

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
August 11, 2026**

A regular meeting of the Board of Directors was held on August 11th, 2026, starting at 9:30 am. Those present at the meeting were:

Directors: Aaron Barcellos, President
Neill Callis, Director
Wayne Western, Director

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

Others: Ajay Chopra, USC Farms, LLC
Emily McCoy, Grassland Basin Authority
Phil Williams, Legal Counsel

CALL TO ORDER

President Barcellos called the meeting to order at 9:20 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 JULY 14, 2026, REGULAR BOARD MEETING MINUTES

Upon a motion by Director Callis and seconded by Director Western, the Board approved the July 14, 2026, regular board meeting minutes as presented.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER APPROVING GARGIULO'S REQUEST TO TRANSFER WATER TO WESTLANDS WD

General Manager Patrick McGowan reported that the District had received a hardship request from Mr. Terry Doyle representing Gargiulo Farms to transfer a portion of his CVP Water to Westlands Water District (WWD). GM McGowan explained that the proposed transfer poses no detriment to the District and recommended approval of Mr. Doyle's request.

After discussion by the Board and upon a motion by Director Western and seconded by Director Callis, the Board approved Gargiulo's request to transfer water to Westlands WD.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER ADOPTING RESOLUTION # 861-26 CALLING FOR A GENERAL ELECTION ON NOVEMBER 3, 2026, OF REPRESENTATIVES TO SERVE ON THE DISTRICT'S BOARD OF DIRECTORS

Legal Counsel Phil Williams reported that Resolution # 861-26 was ratifying the decision to hold and conduct the election on November 3, 2026. Mr. Williams explained that the ballots have all been mailed and that the window for any forms for declarations of candidacy needed to be submitted by this past Friday at 4 pm, noting that the only forms received were from the incumbents.

After discussion by the Board and upon a motion by Director Callis and seconded by Director Western, the Board adopting Resolution # 861-26 calling for a General Election.

The vote on the motion was as follows:

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

BOARD TO REVIEW AND CONSIDER PROPOSED AMENDMENTS TO THE INVESTMENT POLICY

General Manager Patrick McGowan presented the Board with the District's Investment Policy for an annual review as required. GM McGowan recommended an investment strategy with U.S. Bank who is currently offering a Platinum Business Money Market account paying up to 4.15% on qualifying balances. The proposed rate represents approximately a .30% increase over our current money market rate. After discussion by the Board, the direction was given to maximize the amount of interest the District could earn and to speak with a financial advisor to maximize our earnings overall.

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 Director Western, the board approved the financial reports as presented by Accounting Supervisor Mrs. Brazil.

The vote on the motion was as follows:

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

DIVISION REPORTS

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

San Luis Reservoir Total Storage:	<u>1,141,907 AF</u>
San Luis Reservoir Federal Storage:	<u>391,780 AF</u>

San Luis Reservoir % of Total Capacity	<u>56%</u>	<u>(100% = 2,041,000 AF)</u>
San Luis Reservoir Federal % Share	<u>35%</u>	

Average 876,375 AF – As of Aug 1 – Overall at 130% of average

Panoche Update as of August 1, 2026:

USBR 2026 Water Balance:	<u>19,802 AF</u>	(25%)
USBR Resch. Water Balance	<u>0 AF</u>	
July, 2026 Grower Deliveries:	<u>10,292 AF</u>	
Total Deliveries to date (Mar-Jul):	<u>36,486 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 July:

- The June O&M billings, Interest billings, and M&I Water billings were completed and mailed out.
- July's Water Usage, Interest, and M&I Billings will go out on 8/14/2026.
- Worked with CCID/FCWD to color SJRECWA transfers, colored all other water, and will report July'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 July.
- Finalized the PDD and PWD Board Meeting Minutes for last month's meetings.
- Reconciled all the bank statements and Fresno County Fund for the month of July and posted any interest in the GL for all Districts.
- 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 June.
- 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 8/1/26 for the board meeting.
- Billed an additional 500 AF of Supplemental Water sold July (Total of \$ 250,000).
- Processed the water transfer paperwork for Gargiulo and the add'l transfer for Marv Coit & coordinated those with Jose at Westlands WD and the USBR.
- Allocated all transfer in water and well water pumped to growers water accounts prior to billing.
- Started 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 growers on the list to bring them current / Also notes delinquencies, if any.
- Attended a USBR Teams Meeting on the WINN Act Credit.
- Worked with Patrick to get the YUBA Warren Act Contract in place with the USBR/ as well as the Power Letter of Agreement.

Ms. Reyes presented the Board with the District's Water Accounting Spreadsheet for July 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 8/1/26 spreadsheet.

Water Resources Manager Juan Cadena presented the board with a total water delivery graph for the month of July, 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 July:**

- General Maintenance.
- Staff made a trash rack for Russell turnout. (13E)
- Staff made repairs to T-2 discharge pipe. (Pump #2).
- Staff repaired concrete bowl on Russell Ave. & Shields Ave. (500W)
- 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, 10E-2 ditch, and 11E. Canal treatments at Russell Lift, T-Canal, Russell Turnout, and 11-E turnout.
- Water Treatment Plant – No activity to report.
- Pacheco WD – Staff sprayed weeds at main lift canal and did a canal treatment on Lateral #6.
- GBA - No Activity to report.
- Preventative Pump Maintenance Plan. (work in progress)
- AgMonitor – The project is to improve visibility and management of water deliveries from the Delta-Mendota canal by measuring real-time flow at the inlet point into the Panoche conveyance system. The first phase of the project at Station 1 inlet consists of three lift pumps, each equipped with a digital flow meter. The objective is to collect and transmit real-time flow data from each meter to enable water and energy optimization across Panoche WD operations.

