comment.

**PANOCHÉ WATER & DRAINAGE DISTRICTS JOINT CLOSED SESSION: Conference with Legal Counsel.**

At 10:21am

**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 10:53am, President Barcellos reported that there were no reportable items.

**PANOCHÉ WATER DISTRICT CLOSED SESSION**

At 10:54am

**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

**C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Pursuant to Section 54956.8

Property: Land and Associated Infrastructure

Agency Negotiator: Chase Hurley, General Manager

Negotiating Parties: Panoche Water District, ForeFront

Under Negotiation: Price and Terms

**D. CONFERENCE REGARDING LABOR NEGOTIATIONS AND RECRUITMENT [GOV CODE §54950]**

Pursuant to Section 54957.6:

Agency Designated Representative: Che Johnson; Legal Counsel

Employee Organization: International Brotherhood of Electrical Workers Local 1245

Pursuant to Section 54957(b)(1):

The Board will confer regarding recruitment for the position of General Manager.

**REPORT FROM CLOSED SESSION**

At 11:14am, President Barcellos stated that there were no reportable actions.

**CONSENT CALENDAR**

Interim General Manager Hurley presented the Board with the Consent Calendar, which included DRAFT minutes from the April 18, 2023, regular meeting of the Board, the monthly financial statements for the period ending April 30, 2023, and the monthly credit card usage report.

On a motion by Director Callis and seconded by Director Fausone, the Board unanimously approved the Consent Calendar as presented by Mr. Hurley.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF AN AGREEMENT FOR PROFESSIONAL SERVICES WITH CHASE HURLEY OF WATER AND LAND SOLUTIONS, LLC. ACTING AS INTERIM GENERAL MANAGER**

On a motion by Director Callis and seconded by Director Western, the Board approved the agreement for professional services with Chase Hurley of Water and Land Solutions, LLC. acting as Interim General Manager.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVAL AND EXECUTION OF AN UPGRADE TO SCOPE AND/OR SCHEDULE CHANGE ACKNOWLEDGEMENT TO THE ENERGY SERVICES AGREEMENT -- SOLAR FOR THE OFFICE LOT, BETWEEN THE DISTRICT AND FFP BTM SOLAR, INC.**

On a motion by Director Callis, and seconded by Director Western, the Board unanimously approved the upgrades in scope and schedule to the Energy Services Agreement between Panoche Water District and FFP BTM Solar.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF RESOLUTION #837-23, FORMALIZING THE PROPOSITION 218 VOTING TABULATION THAT SUBSEQUENTLY IMPLEMENTED THE PANOCHE WATER DISTRICT LAND BASED ASSESSMENT RATE FOR OPERATIONS AND MAINTENANCE OF DISTRICT FACILITIES**

On a motion by Director Western and seconded by Director Callis, the Board unanimously approved Resolution #837-23 as presented by Mr. Williams.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF RESOLUTION #838-23, AGREEING ON A MULTI-YEAR POWER LETTER OF AGREEMENT WITH THE UNITED STATES BUREAU OF RECLAMATION PURSUANT TO SUBDIVISION (G) OF ARTICLE 3 OF THE THEN CURRENT WARREN ACT CONTRCT NO. 20-WC-20-5643**

On a motion by Director Correia and seconded by Director Fausone, the Board unanimously approved Resolution #838-23 as presented by Mr. Williams and Ms. Reyes.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF REVISIONS TO CERTAIN DISTRICT HEALTH AND SAFETY POLICIES:**

Ms. Chagoya presented the Board with various health and safety policies including a Lock-out, Tag-out Program and a Respiratory Protection Program. She explained that she will be holding off on the Drug & Alcohol Free Workplace policy and Substance Abuse Statement policy for the next meeting because she wanted to revise the two policies into one policy. Furthermore, she provided background to the board explaining that since June of 2017, the District has been contracting the California Safety Training Corporation (CSTC) to write and maintain the District’s Safety Program. The District has paid more than \$15,000.00 annually for a fixed 3-year contract agreement, including additional charges in events that CSTC provides safety trainings. The contract will expire on May 31, 2023 and the District will not be renewing the contract with CSTC. She explained that due to CSTC’s copy rights of the current written policies, she has begun to revise the policies within the Safety Program and which each approved policies, she stated that training for employees will follow. On a motion by Director Callis and seconded by Director Fausone, the Board unanimously approved the various health and safety policies as presented by Ms. Chagoya.

The vote on the matter was as follows:

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

**FINANCIAL REPORT**

- A. Accounts Payable
- B. FYE 2023 Budget-to-Actual Report;
- C. FYE 2024 Budget-to-Actual Report;
- D. Other financial matters affecting the District

Upon a motion by Director Callis and seconded by Director Western, the board unanimously approved the Financial report as presented by Ms. Brazil.

**THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE WATER RATE FOR THE 2023 USBR ADDITIONAL 73% CENTRAL VALLEY PROJECT ALLOCATION**

Ms. Reyes reviewed the current CVP water balance and what is left to allocate to growers based on receiving a 100% supply, yet only allocating 27% of that supply to date. She mentioned that the first allocation of water approved by the board earlier this year included supplemental supplies purchased through multi-year contracts and 27% of the WY2023 USBR allocation.

Based on current USBR rates, Ms. Reyes recommended that the remaining 73% CVP allocation could be allocated at a rate of \$81/Acre Foot. Ms. Reyes also noted that staff needs direction on purchasing an additional 1,000 acre feet of conserved water for this year from Firebaugh Canal Water District (FCWD).

Mr. Hurley stated that even though Panoche has a full CVP supply, they should continue to maintain a good business relationship with FCWD by purchasing the additional 1,000 acre feet. President Barcellos stated that he thought the continued relationship with FCWD will be beneficial the next time Panoche is in a drought water year.

