

**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 2nd 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

- 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.
- Land Acquisition: Mr. McGowan has an update in closed session.
- Land Development: Mr. McGowan has an update in closed session.
- Mr. McGowan informed the Board that the electrical switchgear will be in soon. This will be a large reimbursable expense to PDD.

B. Annexation

- 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

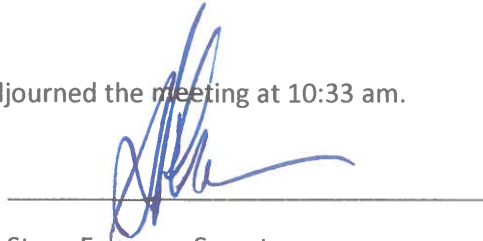
The next regular meeting of the Board was scheduled for April 9, 2024, at 9:00 am.

ADJOURNMENT

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



Aaron Barcellos, President



Steve Fausone, Secretary