

# PANOCHÉ DRAINAGE DISTRICT

## BOARD OF DIRECTORS MEETING

April 16, 2024 at 9:00 a.m.

### MEETING LOCATION

Panoche Water District Boardroom

52027 West Althea Ave.

Firebaugh, CA 93622

## AGENDA

**PRESIDENT’S ANNOUNCEMENT:** Pursuant to Government Code Section 54952.3, let it be known that Board Members receive no compensation or stipend for simultaneous or serial order meetings of the Panoche Water District, Panoche Drainage District, Panoche Financing Authority, and/or the Panoche Resource Conservation District.

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL:** A quorum will be confirmed, and the Board will consider appointment of an acting Officer(s) in the event the President, Vice-President, and/or Secretary is absent from the meeting.

**4. POTENTIAL CONFLICTS OF INTEREST:** Any Board member who has a potential conflict of interest may now identify the Agenda Item and recuse themselves from discussing and voting on the matter. [Government Code Section 87105]

**5. PUBLIC COMMENT:** The Board of Directors welcomes participation in Board meetings. The public may address matters under the jurisdiction of the Board that have not been posted in the Agenda. The public will be given the opportunity to address the Board on any item in the Agenda at this time or before the Board’s consideration of that item. If members of the public desire to address the Board relative to a particular Agenda item at the time it is to be considered, they should so notify the President of the Board at this time. Please note, California Law prohibits the Board from taking action on any matter during a regular meeting that is not on the posted Agenda unless the Board determines that it is an emergency or one of the other situations specified in Government Code Section 54954.2. During a special meeting, the Board may not take action on any matter that is not on the posted Agenda. The President may limit the total amount of time allocated for public comment on particular issues to 3 minutes for each individual speaker.

### ACTION ITEMS

**6. BOARD TO REVIEW AND CONSIDER APPROVING THE MARCH 12, 2024, REGULAR BOARD MEETING MINUTES (Reyes)**

**7. FINANCIAL REPORTS (Brazil)**

A. Accounts Payable

- B. Monthly Financials
  - C. FYE 2024 Budget-to-Actual Report
  - D. Other financial matters affecting the District
8. **THE BOARD TO REVIEW AND APPROVE RESOLUTION #835-24 AUTHORIZING EXECUTION OF A SETTLEMENT AGREEMENT WITH THE GRASSLAND BASIN AUTHORITY**
  9. **THE BOARD TO REVIEW AND DISCUSS THE PANOCHÉ DRAINAGE DISTRICT DELINQUENCY POLICY**
  10. **THE BOARD TO REVIEW AND DISCUSS THE PROPOSITION 218 LETTER AND PROTEST FORM SENT TO LANDOWNERS**

**REPORT ITEMS**

11. **OPERATIONS & MAINTENANCE** (Carlucci)
12. **DRAINAGE MANAGEMENT** (Cadena)
13. **GRASSLAND BASIN AUTHORITY** (McCoy)
14. **THE BOARD TO RECEIVE UPDATES FROM STAFF ON VARIOUS MATTERS AFFECTING THE DISTRICT** (McGowan)
15. **GENERAL MANAGER'S UPDATE** (McGowan)
  - A. Prop 84 Grant for Westside Regional Drainage Plan:
    - i. Tile Sump SCADA Project;
    - ii. Land Acquisition;
    - iii. Land Development;
  - B. Annexation
  - C. San Joaquin Valley Drainage Authority
  - D. Other Matters
16. **REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)**
17. **PANOCHÉ DRAINAGE CLOSED SESSION**
  - A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
    - Property: Fresno County Assessor's Parcel Number 004-070-06
    - Agency Negotiator: To Be Named
    - Negotiating Parties: Koda Farms and Randy Miles
    - Under Negotiation: Price and terms.

**REPORT FROM CLOSED SESSION**

18. **PANOCHÉ WATER & DRAINAGE DISTRICTS JOINT CLOSED SESSION:** Conference with Legal Counsel.
  - 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: One

- 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.**

**19. FUTURE MEETING DATES**

- A. Board to Consider Action to Set Special Meeting Date(s): *None requested.*
- B. Next Regular Meeting Date: May 14, 2024.

**20. ADJOURNMENT**

- ❖ Items on the Agenda may be taken in any order.
- ❖ Action may be taken on any item listed on the Agenda.
- ❖ Writings relating to open session: Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.

Americans with Disabilities Act of 1990: Under this Act, a qualifying person may request that the District provide a disability-related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes alternative formats for the agendas and agenda packets used for any public meetings of the District. Requests for assistance shall be made in person, in written form, or via telephone by calling (209) 364-6136. Requests must be received at least 18 hours prior to a scheduled public meeting.

**PANOCHÉ DRAINAGE DISTRICT  
BOARD OF DIRECTORS  
MEETING MINUTES  
March 12, 2024**

A regular meeting of the Board of Directors was held on March 12, 2024, at 9:02 am. Those present at the meeting were:

Directors: Aaron Barcellos, President  
Beau Correia, Director  
Michael Linneman, Vice President  
Steve Fausone, Secretary  
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: Neill Callis, Turlock Fruit  
Chris Linneman, Summers Engineering, Inc.  
Palmer McCoy, GBA  
Phil Williams, Legal Counsel

**CALL TO ORDER**

President Barcellos called the meeting to order at 9:02 am.

**PLEDGE OF ALLEGIANCE**

President Barcellos led those in attendance in the Pledge of Allegiance.

**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 APPROVAL OF THE FEBRUARY 20, 2024, REGULAR BOARD MEETING MINUTES**

Upon a motion by Director Fausone and seconded by Director Linneman, the Board approved the February 20, 2024, regular board meeting minutes as presented. The vote on the motion was as follows:

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

**FINANCIAL REPORTS**

- A. Accounts Payable**
- B. Monthly Financials**
- C. FYE 2024 Budget to Actual**
- D. Other financial matters**

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

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

**MR. CHRIS LINNEMAN FROM SUMMERS ENGINEERING, INC. IS PRESENTING THE BOARD WITH AN OVERVIEW OF THE GRASSLAND BYPASS PROJECT**

Engineer Chris Linneman presented the board with an overview and history of the Grassland Bypass Project. The Grassland Bypass Project (GBP) was implemented in 1996 to discharge subsurface drain water from the Grassland Drainage Area (GDA) while complying with water quality regulations and protecting water quality in the wetlands to the north of the GDA. Mr. Linneman explained that between 1996 through 2019 a series of Waste Discharge Orders were issued by the Central Valley Regional Water Quality Control Board which established waste discharge limits. Initially the orders were based on pounds of selenium discharged per month as a Total Maximum Monthly Load (TMML). With the implementation of the 2019 Order, it required that discharges from the GBP meet the selenium water quality objective in Mud Slough – 5 parts per billion as a 4-day average. The 2019 order expires in 2045. The GBP has a comprehensive monitoring program with regulatory sites including both internal drains and regulatory compliance sites. This monitoring program supports compliance with the Waste Discharge Orders and the reporting requirements. Mr. Linneman also reported that currently the SJRIP/GBA reuses 100% of Agricultural Subsurface Drain water and that the discharge from the GDA is limited to storm induced drainage. The GBP has been able to meet the selenium water quality objective since the 2019 order was adopted. In conclusion, Mr. Linneman reviewed the funding of the GBP which comes through the Grassland Basin Drainer’s Steering Committee, which is a subcommittee within the San Luis & Delta-Mendota Water Authority (SLDMWA). Funds for the GBP operations, monitoring, reporting, compliance with the Groundwater Order, and other tasks are collected by the SLDMWA and allocated across five agencies. Panoche Drainage District’s share is 67.7%.

