

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
August 13, 2024**

A regular meeting of the Board of Directors was held on August 13, 2024, starting at 10:00 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, Maintenance Manager
 Josh Marquez, Contracts Administrator
 Sandra Reyes, Water Master

Others: Palmer McCoy, GBA
 Phil Williams, Legal Counsel
 Darryl Smith, Bryant L. Jolley

CALL TO ORDER

President Barcellos called the meeting to order at 9:56 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

Mr. McGowan noted that Darryl Smith was in attendance at the Panoche Water District Board meeting and would be giving an overview of the funds collected through Fresno County for Prop. 218 Bond

BOARD TO REVIEW AND DISCUSS THE PROP 218 BOND RECONCILIATION

Accountant Darryl Smith with Bryant L. Jolley's office addressed the Board on the Prop 218 Bond Reconciliation. Mr. Smith reported that a formal letter had been sent to the County addressing the Prop 218 account and the District received a to do list from the County. After discussion by the Board, it was decided to confer with our bond council to see if prepaying our bond off earlier would be the most advantageous for the District.

BOARD TO REVIEW AND CONSIDER APPROVING THE JULY 15, 2024, SPECIAL BOARD MEETING MINUTES

Upon a motion by Director Callis and seconded by Secretary Fausone, the board approved the July 15, 2024, special 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

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

BOARD TO REVIEW AND GIVE DIRECTION TO STAFF CONCERNING PANOCHÉ WATER DISTRICT DRAFT SOLAR POLICY

General Manager Patrick McGowan noted that this Agenda Item had already been discussed and addressed in the Panoche Drainage District board meeting. Upon a motion by Director Callis and seconded by Director Correia, the board approved the Panoche Water District Solar Policy with the revision to the discussed wording. 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 ADOPTING CONSOLIDATED PROCUREMENT POLICY

General Manager Patrick McGowan reported that staff had been working on the Panoche Water District (PWD) Procurement Policy and brought everything up to date. Noting that the last Procurement Policy approved by the District was in 1993. After discussion by the Board and upon a motion by Director Callis and seconded by Secretary Fausone, the board adopted the Consolidated Procurement Policy as presented. The vote on the motion was as follows:

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

BOARD TO REVIEW AND GIVE DIRECTION TO STAFF REGARDING THE SUBSIDENCE MITIGATION POLICY ALONG THE DELTA MENDOTA CANAL WITHIN THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT'S DELTA MENDOTA SUBBASIN

General Manager Patrick McGowan reported that he has been reaching out to growers to insure everyone is aware of the policy and regulations coming up. Mr. McGowan also stressed the importance of hosting a grower workshop.

BOARD TO REVIEW AND CONSIDER APPROVING MARV COIT FARMS REQUEST TO TRANSFER WATER TO WESTLANDS WATER DISTRICT

General Manager Patrick McGowan presented a request to the Board from Mitch Coit of Marv Coit Farms asking the Board for approval of a water transfer from PWD to Westlands Water District (WWD) in the amount of 300 AF. After discussion by the Board and upon a motion by Director Callis and seconded by Director Western, the board approved Marv Coit Farms request to transfer water to WWD. 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 August 1, 2024:

San Luis Reservoir Total Storage:	<u>870,528 AF</u>
San Luis Reservoir Federal Storage:	<u>499,285 AF</u>
San Luis Reservoir % of Total Capacity	<u>43% (100% = 2,041,000 AF)</u>
San Luis Reservoir Federal % Share	<u>57%</u>

Panoche Update as of August 1, 2024:

USBR 2024 Water Balance:	<u>39,244 AF</u>
USBR Resch. Water Balance	<u>0 AF</u>
July, 2024 Grower Deliveries:	<u>12,186 AF</u>
Total Deliveries to date (Mar-July):	<u>35,200 AF</u>

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

- The June O&M, Interest, and M&I billings were completed and mailed out mid-July.
- July’s Billings will go out on 8/15/24.
- Colored and reported July’s Water, M&I, and Transfer Usage for PWD for the DMC and SLC to SJRECWA/SLDMWA/USBR
- Need to allocate Grower transfer and well water for July billings
- Working on the Water Payment Summaries to the USBR & SLDMWA for July
- Finished the July 15th PDD and PWD Board Meeting Minutes
- Reconciled all the bank statements for the month of July for all Districts
- Processed the Board Meeting AR Reports
- Finished the 2nd Step Process on all Accounts following the Delinquency Policy

Ms. Reyes presented the Board with the District’s Water Accounting Spreadsheet for WY 24-25, the District’s Projected Water Forecast to 2/28/25, the District’s Power and Reclaimed Water spreadsheet for WY24-25, a spreadsheet showing the Direct Connect usage for WY24-25, an Actual Budgeted and Expense Spreadsheet for the Supplement Water, as well as a spreadsheet explaining the SLDMWA O&M rate.