Mr. Carlucci reported to the board that the experience with AGMonitor has been great and we are currently sharing AGMonitor with Pacheco WD.

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

- 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 July.
- Conducted bloodborne pathogens training.
- Attended Ethico Training: DOJ Insider Perspective on the Current Regulatory Landscape.

Risk Management:

- Safety Compliance Company conducted safety training on Evacuation Plan and Asbestos.

Contract Administration:

- Contour Canal – Payment Request submitted to USBR and received \$ 1,660,275.
- PWD – Fresno County Assessments submitted, Merced County to follow.
- PDD – Fresno County Assessments submitted, Merced County to follow.
- Prop 84 – Engineer Chris Linneman has met with Charlie to discuss commencing work.

IFB for Midsize Truck: Mr. Marquez reported that a bid was put out for proposal of a mid-size Truck and we received three bid submittals. Lithia Ford, Future Ford, and Price Ford were the three companies that submitted a quote. After reviewing, staff recommended Price Ford.

Mr. Marquez also reported that he attended a Grants webinar at the SLDMWA's office and had a meeting with Maintenance Supervisor Carlucci and Water Resources Manager Cadena to discuss some projects that may be ready for any funds available.

- 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 July:**

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.

Employee Anniversaries:

- Jose Pimentel: 7 years. Jose was hired on July 22, 2019.

- 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 reported that he and Engineer Chris Linneman are waiting on some information from growers and would have the map updated as soon as possible.

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 July 14th, 2026, and answered any questions that the Board had.

GENERAL MANAGER'S REPORT

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

A. SGMA:

I. Delta-Mendota Subbasin JPA:

GM McGowan reported that the Delta-Mendota Subbasin JPA meeting was recently held and much of the discussion revolved around exceedances within our Subbasin. Mr. McGowan also reported that he has contacted all our growers within the exceedance Zone of Impact and had discussions implementing our pumping reduction plan.

II. Central Delta Mendota GSA:

GM McGowan reported that the CDMGSA discussions centered on overdraft protections moving forward, as well as the compliance side of our GSA. Panoche Water District is fully compliant and following all three of the adopted CDMGSA SGMA policies. The 2nd cash call was made for CDMGSA. Currently, the 2nd Installments will be handled on a 1/12th share basis. By 2027, it is expected to move to volumetric pumping fee schedule.

(a) CASP Program Update:

GM McGowan reported that a meeting was held for the California Aqueduct Subsidence Program. The purpose of the meeting was to educate the group on the specifics of our GSP and hopefully soften the tone of their public comments that are due on 8/15/26.

- B. Domestic Water Treatment Plant PER Update:** GM McGowan reported that Black Water Consulting Engineers has provided an update on Panoche Water District's Expedited Drinking Water Grant application. McGowan noted that he had created a checklist to ensure that the various tasks and documents are prioritized accordingly. Staff will continue coordinating with Black Water Consulting to ensure timely responses to future State requests and to position the District for successful execution of the Funding agreement.

- C. M & I Water Application Update:** GM McGowan reported that to date staff has worked with legal counsel to develop draft terms and conditions, and potable & agriculturally related M&I water applications. Our next steps involve meeting with neighboring water districts to better

understand how they have developed and maximized their M&I water program, as well as consulting with USBR staff to better understand their M&I water shortage policy and current USBR policies.

- D. Brackish Well Water Recovery Program:** GM McGowan reported that GBA and PWD have worked well on maximizing this water source while maintaining water quality standards.
- E. Forefront Power Update:** GM McGowan reported the Linneman Lot Solar Project PPA Rate will be \$ 0.1676/kWh. The Office lot Project is \$ 0.1242/kWh. The rate incorporates the PG&E interconnection costs, as well as the \$ 65,424.11 contractor change order. Forefront advised that Permission to Operate will be requested for the Office Lot Project once both Change Acknowledgements are executed. Construction is scheduled to begin on the Linneman Office Lot in mid-September.
- F. Water Supply, Storage, and Conveyance Discussions:** GM McGowan gave an update on the Central Valley Project Operations that included current reservoir conditions, as well as primary factors limiting additional allocations. GM McGowan did note that improvements in the Delta salinity have allowed Jones Pumping Plant exports to increase and that the San Luis Reservoir continues to hold above-average federal storage.

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 11:02 am, the Board met in Closed Session to have discussions with legal counsel related to anticipated litigation. At 11:11 am, Mr. Williams reported that no reportable actions were taken in Closed Session.

PANOCHÉ WATER DISTRICT CLOSED SESSION:

At 11:21 am, the Board met in closed session to have discussions with legal counsel related to anticipated and existing litigation. At 12:02 pm, Mr. Williams reported that no reportable actions were taken in Closed session.

FUTURE MEETING DATES

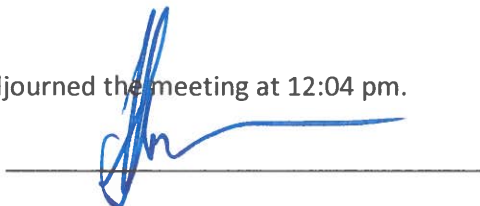
- A. Next Regular Board Meeting Date: September 8th, 2026, at 9:30 am.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 12:04 pm.



Aaron Barcellos, President



Steve Fausone, Secretary