

AGENDA
PANOCHÉ DRAINAGE DISTRICT
ADJOURNED REGULAR BOARD OF DIRECTORS MEETING
January 17, 2023 – 9:00 a.m.

**PURSUANT TO AB 361, THE OPEN SESSION OF THIS MEETING MAY BE JOINED
FROM YOUR COMPUTER, TABLET OR SMARTPHONE THROUGH THE FOLLOWING MEANS:**

<https://meet.goto.com/771746309>

AND PLEASE DIAL

Conference call in number: (866) 705-2554 Passcode: 148 890

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. DETERMINATION:** The Board to review and consider a Resolution determining that during the proclaimed state of emergency due to the COVID-19 pandemic, meeting in person would present imminent risk to the health or safety of attendees (Azhderian – Tab 2);
- 3. REVIEW OF AGENDA:** The Board will consider corrections and/or additions to the Agenda of items requiring immediate action that came to the attention of the Board after the Agenda was posted.
- 4. 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.
- 5. 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]
- 6. 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.

7. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered to be routine and non-controversial and will be acted upon by a single action of the Board of Directors, unless a Board Member requests separate consideration of the item. If such a request is made, the item may be heard as an Action Item at this meeting. The Board will review and consider (Tab 3):

- Approving DRAFT minutes from the December 13, 2022, regular meeting of the Board;
- Accepting the monthly financial statements for the period ending December 31, 2022.

ACTION ITEMS

- 8.** The Board to review and consider authorizing execution of a land lease with Panoche Water District (Azhderian – Tab 4);
- 9.** The Board to review and consider approving the accounts payable (Azhderian – Tab 5).

REPORT ITEMS

- 10. FINANCIAL REPORTS (Tab 6)**
- A. FYE 2023 Budget-to-Actual Report;
 - B. Other financial matters affecting the District.
- 11. DRAINAGE MANAGEMENT REPORT (Tab 7)**
- A. San Joaquin River Improvement Project;
 - B. Grassland Bypass Project Long-Term Stormwater Management;
 - C. Storm Water Management Water Quality Report;
 - D. Other Drainage Related Matters Affecting the District.
- 12. GENERAL MANAGER’S REPORT (Tab 8)**
- A. Prop 84 Grant for Westside Regional Drainage Plan:
 - i. Tile Sump SCADA Project;
 - ii. Land Acquisition;
 - iii. Stormwater Regulating Basins Expansion;
 - iv. Land Development;
 - v. Conveyance Optimization.
 - B. Annexation;
 - C. Other Matters Affecting the District.
- 13. DIVISION REPORTS:**
- A. Water Operations & Maintenance – Juan Cadena
 - B. Administration – Ara Azhderian

C. Ethics, Compliance, & Human Resources – Lorena Chagoya

14. 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: Ten

15. REPORT FROM JOINT CLOSED SESSION (GOVERNMENT CODE SECTION 54957.1)

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

17. FUTURE MEETING DATES

A. Board to Consider Action to Set Special Meeting Date(s): *No staff request.*

B. Next Regular Meeting Date: February 14, 2023.

18. 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 RESOLUTION NO. 824-23

**A RESOLUTION OF THE BOARD OF DIRECTORS PROCLAIMING A LOCAL EMERGENCY,
RATIFYING GOVERNOR NEWSOM’S MARCH 4, 2020, PROCLAMATION OF A
STATE OF EMERGENCY, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE
LEGISLATIVE BODIES OF PANOCHÉ DRAINAGE DISTRICT THROUGH FEBRUARY 16, 2023
PURSUANT TO BROWN ACT PROVISIONS**

WHEREAS, the Panoche Drainage District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Panoche Drainage District’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District’s legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, on March 4th, 2020, Governor Newsom proclaimed a State of Emergency due to the COVID-19 pandemic and such proclamation has not as of the date of this Resolution been lifted; and

WHEREAS, due to what may be the sensitivity of some members of the public as well as to members of the Board and District staff, the contagious nature of COVID-19, including variants of the virus, and current guidance from federal, state, and local agencies that social distancing reduces the transmission of the virus, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board of Directors does hereby find that the current status of the COVID-19 pandemic has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the Proclamation of a State of Emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of Panoche Drainage District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, District notices and agendas shall provide a reasonable means for members of the public to meaningfully participate in public meetings of the District.