**THE BOARD TO REVIEW AND CONSIDER APPROVING A PROPOSED BUDGET FOR THE FISCAL YEAR ENDING FEBRUARY 28, 2025, THAT WOULD BE SETTING THE DRAINAGE SERVICE FEE**

After discussion by the Board and upon a motion by Director Fausone and seconded by Director Western, the board approved the proposed budget for the fiscal year ending February 28, 2025, with the intent to review the budget again prior to the 2<sup>nd</sup> Installment of the Drainage Service Fee being billed. The vote on the motion was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVING LETTER OF INTENT FOR PANOCHE DRAINAGE DISTRICT CARBON SEQUESTRATION PROJECT PROPOSAL**

General Manager Patrick McGowan presented the board with a Letter of Intent (LOI) from Sunset Exploration, Inc. The LOI states the District agrees to not move forward with another company. Prior to signing, The District wanted to be sure that we weren't eliminating any potential places where we could sequester pumping water or brine. The District is currently having Sunset Exploration revise the LOI and the revised version has not been received as of yet. They require a signed copy of the letter prior to the end of this month in order to meet the filing for the grant requirement. Upon a motion by Director Linneman and seconded by Director Correia, the board approved giving General Manager Patrick McGowan the authorization needed to negotiate the LOI on behalf of the District. The vote on the motion was as follows:

- Ayes: Barcellos, Correia, Linneman, Western
- Nays: None
- Absent: None
- Abstain: Fausone

**THE BOARD TO REVIEW AND APPROVE RESOLUTION #834-24 INITIATING PROCEEDINGS FOR THE ANNEXATION OF LAND CONSISTING OF DISTRICT ANNEXATION AND A CORRESPONDING AMENDMENT TO THE DISTRICT'S SPHERE OF INFLUENCE**

Water Resource Manager Juan Cadena spoke with LAFCO and a resolution is needed prior to LAFCO starting the process for the annexation. The annexation includes A&H, S3, Koda ponds, Nelson, and Parreira properties. Upon a motion by Director Fausone and seconded by Director Western, the board approved Resolution #834-24 to initiate proceedings for the annexation of land. The vote on the motion was as follows:

- Ayes: Barcellos, Correia, Fausone, Linneman, Western
- Nays: None
- Absent: None
- Abstain: None

**REPORT ITEMS**

**OPERATIONS & MAINTENANCE**

Maintenance Manager Mr. Carlucci reported on the following operations and maintenance activities for the month of February:

- General Maintenance
- Weed control – No Activity.
- In Charleston Drainage District - Checking oilers on CH-2 pumps.
- San Luis Drain Weed Control – No Activity, but did fill the squirrel bait stations.
- On the San Luis Drain – Replaced locks on the 152 gates and the Henry Miller gates.

**DRAINAGE MANAGEMENT**

Water Resources Manager Mr. Cadena reported on the following drainage management activities for the month of February:

- The District exceeded their 5 parts per billion and Chris Linneman is currently working with the Central Valley Regional Water Quality Control Board.

## **GRASSLAND BASIN AUTHORITY**

The General Manager of the Grassland Basin Authority Mr. McCoy reported on the following:

- The siphon repair has been completed.
- A gate is currently being installed and Firebaugh Canal Water District has agreed to help in order to lower costs.
- Mr. McCoy reported that some of his staff are currently watching for birds and setting off poppers when needed.
- Mr. McCoy also noted that McElvaney is currently working on the ponds and will also be completing the pipeline.

## **THE 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 from the previous board meeting held on February 20, 2024.

## **GENERAL MANAGER'S REPORT**

General Manager Mr. McGowan reported on the following:

### **A. Prop 84 Grant for Westside Regional Drainage Plan**

- i. Tile Sump SCADA Project: Mr. McGowan reported that the SCADA system is now fully functional, and up and running. Contracts Administrator Josh Marquez informed the Board that he is still waiting on the quote from Bockman & Woody for the 5 additional tile sumps.
- ii. Land Acquisition: Mr. McGowan has an update in closed session.
- iii. Land Development: Mr. McGowan has an update in closed session.
- iv. Mr. McGowan informed the Board that the electrical switchgear will be in soon. This will be a large reimbursable expense to PDD.

### **B. Annexation**

- i. Mr. McGowan reported that Mr. Cadena has been working with LAFCO and will be filing the Resolution needed to proceed. Additionally, PDD staff have made multiple attempts with no success to meet with one remaining landowner regarding the annexation process.

### **C. San Joaquin Valley Drainage Authority**

Mr. McGowan reported that the SJVDA met in a virtual meeting last week and passed the budget.

### **D. Other Matters:**

Mr. McGowan informed the Board of Directors that he had other matters to discuss in closed session.

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

There were no other items.

*It was noted that the Panoche Drainage District would be holding it's Closed Session with Panoche Water District's Closed Session.*

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

At 1:29 pm, the Boards met in Closed Session to meet with legal counsel on related anticipated litigation.

At 1:44 pm, Mr. Williams stated that no reportable actions were taken in Closed Session.

**PANOCHÉ DRAINAGE DISTRICT CLOSED SESSION:**

At 1:45 pm, the Board met in Closed Session regarding real property negotiations and conference with legal counsel regarding anticipated litigation. At 2:00 pm, Mr. Williams stated that no reportable actions were taken in Closed Session.

**FUTURE MEETING DATES**

The next regular meeting of the Board was scheduled for April 9, 2024, at 9:00 am.

**ADJOURNMENT**

With no further business, President Barcellos adjourned the meeting at 10:33 am.

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Aaron Barcellos, President

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Steve Fausone, Secretary

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**PANOCHÉ DRAINAGE DISTRICT  
ACCOUNTS PAYABLE LIST  
PAYMENTS RUN FROM 3/13/2024 thru 4/16/2024**

DATE	CHECK NUMBER	VENDOR	AMOUNT	MEMO
3/13/2024	7179	BRYANT L. JOLLEY	\$ 1,250.00	FEBRUARY 2024 ACCOUNTING SERVICES
3/13/2024	7180	LAW OFFICE OF PHILIP A. WILLIAMS	\$ 3,225.00	FEBRUARY 2024 LEGAL SERVICES
3/13/2024	7181	CRAMER FISH SCIENCES	\$ 145.60	FEBRUARY 2024 MUD SLOUGH SAMPLING
3/22/2024	7182	GRASSLAND BASIN AUTHORITY	\$ 662,663.00	2024/2025 1ST INSTALL PARTICIPANT DUES
3/22/2024	7183	PACIFIC GAS & ELECTRIC	\$ 1,807.71	FEBRUARY & MARCH 2024 ELECTRICAL SERVICES
3/22/2024	7184	PANOCHÉ WATER DISTRICT	\$ 6,157.14	JANUARY 2024 LABOR \$ 3,546.98, EQUIPMENT \$ 1,890.64 & ADMIN ALLOCATION \$ 719.52
3/22/2024	7185	PANOCHÉ WATER DISTRICT	\$ 7,360.64	JANUARY 2024 SLD O & M BYPASS
3/22/2024	7186	PANOCHÉ WATER DISTRICT	\$ 6,355.45	FEBRUARY 2024 LABOR \$ 4,268.91, EQUIPMENT \$ 1,850.50 & ADMIN ALLOCATION \$ 236.04
3/22/2024	7187	PANOCHÉ WATER DISTRICT	\$ 3,840.91	FEBRUARY 2024 SLD O & M BYPASS
4/16/2024	7188	SAN JOAQUIN VALLEY DRAINAGE AUTHORITY	\$ 3,707.00	FY25 1ST INSTALLMENT MEMBERSHIP DUES
3/13/2024	JE-1, JE-8	PANOCHÉ WATER DISTRICT	\$ 12,810.00	MARCH 2024 LOAN INSTALLMENT PAYMENT
3/13/2024	JE-2, JE-9	PANOCHÉ WATER DISTRICT	\$ 12,874.95	MARCH 2024 LOAN INSTALLMENT PAYMENT
4/16/2024		SAN LUIS DELTA MENDOTA WATER AUTHORITY	\$ 80,204.08	FY25 1ST INSTALLMENT MEMBERSHIP DUES (1ST OF 6 PAYMENTS)
<b>TOTAL</b>			<b>\$ 802,401.48</b>	

**PANOCHÉ DRAINAGE DISTRICT/PROP 84  
ACCOUNTS PAYABLE LIST  
PAYMENTS RUN FROM 3/13/2024 thru 4/16/2024**

DATE	CHECK NUMBER	VENDOR	AMOUNT	MEMO
3/13/2024	10219	LAW OFFICE OF PHILIP A. WILLIAMS	\$ 825.00	FEBRUARY 2024 LEGAL SERVICES
4/9/2024	10220	LAW OFFICE OF PHILIP A. WILLIAMS	\$ 375.00	MARCH 2024 LEGAL SERVICES
4/16/2024	10221	1ST IN PADLOCKS	\$ 1,931.59	PADLOCKS FOR PANELS AT TILE SUMPS
<b>TOTAL</b>			<b>\$ 3,131.59</b>	

