

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
November 14, 2023**

A regular meeting of the Board of Directors was held on November 14, 2023, starting at 9:15 am. Those present at the meeting were:

Directors: Aaron Barcellos, President
Beau Correia, Vice-President (Arrived before Closed Session)
Neill Callis, Director (Via Telephone)
Steve Fausone, Director
Wayne Western, Director

Staff: Marlene Brazil, Accounting Supervisor
Juan Cadena, Water Resources Manager
Chris Carlucci, Maintenance Manager
Josh Marquez, Contracts Administrator
Patrick McGowan, General Manager
Sandra Reyes, Water Master

Others: Michael Linneman, Linneman Ranches
Palmer McCoy, GBA
Phil Williams, Legal Counsel

CALL TO ORDER

President Barcellos called the meeting to order at 9:15 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.

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

At 9:20 am, the Boards met in Closed Session to meet with legal counsel related anticipated litigation. Upon return to open session at approximately 9:35 am, President Barcellos stated that no reportable actions were taken.

ACTION ITEMS

THE BOARD TO REVIEW AND CONSIDER APPROVING THE OCTOBER 10, 2023, REGULAR BOARD MEETING MINUTES

On a motion by Director Barcellos and seconded by Director Fausone, the Board approved the October 10, 2023, regular board meeting minutes. The vote on the motion was as follows:

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

FINANCIAL REPORT

- A. Accounts Payable
- B. Monthly Financials
- C. FYE 2024 Budget-to-Actual Report
- D. Other Financial Matters Affecting the District

Upon a motion by Director Fausone and seconded by Director Western, the board approved the financial report as presented by Accounting Supervisor Marlene Brazil. The vote on the motion was as follows:

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

WESTSIDE WATER CONDITIONING (WWC) PRESENTING CROSS-CONNECTION SURVEY WITH COST ANALYSIS ASSOCIATED WITH WORK TO BE COMPLETED

Tom Galindo, with Westside Water Conditioning presented the Board with a copy of the Cross Connection Control Survey that he performed. Tom explained that a cross connection survey is required every 5 years, or any time after new development. The survey consisted of evaluating water usages between domestic water and untreated aqueduct water. The survey also gathered information on usage, evaluated the possibility of bypassing irrigation systems from domestic water to aqueduct water, and determining cross connection within the system. Tom also explained that the findings of the survey will help with developing the adequate size for the new surface water plant. The survey identified that there were cross-connections in the system. Panoche staff and WWC will work to determine & prioritize mitigation work to be completed.

BOARD TO REVIEW AND CONSIDER ADOPTING RESOLUTION # 843-23, DESIGNATING AUTHORIZED SIGNATORIES TO THE DISTRICT'S MECHANICS BANK ACCOUNT TO EXECUTE BANKING TRANSACTIONS, MAKE ACCOUNT TRANSFERS AND WIRE TRANSFERS, AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

Upon a motion by Director Fausone, and seconded by Director Western, the board approved Resolution # 843-23 designating authorized signatories to the district's mechanics bank account. The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER ADOPTING RESOLUTION # 844-23 APPOINTING PATRICK MCGOWAN AS PANOCHÉ WATER DISTRICT'S ALTERNATE REPRESENTATIVE TO THE BOARD OF DIRECTORS FOR THE SAN LUIS & DELTA MENDOTA WATER AUTHORITY (SLDMWA)

General Manager, Patrick McGowan explained that this resolution would allow Mr. McGowan to serve as the "Alternate" representative to the SLDMWA board.

Upon a motion by Director Fausone, and seconded by Director Western, the board approved Resolution # 844-23 appointing Mr. McGowan as the "Alternate" representative to the SLDMWA board. The vote on the motion was as follows:

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

BOARD TO REVIEW AND APPROVE THE TRANSFER’S ACTIVITY AGREEMENT FOR WY 2024-2025 BETWEEN THE SAN LUIS & DELTA MENDOTA WATER AUTHORITY (SLDMWA) AND THE SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER AUTHORITY (SJRECWA)

General Manager Patrick McGowan explained that the benefits and desire for the District continue to be a part of this activity agreement with board approval and upon reviewing the final agreement. The approval of this agreement will be effective November 21st absent any comments received.

