

**PANOCHÉ WATER DISTRICT MEETING MINUTES
ADJOURNED REGULAR MEETING OF THE BOARD OF DIRECTORS
JUNE 19, 2023**

An adjourned meeting of the Board of Directors was held on June 19, 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
Juan Cadena
Chris Carlucci
Lorena Chagoya
Josh Marquez
Sandra Reyes

Others: Chase Hurley, Interim General Manager
Michael Linneman, Landowner
Palmer McCoy, Grassland Basin Authority
Phil Williams, General Counsel

CALL TO ORDER

President Barcellos called the meeting to order at 9:35am.

ROLL CALL

A quorum of the Board of Directors was present.

POTENTIAL CONFLICTS OF INTEREST

Vice President Correia will recuse himself from Agenda Item 13 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 9:40 am

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 10:45am, President Barcellos reported that there were no reportable items.

PANOCHÉ WATER DISTRICT CLOSED SESSION

At 10:47am

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 11:45am, President Barcellos stated that there were no reportable actions.

CONSENT CALENDAR

On a motion by Director Correia and seconded by Director Callis, 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 THE FINANCIAL AND POLICY IMPLICATIONS OF THE B.F. SISK DAM RAISE AND CONSIDER APPROVING MOVING FORWARD WITH A JULY 1, 2023 CASH CALL

On a motion by Director Callis and seconded by Director Western the Board unanimously agreed to withdraw from the B.F. Sisk Dam Raise Project and not make the July 1, 2023, cash call. The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVAL OF AN EQUIPMENT LIQUIDATION PLAN WITH THE GRASSLAND BASIN AUTHORITY

On a motion by Director Callis, and seconded by Director Fausone, the Board unanimously approved moving forward with the liquidation plan as submitted by staff along with requesting that legal counsel draft language for an agreement between the GBA and Panoche Water District that works within the confines of the JPA and covers liability concerns for equipment that is still under PWD’s name since it was purchased with State grant funds. 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 APPROVING A REQUEST FROM LANDOWNER SANDY CORREIA RELATED TO AN EXISTING LOAN PAYMENT SCHEDULE FOR THE ADLP EQUIPMENT LOAN PROGRAM

On a motion by Director Callis and seconded by Director Western, the Board approved the request from Ms. Correia for a revised equipment loan amortization schedule as described by staff. The motion also included the directive to send a revised amortization schedule to Ms. Correia. It is noted that Director Correia was not in the room and did not participate in any discussion or voting due to a potential conflict. The vote on the matter was as follows:

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

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 Western and seconded by Director Correia, the board unanimously approved the Financial report as presented by Ms. Brazil. 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:

- A. Alcohol and Drug Free Workplace
- B. Spill Prevention Control and Countermeasures Plan (SPCC)
- C. Ergonomics Program

Upon a motion by Director Callis and seconded by Director Correia, the board unanimously approved the revisions as submitted by Ms. Chagoya. The vote on the matter was as follows:

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

DIVISION REPORTS

A. Water Supply Update as of June 1, 2023: Ms. Reyes

San Luis Reservoir Total Storage:	<u>2,020,343</u>	AF
San Luis Reservoir Federal Storage:	<u>958,691</u>	AF
Shasta Storage:	<u>4,456 816</u>	AF

Panoche Update as of June 1, 2023

USBR 2023 Water Balance:	<u>94,000</u>	AF
USBR Carryover Balance:	<u>313</u>	AF
May 2023 Deliveries:	<u>6,411</u>	AF
Total Deliveries to date (Mar-May)	<u>10,281</u>	AF