**PANOCHÉ DRAINAGE DISTRICT  
TREASURER'S MONTHLY FINANCIAL REPORT  
BALANCE SHEET-CURRENT ASSETS & LIABILITIES**

DATE AS OF	INTEREST RATE	March 31, 2024	February 29, 2024
<b><u>CURRENT LIABILITIES</u></b>			
ACCOUNTS PAYABLE		-	-
NOTE PAYABLE - PWD		\$255,839	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>\$255,839</b>	<b>\$0</b>
<b><u>CASH AND INVESTMENT ACCOUNTS</u></b>			
MECHANICS BANK CHECKING ACCOUNT		\$3,014	\$803,369
MECHANICS BANK PDD MONEY MARKET	4.390%	\$208,768	-
FRESNO COUNTY FUNDS	2.657%	\$247,762	\$233,996
MECHANICS BANK PROP 84 CHECKING		\$15,989	\$79,329
LAIF ACCOUNT	4.270%	\$435	\$115,435
<b>TOTAL CASH AND INVESTMENTS</b>		<b>\$475,967</b>	<b>\$1,232,129</b>
<b><u>ACCOUNTS RECEIVABLES</u></b>			
DRAINAGE SERVICE CHARGES		\$14,765	(\$15,600)
OTHER RECEIVABLES		-	-
DELINQUENT ACCOUNT CHARGES		\$142,085	\$159,110
<b>TOTAL ACCOUNTS RECEIVABLES</b>		<b>\$156,850</b>	<b>\$143,510</b>
<b>TOTAL CURRENT UNAUDITED ASSETS</b>		<b>\$632,817</b>	<b>\$1,375,639</b>
<b>NET CURRENT UNAUDITED ASSETS (NET CASH POSITION)</b>		<b>\$376,978</b>	<b>\$1,375,639</b>

**General Ledger Detail Report**  
**Summary Report for Period 01 Ending 3/31/2024**

**PANOCHÉ DRAINAGE DISTRICT (PDD)**

<u>Account Number/Description</u>	<u>Beginning Balance</u>	<u>Debit</u>	<u>Credit</u>	<u>Net Change</u>	<u>Ending Balance</u>
1311-000					
FRESNO COUNTY CASH ACCOUNT	233,996.43	13,765.17	0.00	13,765.17	247,761.60
1311-600					
MECHANIC CKNG#*****0066	803,368.50	799,693.40	1,600,048.40	800,355.00-	3,013.50
1312-010					
MECHANIC-PROP 84 CK ACCT#*****6000	79,329.43	442,440.82	505,781.51	63,340.69-	15,988.74
1312-400					
MECHANICS MM #*****0980	0.00	875,767.99	667,000.00	208,767.99	208,767.99
1313-000					
L. A. I. F.	115,435.04	0.00	115,000.00	115,000.00-	435.04
<b>Report Total:</b>	<u>1,232,129.40</u>	<u>2,131,667.38</u>	<u>2,887,829.91</u>	<u>756,162.53-</u>	<u>475,966.87</u>

PANOCHÉ DRAINAGE DISTRICT				
BUDGET (March 1, 2023 - February 29, 2024) 3/31/2024				
Report thru 2/29/2024 - 100%	Budget 2023-2024	Actual	Remaining	
<b>OPERATING REVENUES</b>				
Drainage Service Fee	\$ 2,118,869	\$ 2,212,194	\$ (93,325)	-4%
Fresno County Property Tax	\$ 275,000	\$ 309,624	\$ (34,624)	-13%
SLDMWA Reimbursement	\$ 145,000	\$ 188,312	\$ (43,312)	-30%
Annexation Reimbursement	\$ 120,000	\$ -	\$ 120,000	100%
Other Revenues	\$ 10,000	\$ 27,923	\$ (17,923)	-179%
<b>TOTAL REVENUES</b>	<b>\$ 2,668,869</b>	<b>\$ 2,738,053</b>	<b>\$ (69,184)</b>	<b>-3%</b>
<b>OPERATING EXPENSES</b>				
San Joaquin River Improvement Project	\$ 1,002,570	\$ 1,002,570	\$ -	0%
Grassland Bypass Project	\$ 695,951	\$ 695,951	\$ -	0%
Irrigated Lands Program	\$ 225,733	\$ 225,733	\$ -	0%
San Luis Drain Maintenance	\$ 145,000	\$ 219,103	\$ (74,103)	-51%
Annexation	\$ 120,000	\$ 15,188	\$ 104,812	87%
Repairs & Maintenance	\$ 105,000	\$ 77,618	\$ 27,382	26%
Labor - Field	\$ 85,000	\$ 61,142	\$ 23,858	28%
Professional Fees	\$ 75,000	\$ 62,755	\$ 12,245	16%
Legal Costs	\$ 67,000	\$ 49,341	\$ 17,659	26%
Labor - Admin	\$ 35,000	\$ 26,945	\$ 8,055	23%
General Overhead	\$ 30,000	\$ 20,730	\$ 9,270	31%
Dues & Subscriptions	\$ 20,000	\$ 22,913	\$ (2,913)	-15%
Energy	\$ 16,800	\$ 18,461	\$ (1,661)	-10%
Herbicides	\$ 15,000	\$ 18,677	\$ (3,677)	-25%
San Joaquin Valley Drainage Authority	\$ 10,803	\$ 10,803	\$ -	0%
Insurance	\$ 9,000	\$ 12,454	\$ (3,454)	-38%
Interest	\$ 8,012	\$ 18,648	\$ (10,636)	-133%
Water Quality Monitoring	\$ 3,000	\$ -	\$ 3,000	100%
<b>TOTAL EXPENSES</b>	<b>\$ 2,668,869</b>	<b>\$ 2,559,032</b>	<b>\$ 109,837</b>	<b>4%</b>
<b>INCOME/(LOSS)</b>	<b>\$ -</b>	<b>\$ 179,021</b>	<b>\$ (179,021)</b>	
Drainage Service Fee - Regular	\$ 54.75	\$ 71.75	\$ (17.00)	-24%
Drainage Service Fee - Landlocked	\$ 13.25	\$ 17.50	\$ (4.25)	-24%
			Reg/Ac.	LL/Ac.
San Joaquin River Improvement Project	\$ 1,002,570	\$ 1,002,570	\$ 20.57	\$ 4.98
	38%	39%		
Grassland Bypass Project	\$ 695,951	\$ 695,951	\$ 14.28	\$ 3.46
	26%	27%		
Irrigated Lands Program	\$ 225,733	\$ 225,733	\$ 4.63	\$ 1.12
	8%	9%		
San Joaquin Valley Drainage Authority	\$ 10,803	\$ 15,188	\$ -	\$ -
	0%	8%		
Sub-Total	\$ 1,935,057	\$ 1,924,255		
Panoche Drainage District	\$ 733,812	\$ 634,777	\$ 15.05	\$ 3.64
	27%	25%		