Upon a motion by Director Fausone, and seconded by Director Western, the board approved the District participating in the transfer activity agreement with the SLDMWA & SJRECWA. The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER ADOPTING RESOLUTION # 845-23 AUTHORIZING EXECUTION OF ACKNOWLEDGMENT AND RELEASE AGREEMENT BETWEEN PANOCHÉ WATER DISTRICT (PWD) AND THE GRASSLAND BASIN AUTHORITY (GBA)

Upon a motion by Director Fausone, and seconded by Director Western, the board approved Resolution # 845-23 approving the release agreement between PWD & the GBA. The vote on the motion was as follows:

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

BOARD TO REVIEW AND APPROVE SUPPORTING AGRICULTURAL AND RELATED OUTREACH AND EDUCATION EFFORTS

General Manager, Patrick McGowan highlighted the District had participated in agricultural and related outreach and education efforts in the last couple of years and expressed his desire to continue.

Upon a motion by Director Western, and seconded by Director Fausone, the board approved supporting the same agricultural and related outreach education efforts that were supported in WY 2022-2023.

The vote on the motion was as follows:

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

DIVISION REPORTS

A. Water Master Sandra Reyes gave the Water Supply Update as of November 1, 2023:	
San Luis Reservoir Total Storage:	<u>1,323,121 AF</u>
San Luis Reservoir Federal Storage:	<u>714,690 AF</u>
San Luis Reservoir % of Total Capacity	<u>65%</u>

Panoche Update as of November 1, 2023:	
USBR 2023 Water Balance:	<u>75,476 AF</u>
October, 2023 Deliveries:	<u>2,790 AF</u>
Total Deliveries to date (MAR-OCT):	<u>48,013 AF</u>

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

- The O&M Budget has met it's 45,000 AF target delivery base and is 3,013 AF over this month.
- A cash flow analysis was presented to the board for WY 2023-2024 with estimations for the remaining months.
- The October O&M, Interest, and M&I billings will be completed and mailed out on 11/15/2023.
- Preliminary work on the Water Cost Budget for WY 2024-2025 has already started.
- With Lorena's departure, Ms. Reyes explained that she had assumed some additional responsibilities:
 - 700 Forms
 - Assisting with District Elections & Appointments
 - Handling all of the Board Meeting Detail – Minutes, Notices, Agendas, Pre-packets, and Resolutions

B. Maintenance Manager Chris Carlucci reported on the following operations and maintenance activities that occurred in October:

- General Maintenance.
- Made new meter brackets for Lateral 2 - 208 box.
- Repaired 208 box head gates (1 – 30 in. and 1 – 24 in. gate).
- Cleaned 204 ditch to 203A & 203B turnouts.
- Repaired 203A head gate.
- Repaired Lateral 3 Main head gate.
- Weed Control – Sprayed Locations
 - a) **PWD:** Contour Canal, 11E ditch, Lateral 2, T-Canal, and spot sprayed salt cedar trees. Canal Treatments – Russell Turnout, Stations T-1 and T-3
- Mr. Carlucci explained some new roles that he has taken control of with Lorena leaving.
 - The Health and Safety Program
 - Conduct, or Provide Safety Meetings
 - Safety Assessments, Inspections, and Corrective Actions
 - Business Material Plan (CERS)
 - Tire Disposal Program and Facility Permits
 - EPA-California Department of Toxic Substances Control
 - Conduct trainings related to policies and procedures
 - Hazardous Materials Business Plan Program (HMBP) "Water Treatment Plant" LOTO Program and (HMBP) & Spill Prevention Plan for PWD

Mr. Carlucci presented the Board with a map of a grower's fields and his request for a pipeline to our main canal. Mr. Carlucci showed the estimated usage and revenue the District could hope to receive upon installing the pipeline, as well as a quote for the cost of the pipeline. The board agreed to discuss further at the next board meeting.

