

**PANOCHÉ WATER DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
JULY 11, 2023**

An adjourned meeting of the Board of Directors was held on July 11, 2023, at 9:38 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
 Michael Linneman
 Josh Marquez
 Sandra Reyes

Others: Kody Cardoza: Water and Land Solutions, LLC
 Steve Creighton: Landowner Representative
 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 9:38 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.

THE BOARD TO REVIEW AND CONSIDER APPROVAL OF THE FOLLOWING BOARD MEETING MINUTES

On a motion by Director Callis and seconded by Director Fausone, the Board unanimously approved the FY 2023 meeting minutes of March 19th, March 28th, June 2nd, and June 19th. 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 #839-23, IN RECONGNITION OF THE PROFOUND APPRECIATION OF THE DISTINGUISHED SERVICES OF DIANE RATHMANN

On a motion by Director Fausone and seconded by Director Callis, the Board unanimously approved Resolution #839-23. The vote on the matter was as follows:

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

FINANCIAL REPORT

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

Upon a motion by Director Callis and seconded by Director Fausone, 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 ADOPTING THE EQUIPMENT RENTAL RATES FOR FISCAL YEAR 2023-24

Mr. Carlucci and Mr. Hurley reviewed a rate sheet that would be effective for all outside work that Panoche Water District performs either outside its boundary or for any of its landowners. The board had various questions as it related to the proposed rates and the cost of the operator. Director Correia also wanted clarification on the margin percentage that Panoche should be using on top of the actual cost for the equipment and labor. The board gave staff direction on some items they would like to see updated and asked that it be brought back at a future meeting as an action item. President Barcellos agreed to table the item for now.

DIVISION REPORTS

- A. Ms. Reyes updated the Board on the Water Supply as of July 1, 2023 as follow:

San Luis Reservoir Total Storage:	<u>1,961,256</u>	AF
San Luis Reservoir Federal Storage:	<u>960,731</u>	AF
San Luis Reservoir % of Total Capacity	<u>96</u>	%
Shasta Storage:	<u>4,274,586</u>	AF

Panoche Update as of July 1, 2023

USBR 2023 Water Balance:	<u>91,328</u>	AF
USBR Carryover Balance:	<u>0</u>	AF
June 2023 Deliveries:	<u>9,792</u>	AF
Total Deliveries to date (Mar-June)	<u>20,161</u>	AF

- B. **Mr. Carlucci reported to the Board on the various operations and maintenance activities occurred for the month of June, including:**

- General Maintenance
- Repaired pipe at 80E turnout
- Repaired turnout 81 gate

- Installed new trash rack at 199 turnout
- Fixed trash racks at 12E-2 station
- Made repairs on T-6 trash racks
- Forked T-Canal with Excavator from T-4 to T-6
- Forked Lateral 2 from 208 box to Spill box
- Fixed air vent on 500 pipeline just South of Shields Ave
- Weed Control, Sprayed these locations- Main canal, Main canal treatment, T- Canal treatment, 93 Box treatment, Lateral 2 & Lateral 3 sprayed, 10E-2 treatment and Russell lift treatment.

C. Mr. Cadena reported to the Board on the various operations related to the Domestic Plant for the month of June, including:

- Conference with Mr. Jim Gartung and Westside Water to review and respond to the State Water Resources Control Board.
- An overview on the technical application phrases of the grant for a new Domestic Plant, including:
 1. Engineering report
 2. Registration to the State of California
 3. Technical, Managerial, and Financial (TMF) Assessments
 4. Engineering Service Contract
 5. Plan and Specification

D. Ms. Chagoya reported to the Board on the various Risk Management and Human Resources activities for the month of June, including:

- No calls reported on the SpeakUp Hotline.
- One outstanding liability claim.
- One outstanding worker’s compensation claim
- No new COVID-19 cases were reported.
- The Panoche Water District’s Risk Assessment Reports for each of the following programs:
 1. Worker’s Compensation – E-MOD at 1.63
 2. Liability – E-MOD at 1.15
 3. Updated Vehicle and Property schedules for fiscal year 2023-24.
- The Panoche Drainage District’s Risk Assessment Reports for each of the following programs:
 1. Liability – E-MOD at 0.97
 2. Updated Vehicle and Property schedule for fiscal year 2023-24.
- Continuation of employee training and development
- An employee recognition to Ms. Diana Moses
- Recruitment plan for a new canal operator

GENERAL MANAGER’S REPORT

A. Sustainable Groundwater Management Act

The subbasin continues to have meetings every other Monday to meet the stated objective of drafting one GSP for the entire area rather than the six GSP’s that were not approved by the Department of Water Resources in March of 2024. This process will also require the draft of a new Memorandum of Agreement that will need to be signed by all 26 GSAs within the subbasin. All this work needs to be done prior to September of 2024; when the Delta Mendota Subbasin’s probationary period will begin with the State Water Resources Control Board.

- B. Los Vaqueros Expansion Project
Mr. Hurley is continuing to work with the Los Vaqueros JPA on a participation agreement for the conveyance portion of the Expansion Project. Del Puerto WD and Westlands WD are other CVP entities that are part of the activity agreement.
- C. 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. The District is continuing discussions to put together a multi-year exchange with Arvin Edison that would include sending them some of Panoche's 2023 CVP supply this fall.
 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.
- D. Legislative Update: The San Luis & Delta Mendota Water Authority is continuing to do great work on pushing back on a multitude of state legislation that is focused chipping away at the state's water rights system. It looks as if some of the proposed bills will not be able to gain enough votes to move forward this year.
- E. USBR Water Smart Grant: Mr. Marquez gave a brief update on the contour canal project and stated that he continues to work through the grant funding process. It is still not known if the state will finalize all the contract paperwork in time for construction in the fall of 2023.

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: August 8, 2023

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

At 10:15 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 10:37 am, President Barcellos reported that there were no reportable items.

PANOCHÉ WATER DISTRICT CLOSED SESSION

At 12: 45 pm

- 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

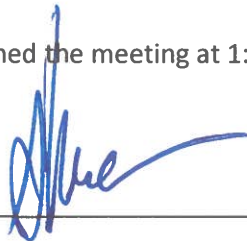
At 1:42 pm, President Barcellos stated that there were no reportable actions.

ADJOURNMENT

With no further business, President Barcellos adjourned the meeting at 1:45 pm.



Aaron Barcellos, President



Steve Fausone, Secretary