PDD Admin \$ 364,012 13.6%  
PDD O&M \$ 369,800 13.9%

**PANOCHÉ DRAINAGE DISTRICT**  
**BUDGET (March 1, 2024 - February 28, 2025)**

<b>Approved 3/12/2024 with modifications by BOD</b>	<b>Budget 2024-2025</b>	<b>Budget 2023-2024</b>	<b>Actual 2023-2024</b>	<b>Actual 2022 - 2023</b>	<b>Actual 2021 - 2022</b>
<b>OPERATING REVENUES</b>					
Drainage Service Fee	\$ 2,078,882	\$ 2,118,869	\$ 2,212,194	\$ 3,447,430	\$ 3,212,338
Fresno County Property Tax	\$ 260,000	\$ 275,000	\$ 309,624	\$ 271,705	\$ 242,444
SLDMWA Reimbursement	\$ 145,000	\$ 145,000	\$ 175,313	\$ 143,538	\$ 237,481
Annexation Reimbursement	\$ 65,000	\$ 120,000	\$ -	\$ -	\$ -
PWD Loan install payments Less: interest (Original \$ 712,930 dated 2/1/2020)	\$ 138,792	\$ -	\$ -	\$ -	\$ -
PWD Loan install payments Less: interest (\$716,521.50 2/29/2024)	\$ 128,750	\$ -	\$ -	\$ -	\$ -
Annexation Buy In	\$ 105,446	\$ -	\$ -	\$ -	\$ -
MSWD/GBA Reimbursement	\$ 40,296				
Other Revenues	\$ 8,500	\$ 10,000	\$ 27,583	\$ 10,694	\$ 8,457
<b>TOTAL REVENUES</b>	<b>\$ 2,970,665</b>	<b>\$ 2,668,869</b>	<b>\$ 2,724,714</b>	<b>\$ 3,873,367</b>	<b>\$ 3,700,720</b>
<b>OPERATING EXPENSES</b>					
Grassland Basin Authority	\$ 1,325,325	\$ 1,002,570	\$ 1,002,570	\$ 1,176,930	\$ 1,614,842
Grassland Bypass Project	\$ 547,150	\$ 695,951	\$ 695,951	\$ 1,274,175	\$ 1,142,978
Irrigated Lands Program	\$ 256,899	\$ 225,733	\$ 225,733	\$ 203,462	\$ 176,821
San Luis Drain Maintenance	\$ 158,400	\$ 145,000	\$ 207,750	\$ 142,067	\$ 237,481
Annexation Expenses	\$ 65,000	\$ 120,000	\$ 15,188	\$ 7,961	\$ 138
Annexation Buy In	\$ 105,446	\$ -	\$ -	\$ -	\$ -
Repairs & Maintenance	\$ 130,000	\$ 105,000	\$ 73,877	\$ 127,632	\$ 1,416
Labor - Field	\$ 95,000	\$ 85,000	\$ 59,276	\$ 91,890	\$ 105,280
Professional Fees	\$ 50,000	\$ 75,000	\$ 61,505	\$ 43,970	\$ 31,670
Legal Costs	\$ 46,746	\$ 67,000	\$ 39,558	\$ 46,490	\$ 62,321
Labor - Admin	\$ 35,000	\$ 35,000	\$ 20,995	\$ 29,309	\$ 50,453
MSWD/Acreage Budget	\$ 40,296	\$ -		\$ -	\$ 61,632
General Overhead	\$ 25,000	\$ 30,000	\$ 19,774	\$ 75,535	\$ 28,952
Dues & Subscriptions	\$ 19,640	\$ 20,000	\$ 22,913	\$ 19,640	\$ 19,716
Energy	\$ 17,000	\$ 16,800	\$ 17,264	\$ 14,343	\$ 11,728
Herbicides	\$ 13,000	\$ 15,000	\$ 18,677	\$ 12,749	\$ 9,730
San Joaquin Valley Drainage Authority	\$ 7,414	\$ 10,803	\$ 10,803	\$ -	\$ -
Insurance	\$ 12,600	\$ 9,000	\$ 12,454	\$ 35,931	\$ 8,025
Interest	\$ 18,749	\$ 8,012	\$ 18,648	\$ 10,546	\$ 15,123
Water Quality Monitoring	\$ 2,000	\$ 3,000		\$ 1,504	\$ 3,525
<b>TOTAL EXPENSES</b>	<b>\$ 2,970,665</b>	<b>\$ 2,668,869</b>	<b>\$ 2,522,936</b>	<b>\$ 3,314,134</b>	<b>\$ 3,581,831</b>
<b>INCOME/(LOSS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 201,778</b>	<b>\$ 559,233</b>	<b>\$ 118,889</b>
PWD Accounts payable (Not included in expense figures)	\$ 716,520				
Drainage Service Fee - Regular	\$ 50.46	\$ 54.75		\$ 71.75	
Drainage Service Fee - Landlocked	\$ 13.30	\$ 13.25		\$ 17.50	
Grassland Basin Authority	\$ 1,325,325	\$ 1,002,570	\$ 1,002,570		
	45%	38%	40%		
Grassland Bypass Project	\$ 547,150	\$ 695,951	\$ 695,951		
	18%	26%	28%		
San Luis Drain Maintenance	\$ 158,400				
	5%				
Irrigated Lands Program	\$ 256,899	\$ 225,733	\$ 225,733		
	9%	8%	9%		
San Joaquin Valley Drainage Authority	\$ 7,414	\$ 10,803	\$ 15,188		
	0.25%	0%	8%		
Sub-Total	\$ 2,295,188	\$ 1,935,057	\$ 1,924,255		
Panoche Drainage District	\$ 675,477	\$ 733,812	\$ 598,681		
	23%	27%	24%		

**PANOCHÉ DRAINAGE DISTRICT**  
**FY 2024 - 2024**  
**WATER BUDGET TO ACTUAL**  
**MARCH 1, 2024 - FEBRUARY 28, 2025**

<b>WATER REVENUE</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>% OF BUDGET TO DATE</b>	<b>ESTIMATE TO COMPLETE</b>	<b>ESTIMATED YEAR END 2/28/2024</b>	<b>\$ DIFFERENCE (OVER) UNDER</b>	<b>ESTIMATED % OF BUDGET</b>
DRAINAGE SERVICE FEE	\$ 2,078,882	\$768	0%	\$2,078,882	\$2,078,882	\$ 2,078,114	100%
FRESNO COUNTY PROPERTY TAX	\$ 260,000	\$13,765	5%	\$260,000	\$260,000	\$ 246,235	95%
SLDMWA REIMBURSEMENT	\$ 145,000	-	0%	\$145,000	\$145,000	\$ 145,000	100%
ANNEXATION REIMBURSEMENT	\$ 65,000	-	0%	\$65,000	\$65,000	\$ 65,000	100%
ANNEXATION BUY IN	\$ 105,446	-	0%	\$105,446	\$105,446	\$ 105,446	100%
OTHER REVENUE	\$ 8,500	-	0%	\$8,500	\$8,500	\$ 8,500	100%
PWD LOAN PYMT: \$712,930 DATED 2/1/20)	\$ 138,792	-	0%	\$138,792	\$138,792	\$ 138,792	100%
PWD LOAN PYMT: \$716,521 DATED 2/29/24)	\$ 128,750	-	0%	\$128,750	\$128,750	\$ 128,750	100%
MSWD/GBA REIMBURSEMENT	\$ 40,296	-	0%	\$40,296	\$40,296	\$ 40,296	100%
TOTAL REVENUES	<b>\$ 2,970,666</b>	<b>\$ 14,533</b>	<b>0%</b>	<b>\$ 2,557,382</b>	<b>\$ 2,557,382</b>	<b>\$ 2,956,133</b>	<b>99%</b>

<b>OPERATING EXPENSES</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>% OF BUDGET TO DATE</b>	<b>ESTIMATE TO COMPLETE</b>	<b>ESTIMATED YEAR END 2/28/2024</b>	<b>\$ DIFFERENCE (OVER) UNDER</b>	<b>ESTIMATED % OF BUDGET</b>
GRASSLAND BASIN AUTHORITY	\$ 1,325,325	\$662,663	50%	\$1,325,325	\$1,325,325	\$ 662,662	50%
GRASSLAND BYPASS PROJECT	\$ 547,150	-	0%	\$547,150	\$547,150	\$ 547,150	100%
IRRIGATED LANDS PROGRAM	\$ 256,899	-	0%	\$256,899	\$256,899	\$ 256,899	100%
SAN LUIS DRAIN MAINTENANCE	\$ 158,400	\$7	0%	\$158,400	\$158,400	\$ 158,393	100%
ANNEXATION EXPENSES	\$ 65,000	-	0%	\$65,000	\$65,000	\$ 65,000	100%
ANNEXATION BUY IN	\$ 105,446	-	0%	\$105,446	\$105,446	\$ 105,446	100%
REPAIRS & MAINTENANCE	\$ 130,000	-	0%	\$130,000	\$130,000	\$ 130,000	100%
LABOR - FIELD	\$ 95,000	-	0%	\$95,000	\$95,000	\$ 95,000	100%
PROFESSIONAL FEES	\$ 50,000	\$675	1%	\$50,000	\$50,000	\$ 49,325	99%
LEGAL COSTS	\$ 46,746	-	0%	\$46,746	\$46,746	\$ 46,746	100%
LABOR - ADMIN	\$ 35,000	-	0%	\$35,000	\$35,000	\$ 35,000	100%
MSWD/ACREAGE BUDGET	\$ 40,296	-	0%	\$40,296	\$40,296	\$ 40,296	100%
GENERAL OVERHEAD	\$ 25,000	-	0%	\$25,000	\$25,000	\$ 25,000	100%
DUES & SUBSCRIPTIONS	\$ 19,640	\$16,367	83%	\$19,640	\$19,640	\$ 3,273	17%
ENERGY	\$ 17,000	\$597	4%	\$17,000	\$17,000	\$ 16,403	96%
HERBICIDES	\$ 13,000	-	0%	\$13,000	\$13,000	\$ 13,000	100%
SAN JOAQUIN VALLEY DRAINAGE AUTHORITY	\$ 7,414	\$3,707	50%	\$7,414	\$7,414	\$ 3,707	50%
INSURANCE	\$ 12,600	\$5,133	41%	\$12,600	\$12,600	\$ 7,467	59%
INTEREST	\$ 18,749	\$2,138	11%	\$18,749	\$18,749	\$ 16,611	89%
WATER QUALITY MONITORING	\$ 2,000	-	0%	\$2,000	\$2,000	\$ 2,000	100%
TOTAL EXPENSES	<b>\$ 2,970,665</b>	<b>\$ 691,287</b>	<b>23%</b>	<b>\$2,970,665</b>	<b>\$2,970,665</b>	<b>\$ 2,279,378</b>	<b>88%</b>