- B. Domestic Water Treatment Plant – Hurley
 Mr. Hurley stated that a revision plan is due soon for the overhaul of the treatment plant. The plant had mechanical issues over the weekend, and they were overseen by an outside contractor. President Barcellos asked staff to investigate previous grant funding applications and verify if Panoche has already been approved for new construction money.
- C. Mr. Carlucci reported on Operations and Maintenance activities for the month of May. He said that Maintenance crew made and installed catwalks and trash racks at 7W ditch; fixed and installed spill lid on the lateral 2 spill box; replaced T-34 head gate on the T- Canal with a new 24” gate; installed air vent barricade for #70 pipeline; replaced an old trash rack for turnout 304 on lateral 3; box scraped the contour canal to station 6E; sprayed 11E ditch, Russell lift, 50 gate to contour, 10E-2 ditch, 10W, 93 ditch and T-1 & T-2 sections. Last, he reported that the crew also installed a 10” saddle meter for the Center Point Orchard for turnout 310, #2, on lateral 3.
- D. Ms. Chagoya reported on risk management activities for the month of May. She reported that there was a property claim for property damaged by the District on two growers’ electrical boxes along the main lift. The claim is currently open. She also informed the board that there was one worker’s compensation claim and the employee has not returned to work since the date the injury occurred on May 30th due to the restrictions recommended by the physician. Furthermore, she announced that the District received another high score of 98% for the 2nd quarter from the last California Safety Training Corporation safety inspection. She also said that she is continuing to work on the various safety and health policies and when the policies are approved, she will train employees. She also informed the board that there will be a CPR and First Aid Safety training at the end of June for staff on a voluntary basis. Lastly, she reported on the human resource activities stating that she will be collaborating with the Interim General Manager to begin recruiting for the two maintenance positions the board approved in the FY2023 budget.

GENERAL MANAGER’S REPORT

- A. Sustainable Groundwater Management Act
 The subbasin had a good turnout at their June 12th workshop in Los Banos. Almost every GSA was represented, and the agenda covered a variety of topics; the most critical being the decision

to move from six coordinated GSP's to one GSP. It was also noted that the June 21st State Water Resources Control Board (SWRCB) workshop in Sacramento will give the six subbasins who received their March 2nd deficiency letters an update on how they will be prioritized for the next steps in the conversion process from DWR to SWRCB.

B. Los Vaqueros Expansion Project

The JPA met last week to discuss budget and policy updates. The CVP ag group is represented by Anthea Hansen of Del Puerto WD and Jose Ramirez of Westlands WD. Mr. Hurley reminded the board that Panoche's status in the project is for only the conveyance aspect, not new storage capacity in an expanded Los Vaqueros Reservoir construction Project. Mr. Hurley was given direction to focus on as much conveyance capacity as possible in CVP water year types of 15-45% allocation.

C. B.F. Sisk Expansion Project: No further update

D. Water Storage and Conveyance Discussions

Mr. Hurley gave an update on the following:

1. West Stanislaus Irrigation District (WSID) bullet point outline for negotiations on potential conveyance capacity in WSID's pump station and pipeline off the San Joaquin River.
2. Arvin Edison banking capacity for 2023 CVP excess water
3. Los Vaqueros pilot project for 6,000 Acre Feet of storage with Contra Costa WD.
4. Payback of 2,000 AF of water to Contra Costa WD for supplies granted to Panoche in WY2022.

E. Legislative Update: Mr. Hurley updated the board on a variety of state legislative bills being tracked by the San Luis & Delta Mendota Water Authority and ACWA.

F. Other Matters Affecting the District

1. Mr. Hurley gave a status update on Panoche's modernization plan proposal being developed by the Cal Poly ITRC.
2. Mr. Hurley asked that the board acknowledge the good work of staff during the transition period looking for a new General Manager.

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

Ms. Chagoya stated that she had no updates related to this agenda item.

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

There were no other reports.

FUTURE MEETING DATES

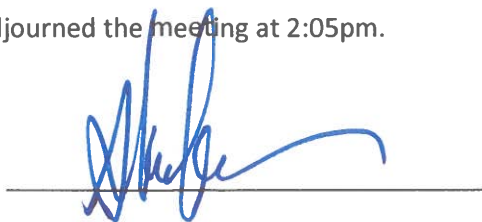
- A. Next Regular Meeting Date: July 11, 2023**

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 2:05pm.



Aaron Barcellos, President



Steve Fausone, Secretary