Upon a motion by Director Callis and seconded by Director Fausone, the board unanimously approved a rate of \$81/Acre Foot for the additional 2023 CVP allocation along with approving the purchase of 1,000 Acre Feet from Firebaugh Canal Water District.

The vote on the matter was as follows:

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

**DIVISION REPORTS**

- A. Ms. Reyes updated the board on the current water balances for 2022 carryover supplies along with the 2023 USBR 100% allocation. She noted that the District will need to closely manage their current carryover water to try and use all of it prior to the sustained draw down of San Luis Reservoir. Mr. Hurley noted that the current estimated draw down date is June 1, 2023.
- B. Mr. Carlucci reported on Operations and Maintenance activities. He said for the month of April, the Maintenance crew fixed and repaired 2 air vents on Lateral #1; made new turnout boxes and catwalk for 204A (Lateral #2); repaired a blowout on 11E concrete ditch; made a new trash rack and catwalk for 10E-2 ditch; made new spill box for the end of lateral #2; repaired 24" head gate on turnout # 509; box scrape main canal; and sprayed weeds along Lateral 1, 2, 3 and Millux drain and Russell Turnout.

- C. In Mr. Cadena's absence, Mr. Hurley stated that the District continues to develop a treatment plant capital replacement project that is cheaper than the one originally submitted by Summers Engineering. This work is being done in conjunction with its consultant and Westside Water out of Los Banos. Staff will be meeting with the state regulating agency and the consultant on-site early this summer for a walk through of the existing system
- D. Ms. Chagoya reported on risk management activities for the month of April. She informed the Board that there no activities on the SpeakUp Hotline, no liabilities, worker's compensation claims nor COVID-19 cases. Furthermore, she indicated the District had one more Safety inspection with CSTC before the contract ends on May 31<sup>st</sup> and then as part of the transition of maintain the safety program within the District, various of safety policies will continue to be revised. She also report that she conducted a staff training on the District's revised Injury, Illness, Prevention Program and Heat Illness Program. She indicated that the upcoming trainings included the COVID-19 Procedures (CPP) and the annual Ethics & Compliance training. Lastly, she reported to the board that she had posted the General Manager's job posting to various websites and have received two additional eligible applications.

#### **GENERAL MANAGER'S REPORT**

- A. Sustainable Groundwater Management Act  
The Delta Mendota Subbasin is still working towards the goal of developing, and having the State Water Resources Control Board approve, one Groundwater Sustainability Plan (GSP). The SWRCB is still working on how to proceed moving forward with the six Subbasins that were deemed inadequate in March. It is not yet clear on what subbasins the SWRCB will focus on first as they make their way through the review process. The Delta Mendota Subbasin is also having to draft a Memorandum of Agreement that would replace the current Coordination agreement that the 23 GSAs are working under.
- B. Los Vaqueros Expansion Project  
Mr. Hurley will continue to work with the Los Vaqueros JPA and the San Luis and Delta Mendota Water Authority (SLDMWA) activity agreement members on the progress of the expansion agreement. Currently, Panoche is focused on the benefits of the new conveyance system, not additional storage, within the Project scope.
- C. B.F. Sisk Expansion Project: The SLDMWA members of the activity agreement met with the USBR yesterday to go through multiple aspects of an agreement that would lay out the operating procedures upon construction of the project. There are still a variety of large issues that need to be fleshed out as part of the operations agreement. There will continue to be meetings with USBR on this subject. Panoche will need to decide on if they want to continue to stay a part of this project by July 1, 2023. At that point in time, if Panoche wants to stay in the activity agreement, it will need to make a cash call of approximately \$130,000.
- D. Legislative Update: The SLDMWA continues to stay very active on Panoche's behalf in State and Federal legislation oversight. There are a multitude of State bills that focus on continued deterioration of California's agricultural water rights.
- E. ACWA Conference: Mr. Hurley stated that he met with Contra Cosa Water District, West Stanislaus Irrigation District, Westlands Water District, Semi-Tropic Water Storage District, and others on behalf of Panoche at the conference held in Monterey.
- F. Other Matters Affecting the District: Mr. Hurley and staff are continuing to work on reviewing quotes from professional IT support service agencies to replace the current vendor.

**REPORTS UNDER DISTRICT POLICIES**

- A. Emergency COVID-19 Pandemic Response Policy
- B. Report(s) on Brown Act Meetings & Conferences Attended at District Expense (may be written or oral and may be joint for multiple attendees)
- C. Board to Consider Update(s) or Approval(s) Required Under Any Other District Policies

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

There were no other reports.

**FUTURE MEETING DATES**

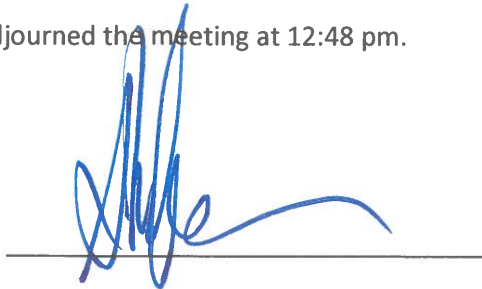
- A. Board to Consider Action to Set Special Meeting Date for review of GM applications. Mr. Hurley stated that Ms. Chagoya will work with the Directors on securing a special board meeting date and time for review of General Manager applications.
- B. Next Regular Meeting Date: June 13, 2023  
Director Callis stated that he will be unable to attend the next meeting on June 13, 2023.

**ADJOURNMENT**

With no further business, President Barcellos adjourned the meeting at 12:48 pm.



Aaron Barcellos, President



Steve Fausone, Secretary