**NET REVENUE(DEFICIT)**                     \$           -           \$           (676,754)                     \$           (413,283)   \$           (413,283)   \$           676,755

<b>PANOCHÉ DRAINAGE DISTRICT</b>					
<b>AGED ACCOUNTS RECEIVABLE, BY DUE DATE</b>					
<b>As of 3/31/2024</b>					
	<b>Name</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>Over 90 Days</b>	<b>Total A/R</b>
	B & C Farms, c/o Francisco & Romelia Nunez	-	-	29,466.59	29,466.59
	Carbajal, Sylvia	40.52	40.52	5,854.27	5,935.31
	Correia 2015 Living Trust	287.38	287.38	34,924.78	35,499.54
	Imperial Merchants	162.96	162.96	23,029.46	23,355.38
	Lupe Brown	1.56	1.56	193.87	196.99
	Nyman, Brad & Kristi	141.58	141.58	16,995.23	17,278.39
	Nyman, Ms. Rebecca	181.17	181.17	21,749.06	22,111.40
	Olam West Coast, Inc.	67.54	67.54	8,106.06	8,241.14
	<b>Total:</b>	<b>882.71</b>	<b>882.71</b>	<b>140,319.32</b>	<b>\$ 142,084.74</b>
<b>NOTES:</b>					
	Imperial Merchants / Phil sending a letter				
	Spoke with David for Nyman / Submitting a payment plan request				
	Olam paid \$ 8,173.60 on 4/3/24				

# **PANOCHÉ DRAINAGE DISTRICT**

## **RESOLUTION NO. 835-24**

### **A RESOLUTION AUTHORIZING EXECUTION OF A SETTLEMENT AGREEMENT WITH THE GRASSLAND BASIN AUTHORITY**

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WHEREAS, Panoche Drainage District (the “Drainage District”) is a California Drainage District formed and existing under the Drainage District Act of 1903, found at Appendix 8 of the California Water Code, and has the authority to do all things necessary to provide drainage service within its jurisdiction.

WHEREAS, the San Joaquin River Water Quality Improvement Project (SJRIIP) is a drainage and water reuse and management area within the Grassland Drainage Area comprised of approximately 6,000 acres of land in Fresno and Merced Counties which is operated as a drainage management facility to assist in meeting regulatory and contractual obligations to reduce discharges of selenium and salinity loads; and

WHEREAS, the Drainage District established and thereafter operated the SJRIIP on behalf of and in coordination with Camp 13 Drainage District, Charleston Drainage District, Firebaugh Canal Water District, Panoche Water District (“PWD”), and Pacheco Water District (collectively, the “Districts”) pursuant to the SJRIIP License Agreement dated August 8, 2008 (the “2008 License Agreement”); and

WHEREAS, the Drainage District incurred costs during its establishment and operation of the SJRIIP and experienced cash flow shortages as a result; and

WHEREAS, PWD advanced the Drainage District (collectively hereinafter referred to as “Panoche Districts”) funds for the operation of the SJRIIP to help cover the Drainage District’s cash flow shortages; and

WHEREAS, on June 13, 2019, the Drainage District, PWD, and the Districts, along with San Luis Water District (collectively, the “Member Agencies”) entered into a Joint Exercise of Powers Agreement (the “JPA”) to create the Grassland Basin Authority (the “GBA”); and

WHEREAS, among other things, pursuant to the JPA, the GBA was granted the right to use and exercise the license rights reserved to the Drainage District for operation and maintenance (“O&M”) of the SJRIIP pursuant to Section 4, Paragraphs B and C, of the 2008 License Agreement; and

WHEREAS, the GBA Member Agencies fund GBA’s O&M of the SJRIIP through the payment of dues which are established annually through GBA’s budget process and allocated among the GBA Member Agencies according to Participation Percentages; and

WHEREAS, the Districts, the Drainage District, and PWD want to resolve all disputes between the Panoche Districts, GBA, and the Districts related to any debt owed by the Districts to the Panoche Districts as a result of the Drainage District’s establishment and O&M of the SJRIIP prior to the GBA assuming those responsibilities as well as any disputes related to PWD’s advancement of funds to the Drainage District for O&M of the SJRIIP prior to the GBA assuming those responsibilities; and



WHEREAS, the Drainage District, by this Resolution intends to signify its approval of the Settlement Agreement between the Panoche Districts and the GBA, attached hereto as Exhibit A, (the "Settlement Agreement") its intent to be bound by the terms of the Settlement Agreement, and its authorization of GBA entering into the Settlement Agreement on its behalf.

**NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:**

1. The Board of Directors of the Panoche Drainage District hereby finds and determines the above Recitals are true and correct and are incorporated herein by this reference.
2. The Board of Directors and the Drainage District have reviewed the Settlement Agreement, and the Board of Directors finds entering the Settlement Agreement is in the best interests of the Drainage District.
3. The Board of Directors hereby approves the Settlement Agreement. The Board President is hereby authorized and directed to execute the Settlement Agreement.
4. By its approval of the Settlement Agreement the Drainage District agrees to be bound by the terms of the Settlement Agreement including the mutual release provision contained therein.
5. The Drainage District hereby authorizes its representative on the GBA Board of Directors to vote in favor of approval of the Settlement Agreement.
6. The Drainage District hereby authorizes the GBA to enter into the Settlement Agreement on its behalf.

PASSED AND ADOPTED this 16<sup>th</sup> day of April 2024, in a duly noticed and open meeting of the Board of Directors by the following vote, to wit:

Ayes:  
Nays:  
Abstain:  
Absent:

\_\_\_\_\_  
Aaron Barcellos, President

Attest: \_\_\_\_\_  
Steve Fausone, Secretary

**CERTIFICATE OF SECRETARY  
OF  
PANOCHÉ DRAINAGE DISTRICT,  
A California Drainage District**

I, Steve Fausone, do hereby certify that I am the duly authorized and appointed Secretary of the Panoche Drainage District, a California Drainage District (the "District"); that the foregoing is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District on the 16<sup>th</sup> day of April 2024; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this \_\_\_\_\_ day of April 2024.

\_\_\_\_\_  
Steve Fausone, Secretary

DRAFT

## SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into by and between Panoche Water District (PWD), Panoche Drainage District (PDD), (collectively hereinafter referred to as "Panoche Districts") both of which are member agencies of the Grassland Basin Authority (GBA), and GBA on behalf of GBA's other member agencies, Camp 13 Drainage District (Camp 13), Charleston Drainage District (Charleston), Firebaugh Canal Water District (Firebaugh), and Pacheco Water District (Pacheco). These GBA named member agencies, other than PWD and PDD, may be referred to herein individually as "District" and collectively as "Districts." PWD, PDD, and GBA may be referred to herein individually as "Party" and collectively as "Parties."

1. The San Joaquin River Water Quality Improvement Project (SJRIP) is a drainage and water reuse and management area within the Grassland Drainage Area comprised of approximately 6,000 acres of land in Fresno and Merced Counties which is operated as a drainage management facility to assist in meeting regulatory and contractual obligations to reduce discharges of selenium and salinity loads.

2. PDD established and thereafter operated the SJRIP on behalf of and in coordination with Camp 13, Charleston, Firebaugh, PWD, and Pacheco pursuant to the SJRIP License Agreement dated August 8, 2008 (2008 License Agreement).

3. PDD incurred costs during its establishment and operation of the SJRIP and experienced cash flow shortages as a result; the GBA and Districts are informed by the Panoche Districts that PWD advanced PDD funds for the operation of the SJRIP to help cover those shortages. Because the Panoche Districts acted in some instances jointly and in some instances separately, and both are members of the GBA, it is equitable that any settlement of the amount of monetary sums owed by the Districts and PDD through the GBA and any agreement to indemnify, defend and hold harmless the GBA and Districts be joint and several between the Panoche Districts and that the use and crediting of the payments to be made by the Districts and PDD under the terms of this Settlement Agreement through the GBA be resolved between the Panoche Districts upon receipt of the payments.

4. On June 13, 2019, PWD, PDD, and the Districts, along with San Luis Water District (collectively, the GBA Member Agencies) entered into a Joint Exercise of Powers Agreement (JPA) to create the GBA.

5. Among other things, pursuant to the JPA, the GBA was granted the right to use and exercise the license rights reserved to PDD for operation and maintenance (O&M) of the SJRIP pursuant to Section 4, Paragraphs B and C, of the 2008 License Agreement.