Mr. Carlucci and GM McGowan also presented a proposal from Hart Paving & Grading for options in repairing or replacing the driveway at the District's main office. The board requested the estimates and subsequent efforts to be presented in the upcoming budget.

Mr. Carlucci also presented the Board with a cost estimate in replacing the Headwall at Station 1. The Board approved this repair and asked Mr. Carlucci to have it done this winter when water usage was minimal.

- C. Water Resources Manager Juan Cadena reported on the Domestic Water Treatment Plant. He explained that he has been in discussions with Jim Gartung engineering about potential connection to the Water Quality Improvement JPA pipeline to the pipeline and that they are also working on the draft designs of pond to assist with supplemental water needed for proposed treatment plant.

General Manager Patrick McGowan explained that he has been working with Gabriel Delgado with the Water Quality Improvement JPA regarding the 1999 contract that states "50 gallons a minute". He is currently working with JPA engineers to see if an increase to "200 gallons a minute" is feasible.

Mr. McGowan also relayed to the Board that there are currently 3 District employees interested in obtaining their water treatment certifications – Water Resources Manager Juan Cadena, Canalman Mike Gonzalez, and Canalman Roger Candelaria. A \$1 million dollar grant, or the equivalent of a \$100,000/year for 10 years, for the training of staff in water treatment was identified. The application deadline for this year has passed, the District will apply for this potential funding opportunity next year.

Mr. McGowan discussed staff potentially installing identified backflows. Panoche staff will visit each site identified and begin a parts list for mitigation work to be completed.

Mr. McGowan also talked about the Russell Avenue Estates and how there is a possibility for forty additional service connections to our proposed Surface Water Treatment Plant, which could help the District with additional funding and more importantly improve water quality for residents.

- D. Contracts Administrator Josh Marquez reported on the following ethics, compliance, and risk management activities that occurred in October:

Ethics and Compliance:

- 2-hour Ethics & Compliance Program and Code of Conduct training for Patrick McGowan, Neill Callis, Wayne Western, and Josh Marquez were completed with Amy McDougal from CLEAResources, LLC.
- No calls were reported on the Speak-Up Hotline.

Risk Management

- Liability
 - a) 50281 W. Althea Ave. added to the insurance policy.
 - b) Personal Property – Phoned quoted \$2 annual per employee phone. Deductible of \$ 2,500 applies.

Mr. Marquez reported that he is in the process of vetting safety vendors.

Mr. Marquez also reported that he is in the process of working with Coldwell Banker on housing agreements and will be presenting them for Board approval.

Mr. Marquez apprised the board of newly appointed responsibilities, as a result of Lorena Chagoya's departure which include:

- Ethics and Compliance Program
- Speak-Up Hotline & Case Management System
- Conduct Trainings Related to Policies and Procedures

- Policy Management
- Surplus & Disposal Policy
- Assist General Manager with Recruitment
- Assist with On-Boarding, New Hire Orientation, and Off-Boarding
- Insurance Maintenance & Renewals
- Manage and Maintain Assets: Vehicles, Property, and Rental Properties
- Verizon Fleet Program
- Bar Smog Program
- District Elections & Appointments
- Electronic Filing Management
- Maintain All District Websites & Manage Inquiries

E. Accounting Supervisor Marlene Brazil reported on the following human resources activities that occurred in October:

Workers Compensation:

- Two Claims remain open.
- Two Employees remain on leave until November.
- With Lorena's departure, Mrs. Brazil explained that she had taken on some new duties:
 - Human Resources – Including on boarding, new hire orientation, off boarding, E-Verify & I-9 Programs, ACWA/JPIA Benefits, FMLA/CRFA Leave of Absences, Cobra Program, Worker's Compensation Program, Maintenance of Employee personnel, confidential, and medical folders, Retirement plan enrollment & maintenance, Bambee maintenance, and all other Employee Relations inquiries.
 - DOT Program
 - DMV Pull Program
 - Submit all audit statements to Federal, State, & Local Authorities
 - Assist Sandra with 700 Forms

Mrs. Brazil reported on how the District has contracted with Bambee, Inc. to assist with our Human Resource needs for the next two years at a total cost of \$ 13,420.80. If we have HR related Questions, we can reach out and talk to our dedicated Business Engagement Manager, HR coordinator, and HR Manager. Bambee will assist us with our HR Compliance policies, disciplinary issues and corrective actions, all onboarding and terminations, job descriptions, annual and comprehensive HR audits and employee trainings. Employees can also access their own accounts and offer two way feedback.