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.

B. General Manager Patrick McGowan, in the absence of Maintenance Manager Chris Carlucci, reported on the following operations and maintenance activities that occurred in July:

- General Maintenance.
- Staff cleaned 11E ditch from Russell Avenue to Shields Avenue (1.5 miles)
- Staff installed catwalks on 509 and 510 ditch (500 ditch)
- Staff made a new trash rack for Turnout 85E (10E-2 ditch)
- Staff made a new trash rack for Russell spill to Lateral 3. (Russell Ave. & Shaw Ave.)
- Staff made a new Siphon line for the Domestic Water Treatment Plant
- Weed Control – Staff sprayed PWD Main Canal, T-Canal, Contour Canal, Russell Turnout, and Russell lift. Water Treatments – 11E ditch, 10E-2 ditch, and Lateral 3
- Preventative Pump Maintenance Plan. (work in progress)
- Equipment Replacement Forecast Plan. (work in progress)
- Pacheco WD weed Control – No Activity
- Completed the Annual Verification Questionnaire Report for California Department of Toxic Substances Control
- Mr. Carlucci started reviewing the Confined Space Program for annual reports
- Mr. Carlucci is going to have the Siphon pipe powder coated. This will make the pipeline longevity about 75% longer
- Mr. Carlucci got quotes from 3 different dealers for PWD trucks and Clovis Future Ford came in with the cheapest quote. Please see attachments for one Ford Ranger and one Ford F-150. The total costs quoted for two new trucks is \$ 95,581.39

Mr. McGowan also noted that Mr. Carlucci had provided the quotes for the Board for their review. The Board of Directors approved the quote from Clovis Future Ford for the purchase of the two vehicles.

C. Domestic Water Treatment Plant:

General Manager Patrick McGowan reported that he is working with Gartung Engineering and reaching out to Summer's Engineering, as well as Provost and Pritchard to get the engineering report finalized. He noted that he is expecting a report from Mr. Chris Linneman with Summers Engineering by the end of September. Mr. McGowan stated that Joel Greathouse and the State Water Resources Control Board feel we are showing too much Domestic water usage for the estimated 46 service connections in on our system.

Mr. McGowan also reported that our existing raw water siphon line had been down all weekend due to a blowout on Nyman's manifold after priming the line, as well as a leak at the aqueduct level. The District was unable to complete the repairs without shutting down the system. On Sunday morning, all of the repairs were made and the District was able to start the system back up. In refilling the 2 vertical tanks in the Domestic Water Treatment Plant, a hole was punctured in one of the tanks and needs to be repaired. An estimate was obtained from Westside Water on an 80,000 steel bolted water storage tank. The scope of the new Domestic Water Treatment Plan calls for two 80,000 steel bolted water storage tanks, so we will be able to re-position this tank from our old facility to our new facility, once in place. Mr. McGowan also reported that he met with Nyman representatives and ensured to communicate the responsibilities of the District and that no one outside of District staff shall handle District facilities moving forward.

At approximately 11:37 am, President Barcellos announced that the Water District meeting would be heading into Closed Session.

At approximately 12:38 pm, President Barcellos announced that the Water District meeting would open back up and resume.

D. General Manager Patrick McGowan, in the absence of Contracts Administrator Josh Marquez, reported on the following ethics, compliance, and risk management activities that occurred in July:

Ethics and Compliance:

- No calls were reported on the Speak-Up Hotline for the month of July.
- Compliance training for this month will be focused on the Code of Safe Practices – District Policy.
- Elections – Correspondence with Merced and Fresno Counties. Filing deadline: Aug 9th at 5 pm.

Risk Management:

- Safety Compliance Company conducted safety training on Slips, Trips, and Falls. This month's training will focus on workplace violence due to an update in requirements.

Contract Administration:

- Contour Canal – No updates this month.
- Forefront – Juan has filed a Notice of Exemption. Josh to file job with DIR, to provide job number to Forefront for reporting.
- Verizon – GPS units migrating to new hardware. Old Units approximately \$12 per unit per month. New 1 yr contract 17 units @ \$15.95 = \$ 271.15 monthly. Features will include service tracking.