6. The GBA Member Agencies fund GBA's O&M of the SJRIP through the payment of dues which are established annually through GBA's budget process and allocated among the GBA Member Agencies according to the Participation Percentages set forth in "Exhibit A" hereto and incorporated herein by this reference.

7. This Agreement is intended to resolve all disputes between the Panoche Districts, GBA, and the Districts related to any debt owed by the Districts to the Panoche Districts as a result of PDD's establishment and O&M of the SJRIP prior to the GBA assuming those responsibilities, as well as any

disputes related to PWD's advancement of funds to PDD for O&M of the SJRIP prior to the GBA assuming those responsibilities.

**NOW THEREFORE**, the Parties agree as follows:

1. **AMOUNT.** GBA agrees, on behalf of the Districts and PDD, to pay PWD, the total sum of \$1,700,000.00 (Owed Amount). The Panoche Districts shall apportion the Owed Amount between themselves. The Panoche Districts agree that the Owed Amount includes the costs of administration of the Grant with the State of California (Grant Agreement No. 4600012787) incurred up to December 31, 2023. Moreover, the Panoche Districts agree that this Agreement and payment of the Owed Amount shall not be deemed to satisfy any obligation owed by the Panoche Districts under the GBA JPA or serve to offset or as a credit against any assessment or amount owed by PWD or PDD pursuant to the GBA JPA.
2. **ALLOCATION OF AMOUNT AMONG THE DISTRICTS.** The Owed Amount payable shall be apportioned among the Districts and PDD according to the Participation Percentages set forth in "Exhibit A." Each District and PDD, as described in Exhibit "A", is solely responsible for payment of its own Participation Percentage of the Owed Amount to PWD. No District shall be responsible for or have liability for the payment of any amount allocated as owed to another District or PDD. The Panoche Districts may not assign or grant any form of security interest in the Owed Amount to any other person or entity.
3. **AUTHORIZATION FOR GBA TO COLLECT AND PAYMENT.** The Districts and PDD hereby authorize GBA to act as collection agent, and to collect from the Districts and PDD and pay the Owed Amount to PWD in accordance with the terms of this Agreement.
4. **CREDIT OF PROCEEDS FROM WATER SALES.** The Panoche Districts collected the proceeds from the sale of Warren Act and Refuge/Level 2 water during the 2022 Water Year. Currently, \$498,076.00 is owed to the GBA for these sales. The Panoche Districts, GBA, and the Districts agree that the water sale proceeds owed to GBA are to be credited toward the principal of the Owed Amount prior to the GBA making its first payment under this Agreement.
5. **TERM.** The term of this Agreement regarding payment of the Owed Amount shall commence on March 1, 2024, (Effective Date) and shall continue for 5 years or until the total Owed Amount is paid in full, whichever is earlier.
6. **INTEREST.** Interest will begin to accrue on the Effective Date and shall be calculated at a rate of 1.75% per annum.
7. **PAYMENTS.** The principal and accrued interest shall be due and payable on or before the 12th of each month in accordance with the schedule attached hereto as "Exhibit B" and incorporated herein by this reference. If a payment date falls on a weekend or employer observed holiday, such payment shall be paid on the next business day.
8. **PREPAYMENT.** GBA reserves the right to collect and prepay the Owed Amount, in whole or in part, prior to the due dates with no prepayment penalty.

9. **DEFAULT.** This Agreement may be enforced by PDD and/or PWD against a defaulting District upon a default in the collection and payment by any District to the GBA of the amount owned by that District. The reasonable costs of enforcement, including attorney's fees shall be awardable to the prevailing party.
10. **ACKNOWLEDGMENT & MUTUAL RELEASE.** The Panoche Districts agree to accept the Owed Amount as payment in full of any debt owed and incurred by the Districts or any of them as a result of the Panoche Districts' incurrence of costs and/or PWD's advancement of funds to PDD for establishment and O&M of the SJRIP prior to December 31, 2023.
- a. **Panoche Districts' Release of GBA and the Districts.** PWD and PDD do each, in consideration of the promises and covenants made by the GBA and the Districts in this Agreement, hereby compromises, settles and releases the GBA and the Districts and each of them from any and all past, present, or future claims, demands, obligations, or causes of action, which PWD and/or PDD may have against GBA and/or the Districts on account of or arising out of (a) PWD's advancement of funds to PDD and/or (b) expenditures, expenses or liabilities incurred by PWD and/or PDD prior to December 31, 2023, as part of the activities or undertakings by PWD and PDD in the establishment and O&M of the SJRIP. Such claims include those claims or expenses PWD and/or PDD may have or has, or which may later accrue to or be acquired by PWD and/or PDD, against GBA and the Districts, and all of their past and present employees, directors, officers, assigns, agents, attorneys, insurers, and any other persons acting by, through, under or in concert with any such persons. PWD and PDD acknowledge that this Agreement and Release only applies to any potential claims arising from acts, omissions, events or expenses PWD or PDD incurred prior to December 31, 2023, as part of the establishment and O&M of the SJRIP and arising from PWD's and/or PDD's advancement of funds, and/or PWD or PDD's use of funds, equipment or properties whether known or unknown, foreseen, or unforeseen, injury or damage. Each of PWD and PDD expressly waives any benefit PWD and/or PDD may have under Section 1542 of the California Civil Code, which provides as follows:

*A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.*

- b. Each of PWD and PDD acting jointly and severally agrees to indemnify, defend, and hold the GBA, the Districts, and San Luis Water District harmless from and against any and all claims which may be asserted against them or any of them that arise out of or relate to (a) PWD's advancement of funds to PDD and/or (b) expenditures, expenses or liabilities incurred by PWD and/or PDD prior to December 31, 2023, as part of the activities or undertakings by PWD and PDD in the establishment and O&M of the SJRIP.

- c. **GBA Releases Panoche Districts.** Except as set forth in this Agreement, GBA, on behalf of the Districts, in consideration of the promises and covenants made by the Panoche Districts in this Agreement, hereby compromises, settles and releases the Panoche Districts from any and all past, present, or future claims, demands, obligations, or causes of action, which the GBA or the Districts may have against the Panoche Districts on account of or arising out of PWD's advancement of funds to PDD. Such claims include those the GBA or the Districts may have or have, or which may later accrue to or be acquired by the GBA or the Districts, against the Panoche Districts, and all of their past and present employees, directors, officers, assigns, agents, attorneys, insurers, and any other persons acting by, through, under or in concert with any such persons. The GBA, on behalf of the Districts, acknowledges that this Agreement and Release only applies to any potential claims arising from expenses PDD incurred prior to December 31, 2023, as part of PDD's establishment and O&M of the SJRIP and arising from PWD's advancement of funds, whether known or unknown, foreseen, or unforeseen, injury or damage, and expressly waives any benefit the GBA or the Districts may have under Section 1542 of the California Civil Code, which provides as follows:

*A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.*

11. **MISCELLANEOUS.**

- a. **Entire Agreement.** This Agreement contains the entire agreement between the Parties with respect to the matters set forth herein, and this Agreement supersedes any prior oral understanding between the Parties regarding the Owed Amount and matters subject to this Agreement. All prior oral communications are now subject to this Agreement and remain subject to all applicable privileges. Any modifications, revisions, or changes to this Agreement must be made in a writing signed by all Parties.
- b. **Interpretation.** This Agreement is entered into freely and voluntarily. This Agreement has been arrived at through negotiation, and each Party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in constructing or interpreting this Agreement.
- c. **Binding Effect.** This Agreement shall be binding upon the successors and assigns of each Party. No assignment or delegation of the obligations under this Agreement will release the assigning or delegating Party from those obligations. Each of the Districts is a third-party beneficiary of this Agreement and is entitled and obliged to enforce the duties and obligations provided herein.
- d. **Waiver.** Neither Party's waiver of the other's breach or violation of any term, covenant or condition contained in this Agreement shall be deemed to be a waiver

of any subsequent breach or violation of the same or any other term, covenant or condition in this Agreement.