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

Contracts Administrator Josh Marquez reported that price quotes have been requested for the land surveying and cultural review services and that the deadline is at the end of this week. Mr. Marquez also explained that he is required to get more cost proposals due to the requirements of the federal grant.

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

Staff reported on various items that had been completed on the Action Items List from the previous board meeting held on October 10, 2023. The Board was also provided a detailed list of Lorena's job responsibilities, letting them know who those duties have been picked up by.

GENERAL MANAGER'S REPORT

GM McGowan gave the following manager update for October:

A. Sustainable Groundwater Management Act

Mr. McGowan participated in the Central Delta – Mendota Region Management Committee and Central Delta Mendota Groundwater Sustainability Agency on October 30th. A Central GSA tour was conducted that included Chase Hurley of Water and Land Solutions, SWRCB Vice Chair DeeDee D'Adamo, and General Manager Amy Montgomery of Santa Nella County Water District, to help educate the SWRCB to better understand our water quality issues, as well as our subbasin. The targeted focus is how our subbasin will minimize over-drafting in our area and improve water quality while continuing to provide sufficient water to our growers.

Vice Chair D'Adamo expressed the importance of having additional SWRCB directors visit our region to learn of the unique challenges we face.

Juan Cadena is currently working on gathering pumping information from our growers for the period of October, 2022 – September, 2023

We are currently looking at policies our neighboring entities may have in place to see how they have implemented pumping restrictions while continuing to serve their growers needs.

B. Los Vaqueros Expansion Project

Mr. McGowan participated in the General Managers and introductory meeting with LVE Executive Director Taryn Ravizzini. Currently the group is in the initial stages of working through the Design Construction Agreement, and Backstop agreement. Currently there is not much movement with this project.

C. Water Storage and Conveyance Discussions:

Mr. McGowan explained to the Board the initial conversations that have taken place between himself and various entity managers within the area.

D. San Luis Delta Mendota Water Authority

1. Exchange Contractors Transfer Program

The terms of the SLDMWA Activity Agreement are currently being finalized.

2. North of Delta Transfer Program

The Authority activity members entered into an agreement with consultant on investigating potential land & water acquisitions. Once presented the findings of the investigation it was unanimous decision to no longer engage in discussions.

E. Other:

1. Domestic Water Shutdown SOP. In a recent emergency water system repair it was identified our District needs a process in place to ensure communication with District staff and our potable water customers. A clear-cut standard operating procedure has been established.

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

No other items.

FUTURE MEETING DATES

- A. Next Regular Meeting Date: December 12, 2023

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

At 12:45 am, the Boards met in closed session to have discussions with legal counsel related to anticipated and existing litigation.

REPORT FROM JOINT CLOSED SESSION (GOVERNMENT CODE SECTION 54957.1)

The Board met in closed session and no reportable actions were taken.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

At 1:15 pm, the board met in closed session to have discussions legal counsel related to anticipated and existing litigation.

REPORT FROM CLOSED SESSION

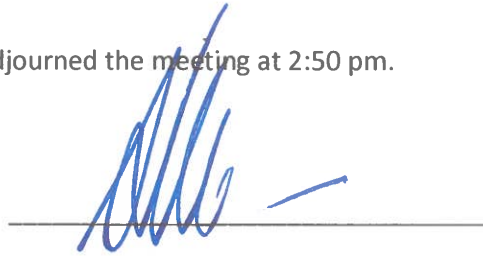
The Board met in closed session and no reportable actions were taken.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 2:50 pm.



Aaron Barcellos, President



Steve Fausone, Secretary