E. Accounting Supervisor Marlene Brazil, in the absence of Human Resources Diana Moses, reported on the following human resources activities that occurred in July:

- We have six open workers compensation claims:
All employees have returned to work.
One employee has returned with modified duties and hours.
The other employees have returned to work with no restrictions, but still under medical care.
We had one claim in June and 3 claims in July.

Diana Moses will be attending an audit seminar in Fresno hosted by Central Valley Local Chapter of CSDA. She wants to ensure that any year end processes in regards to risk management, human resources, and assisting in ethics and compliance are completed properly.

Diana Moses and myself (Marlene Brazil) will be attending a Human Resources & Succession Planning seminar in Roseville hosted by ACWA/JPIA.

F. Other Matters: No other matters to report on at this time.

THE BOARD TO RECEIVE AN UPDATE ON THE FOREFRONT SOLAR PROJECT FOR THE DISTRICT

General Manager Patrick McGowan, in the absence of Contracts Administrator Josh Marquez, provided a Forefront Solar Project update under the Contract Administration report.

THE BOARD TO RECEIVE AN UPDATE ON THE USBR WATER SMART GRANT PROJECT FOR THE CONTOUR AND CANAL EXPENSES

General Manager Patrick McGowan reported that Summers Engineering Consultant Mr. Chris Linneman requested additional services from the USBR to help with the review. The District has also received

cultural responses that will be reviewed. With all that said, there is a slim chance of being able to start the contour canal project this year.

BOARD TO RECEIVE UPDATES FROM STAFF ON VARIOUS MATTERS AFFECTING THE DISTRICT

Staff reported on various items that had been completed, or were ongoing, on the Action Items List presented - dated July 15, 2024. General Manager Patrick McGowan also reviewed this list with the Board and answered any questions they had. Direction was given by the Board to General Manager Patrick McGowan and Legal Counsel Phil Williams to start drafting a Domestic Water Policy. Mr. McGowan noted the need to formalize a Prop 218 prior to developing and adopting potable water agreements. He's also taking a look at other surrounding water districts to review their Domestic water agreements as reference. Mr. McGowan also reported that the majority of easements needed for the Panoche Water District are in place and staff is currently working on tracking the easements for the Panoche Drainage District.

GENERAL MANAGER'S REPORT

GM McGowan gave the following manager update for July:

A. Sustainable Groundwater Management Act

I. Central Delta Mendota SSMA: Mr. McGowan reported that a meeting was held yesterday and the topic was the submittal of a single GSP. Mr. McGowan has been having conversations with individual growers regarding pumping restrictions to come. McGowan noted he will be coordinating with Pacheco Water District and San Luis Water District on a Grower Workshop to communicate to the Districts in zone 4 as a whole.

B. Los Vaqueros Expansion Project: Mr. McGowan reported that he had met with Mizuno Consulting's Frances Mizuno. Mizuno explained that Los Vaqueros Expansion Project focused on transfer water conveyance. Prior to the Facility Usage Agreement being finalized we are still unable to properly address our District's final business case decision in the project. The Board directed McGowan to continue to work with Mizuno Consulting on obtaining information.

C. Grand Jury Report No. 5 "Fesno County Special District Website Transparency: Seeing your Dollars at Work": Mr. McGowan reported that this had already been discussed in the Panoche Drainage District, but reminded everyone that Panoche Water District's Website had passed the Transparency Checklist.

D. Water Storage and Conveyance Discussions: Nothing to report at this time.

E. San Luis Delta Mendota Water Authority (SLDMWA)

Mr. McGowan reported that the SLDMWA's Board meeting was held and a significant topic of discussion was the decrease in costs and the Project use energy still owed. More to come in the next sixty days.

F. Other: Mr. McGowan also reported that he was hoping to have the updated Employee Handbook on this Agenda to review, but it will be on September's Agenda.

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

No other items.

FUTURE MEETING DATES

A. Next Adjourned Regular Meeting Date: September 10, 2024

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

At 12:06 pm, the Boards met in Closed Session to meet with legal counsel related anticipated litigation. At 12:38 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

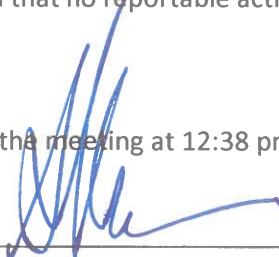
At 12:38 pm, the board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 1:10 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 12:38 pm.



Aaron Barcellos, President



Steve Fausone, Secretary