- e. **Notices.** All notices, requests, demands, and other communications which either Party may require or desire to serve on the other under this Agreement shall be in writing and served by registered or certified mail, with postage thereon fully prepaid, and addressed to the Party to be served as follows:

Panoche Water District:     Attn: General Manager  
  52027 W. Althea Ave.  
  Firebaugh, CA 93622  
  209-364-6136

Panoche Drainage District:   Attn: General Manager  
  52027 W. Althea Ave.  
  Firebaugh, CA 93622  
  209-364-6136

GBA:                                 Attn: General Manager  
  10085 N. Brannon Ave.  
  Firebaugh, CA 93622  
  209-710-5818

- f. **Attorney's Fees.** In the event of any controversy, claim or dispute relating to this Agreement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees, and costs.
- g. **Governing Law.** This Agreement shall be interpreted and enforced pursuant to the laws of the State of California.
- h. **Authority.** Each person signing this Agreement represents and warrants that he/she is duly authorized to execute this Agreement and expressly has the authority to execute this Agreement on behalf of the Party he/she represents as identified by his/her signature line, and further represents that all necessary approvals have been obtained to execute and implement this Agreement.
- i. **Counterparts.** This Agreement may be executed in counterparts with the same force and effect as if executed in one complete document by all Parties.
- j. **Severability.** If any provision of this Agreement is found invalid or unenforceable, the balance of the Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement on and as of the date(s) set forth below:

[SIGNATURES BEGIN ON FOLLOWING PAGE]

**GRASSLAND BASIN AUTHORITY**

By: \_\_\_\_\_

Palmer McCoy  
General Manager

**PANOCHÉ WATER DISTRICTS**

By: \_\_\_\_\_

Patrick McGowan  
General Manager

**PANOCHÉ DRAINAGE DISTRICT**

By: \_\_\_\_\_

Patrick McGowan  
General Manager



**EXHIBIT "A"**

<b>District</b>	<b>Acreage</b>	<b>Participation Percentage</b>	<b>Owed Amount</b>
Panoche Drainage District	43,590	54.77%	\$931,090.00
Firebaugh Canal Water District	21,761	27.34%	\$464,780.00
Pacheco Water District	4,996	6.28%	\$106,760.00
Camp 13 Drainage District	4,933	6.19%	\$105,230.00
Charleston Drainage District	4,314	5.42%	\$92,140.00
TOTAL	79,594	100.00%	\$1,700,000.00

**EXHIBIT "B"**



# Panoche Water District

## Property Related Fees & Charges Delinquency Policy

Board Amended – November 08, 2022

### **District Objectives**

Through this Property Related Fees and Charges Delinquency Policy (the “Policy”), the Panoche Water District (the “District”) intends to ensure its Landowners and water users are aware of the options the District has should a Landowner become Delinquent in paying any Property Related Fees and Charges, including Drainage Service Fees imposed by the Panoche Drainage District, levied on a Parcel within the District or on a person as an incident of ownership of a Parcel within the District, and in so doing, securing fiscal assurances for the District. The delivery of water by the District and the efficient management of drainage water by the Panoche Drainage District are so intimately connected as to necessitate this Policy to ensure sustainable agricultural uses of land within the District.

### **Scope**

This Policy applies to all Property Related Fees and Charges, including Special Assessments and Drainage Service Fees imposed by the Panoche Drainage District, levied on Parcels within the District or upon any person as an incident of ownership of a Parcel within the District. As of the adoption of this Policy, the District has applied to Fresno and Merced Counties to participate in their respective alternative method of distribution of tax levies and collections of tax sale proceeds, or “Teeter Plans,” as provided for through Revenue and Taxation Code sections 4700, *et seq.* The District’s application(s) has been accepted, and the respective County has levied and collected the District’s respective Property Related Fees and Charges, for the 2021 Contractual Obligations Bond special benefits assessment adopted and imposed by the Board of Directors on June 8, 2021, through Resolution 781-21. Such Property Related Fees and Charges may be captured on the respective County’s property tax roll sent on or around April 10<sup>th</sup> and December 10<sup>th</sup> of each year. In addition, the Panoche Drainage District levies and collects the Drainage Service Fee directly from Landowners. The Landowner shall be liable to pay any such Property Related Fees and Charges, regardless of whether the District or the appropriate County, through the Teeter Plan, levies and collects the Property Related Fees and Charges. The General Manager has authority to interpret this Policy to affect the District Objectives and the discretion to implement this Policy to balance the District Objectives in the best interests of the District.

### **The following definitions shall apply to this Policy:**

“Assessment” means any levy or charge imposed upon real property by the District for a special benefit conferred upon the real property, including a special assessment.

“Delinquent” means the failure to deliver payment of the Property Related Fee and Charge to the appropriate Levying and Collecting Authority within the deadline provided to the Landowner in writing by the Levying and Collecting Authority. This definition includes the failure to deliver payment to the County within the time provided for Property Related Fees and Charges levied and sought to be collected on the respective County’s property tax roll.

“Drainage Service Fees” means those fees levied by the Panoche Drainage District on Parcels within Panoche Drainage District’s boundaries and which Parcels may also be within the District.

“Landowner” shall mean any person(s) or entity(ies) that or who holds title to real property within the District.

“Levying and Collecting Authority” means the entity that has the authority to levy and collect Property Related Fees and Charges, including the Panoche Drainage District. As an illustrative example, as Fresno County has accepted the District’s application to participate in Fresno County’s Teeter Plan regarding the 2021 Contractual Obligations Bond special benefits assessment, then Fresno County shall be the Levying and Collecting Authority for that particular Special Assessment.

“Parcel” means real property against which any Property Related Fees or Charges have been levied.

“Property Related Fees and Charges” means any fees or charges levied upon real property or upon a person as an incident of real property ownership, including both a user fee for any property related service and any special assessment. For purposes of this Policy, “Property Related Fees and Charges” includes Drainage Service Fees.

“Special Assessment” means a charge imposed by the District on particular Parcel for a local public improvement of direct benefit to that parcel.

“Water Service” means the delivery by the Panoche Water District, including the use of any District-owned facilities, of water to the Parcel.

### **Property Related Fees and Charges Delinquency Policy**

Any Landowner who fails to pay any Property Related Fees and Charges before it becomes Delinquent, shall, in addition to any other penalty provided for by law, have Water Service discontinued on that Parcel upon which any Property Related Fees and Charges were levied. Water Service shall not be resumed on a respective Parcel until all Delinquent Property Related Fees and Charges have been paid.

District as Levying and Collecting Authority. Should the District or the Panoche Drainage District be responsible for levying and collecting any Property Related Fees and Charges, any Delinquency may constitute a debt owed by the Landowner to the respective District and may be secured by a lien against the Parcel upon which any such Property Related Fees and Charges were levied. Should ninety (90) days pass before payment is received by the District, the Landowner shall be in default. In case of default, all payments for any Property Related Fees and Charges that are Delinquent, as well as any Property Related Fees and Charges for the subsequent year, shall be received by the District before the District will remove any lien placed on the Parcel.

Respective County as Levying and Collecting Authority. Should the respective County, through acceptance of the District’s application to participate in the respective County’s Teeter Plan, become a Levying and Collecting Authority for any Property Related Fees and Charges, this Policy shall not be construed to restrict in any manner the respective County’s authority, rights, or remedies regarding the levy and collection of the respective Property Related Fees and Charges. As the Levying and Collecting Authority, the respective County shall retain any and all such authority, rights, or remedies it would otherwise have absent this Policy.



# PANOCHÉ DRAINAGE DISTRICT

52027 West Althea Ave, Firebaugh, CA 93622 – (209) 364-6136 – [panochedrainage.specialdistrict.org](http://panochedrainage.specialdistrict.org)

March 19, 2023

Subject: Panoche Drainage District Proposed Drainage Service Fees – Notice and Opportunity to Protest

Dear Landowners,

On March 12, 2024, the Panoche Drainage District Board of Directors adopted the District’s FY 24-25 Budget. As part of that process, the Board approved, subject to the requirements of Article XIII D of the California Constitution, imposing land-based charges to fund the District’s activities, which the District identifies as a “Drainage Service Fee”.

The District has identified two classes of land within the District properly subject to the Drainage Service Fee: “Regular”, and “Landlocked”. Regular lands are those lands that have full access to Panoche Drainage District facilities. Landlocked lands are those lands surrounded by parcels owned by others, with no access to District drains. To address the distinction between the two, the District has identified different Proposed Drainage Service Fees for these two types of land and has developed the following Proposed Drainage Service Fees:

Drainage Service Fee: Regular	\$64.39
Drainage Service Fee: Landlocked	\$16.97

Currently, the District funds all its activities through Drainage Service Fees and plans to fund its activities for the 2024-2025 fiscal year through the Proposed Drainage Service Fees.

In accordance with the requirements of Article XIII D of the California Constitution, known generally as “Proposition 218”, the Board will hold a public hearing on the Proposed Drainage Service Fees. The Board will hold this public hearing at 9:00 am on May 14, 2024. At that time, the Proposed Drainage Service Fees will go into effect unless a majority of owners of the identified parcels submit written protests before the close of the public hearing on May 14, 2024. If the Proposed Drainage Service Fees do not pass the protest hearing, the District will refund the difference between any fees paid for the 2024-25 fiscal year and the amount of the 2023-24 Drainage Service Fees.

Enclosed with this notice is a protest form to indicate whether you, as the landowner subject to the Proposed Drainage Service Fee, oppose the Proposed Drainage Service Fees. Please refer to the form and carefully follow the instructions provided on the form.

Sincerely,

Patrick McGowan  
General Manager



# PANOCHÉ DRAINAGE DISTRICT

52027 West Althea Ave, Firebaugh, CA 93622 – (209) 364-6136 – [panochedrainage.specialdistrict.org](http://panochedrainage.specialdistrict.org)

## PANOCHÉ DRAINAGE DISTRICT PROPOSED 2024-2025 DRAINAGE SERVICE FEES OFFICIAL PROTEST FORM

By signing below, I OPPOSE the Panoche Drainage District’s Proposed 2024-2025 Drainage Service Fees.

Date:

Signature:

If applicable, check the box below. Please write/print legibly.

By checking this box, I certify I am the Landowner or the Landowner’s legal representative of the following APN or Address.

Name:

APN:

Address:

Provide the Name and Address as it appears (not a post office box).

### Instructions and Requirements

- o This Form can be downloaded from: <https://panochewd.specialdistrict.org/>
- o Landowners within Panoche Drainage District may file a written protest against the Proposed 2024-2025 Drainage Service Fees at the Protest Hearing scheduled on May 14, 2024, at 9:00 am.
- o Written protests must be filed no later than the close of the Protest Hearing to be considered.
- o This form must be completely filled out, dated, and received during the Official Protest Period, which begins on March 19, 2024, and ends on April 9, 2024, at the close of the Protest Hearing.
- o This form must either be received in the Panoche Drainage District office by mail or delivered in person prior to the close of the Protest Hearing.
- o The Panoche Drainage District mailing address is 52027 West Althea Ave, Firebaugh, CA 93622.
- o Written protests cannot be accepted by fax or email.
- o Written protests that have been filed may also be withdrawn at the Landowner’s request prior to the close of the Protest Hearing.



# ***PANOCHÉ DRAINAGE DISTRICT***

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622  
TELEPHONE (209) 364-6136 • FAX (209) 364-6122

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## **BOARD MEETING MEMORANDUM**

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**TO:** BOARD OF DIRECTORS

**FROM:** CHRIS CARLUCCI, OPERATIONS & MAINTENANCE MANAGER

**SUBJECT:** DIVISION REPORT – OPERATIONS & MAINTENANCE

**DATE:** APRIL 16<sup>TH</sup>, 2023

**CC:** PATRICK MCGOWAN, GENERAL MANAGER

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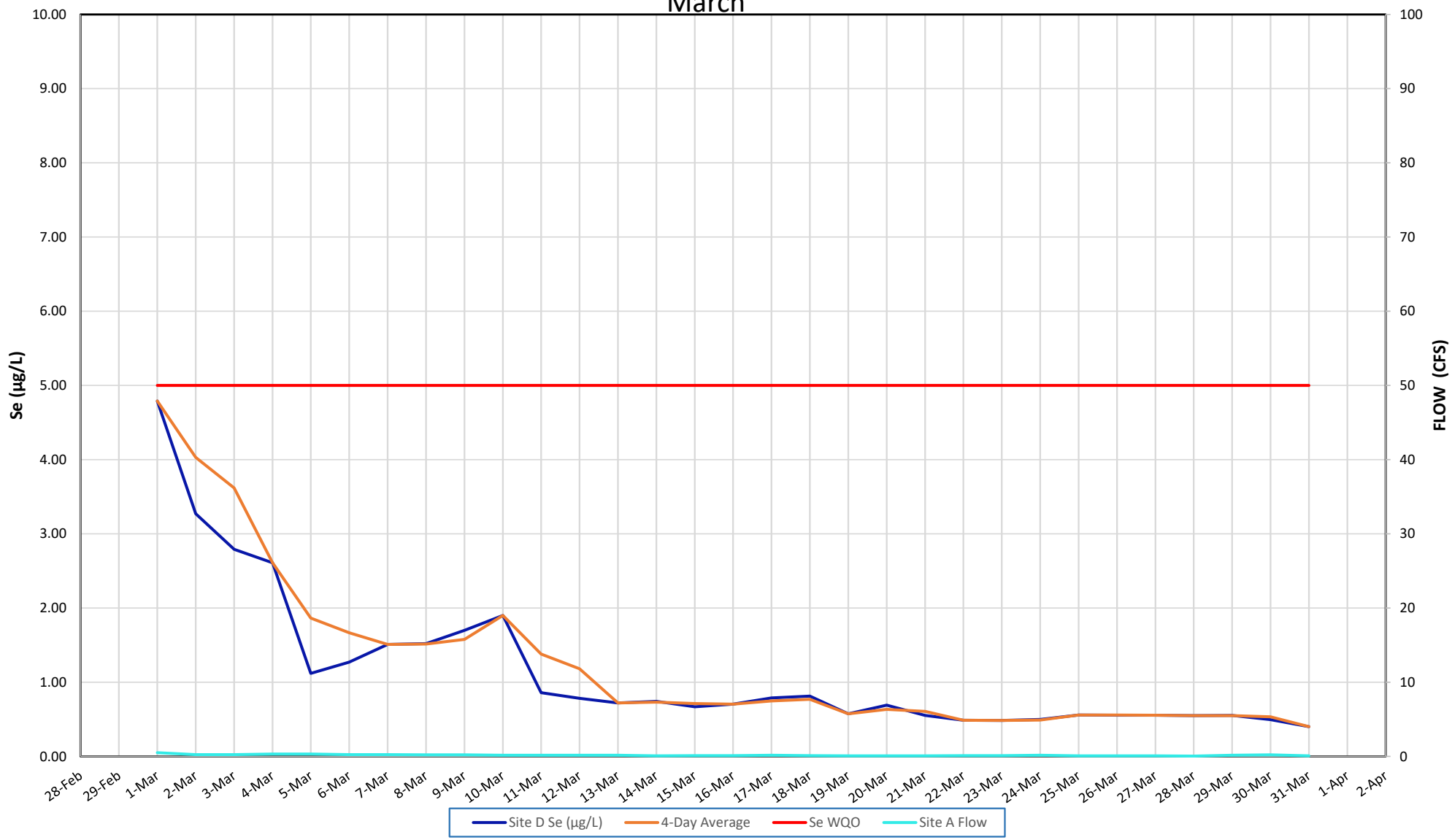
**For the month of March, the following operations and maintenance activities occurred as follows:**

- General Maintenance.
- Weed control- We sprayed Buick drain, Hammonds Drain, Davidson Drain and Althea Drain.
- Charleston Drainage District- Checking oilers on CH-2 pumps.
- Pacheco Water District Weed Control- PWD sprayed these locations- Lateral 2,3,4,5 & 6, Pacheco ponds, Pacheco Lift and Pacheco Drain.
- San Luis Drain Weed Control- No Activity, filled squirrel bait stations.
- San Luis Drain- We picked up trash from Herry Miller Rd to Hwy 165. The crew picked up 4 trailer loads of trash.
- Worked on EPA Account for PDD. Updating Annual Verification Questionnaire Report.



# Mud Slough Water Quality - 2024

## March



**PDD**  
**APRIL 16th, 2024**  
**BOARD MEETING ACTION ITEMS**

1. Annexation resolution, please check in with Phil to ensure accuracy. **JUAN**
2. Meet and discuss the process of annexation with property owner. **PATRICK & JUAN**
3. Sump pump/Tile line policy, and agreement review. **JOSH & JUAN**
4. Annexation buy-in, what is owed to GBA. Meet with GBA to discuss. **PATRICK & JUAN**
5. Letter to delinquent landowner, Imperial. **PHIL**
6. Drainage fee increase, prop 218 like response/notification to landowners & growers. **PHIL**
7. Review landlocked policy/sop/regs/past practices and fees. **JUAN**
8. Budget amendments, MSWD \$40K to revenue side as well. **MARLENE**
9. Budget amendments, adjust budget to make drainage fee a round number. **MARLENE**
10. Budget amendments, move notes payable from budget to reflect under operating expenses. **MARLENE**
11. Bill first drainage fee installment, investigate pulling from reserves to lower rates for second installment. **MARLENE & SANDRA**
12. PDD actual acreage amount. **JUAN**
13. Determine if either PDD or landowner responsibility to fund temporary facilities expense and PG&E for pumping from well on leased ground. **JUAN**