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 hereby proclaims that a local emergency now exists throughout the District, and meeting in person would present a significant risk to the health and safety of those participating in person.
3. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance on March 4, 2020.
4. The General Manager, or his designee, and legislative bodies of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
5. This Resolution shall take effect on January 17, 2023, and shall be effective until the earlier of (i) February 16, 2023, or (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without strictly complying with certain provisions of the Brown Act due to the ongoing COVID-19 pandemic and resulting State of Emergency.

PASSED AND ADOPTED this 17th day of January 2023, in a duly noticed and open meeting of the Board of Directors by the following vote, to wit:

Ayes:
Nays:
Abstain:
Absent:

BACK

Aaron Barcellos, President

Attest: _____
Steve Fausone, Secretary

DRAFT

**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 17th day of January 2023; 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 January 2022.

Steve Fausone, Secretary

DRAFT

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
December 13, 2022, at 9:00 A.M.**

A regular meeting of the Board of Directors was held pursuant to Assembly Bill 361 authorizing the District's legislative body to hold meetings by web and teleconference, and to make meetings accessible to the public electronically. Those present at the meeting were:

Directors Present: Steve Fausone, Secretary
Aaron Barcellos, Director
Beau Correia, Director
Wayne Western, Director

Directors Absent: Michael Linneman, Vice-President

District Staff Present: Ara Azhderian, General Manager
Juan Cadena, Water Resources Manager
Lorena Chagoya, Ethics & Compliance Officer

Others Present: Philip Williams, General Counsel

ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3

Pursuant to the Brown Act, Secretary Fausone announced that Directors do not receive compensation or a stipend for simultaneous or serial order meetings of Panoche Water District, Panoche Drainage District, Panoche Financing Authority, and/or the Panoche Resource Conservation District.

CALL TO ORDER

Secretary Fausone called the regular meeting to order at 9:03 a.m.

DETERMINATION: THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DETERMINING THAT DURING THE PROCLAIMED STATE OF EMERGENCY DUE TO THE COVID-19 PANDEMIC, MEETING IN PERSON WOULD PRESENT IMMINENT RISK TO THE HEALTH OR SAFETY OF ATTENDEES

General Manager Azhderian requested the Board adopt a Resolution to continue to provide for virtual participation in Board meeting due to the ongoing COVID-19 pandemic. After consideration, on a motion by Director Barcellos, seconded by Director Correia, the Board adopted the Resolution as presented.

The vote on the matter was as follows:

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

REVIEW OF AGENDA

There were no changes to the Agenda.

ROLL CALL

Vice-President Linneman was absent so Secretary Fausone presided over the meeting. A quorum of the Board was present.

POTENTIAL CONFLICTS OF INTEREST

No conflicts were reported.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar items, which included draft minutes from the November 08, 2022, regular meeting of the Board; and the monthly financial statements for the period ending November 30, 2022. After consideration, on a motion by Director Barcellos, seconded by Director Western, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER OFFICER'S APPOINTMENTS FOLLOWING THE RETIREMENT OF DIRECTOR JOHN BENNETT

General Manager Azhderian presented a memorandum listing the District's current officers and requested the Board consider appointments to fill the vacancy of President left in the wake of Director Bennett's retirement. After consideration, on a motion by Director Western, seconded by Director Correia, the Board unanimously elected Aaron Barcellos President, Michael Linneman Vice-President, Steve Fausone Secretary, and Marlene Brazil Treasurer.

The vote on the matter was as follows:

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

Following his election, President Barcellos presided over the meeting.

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION DESIGNATING AUTHORIZED SIGNATORIES TO THE DISTRICT'S MECHANICS BANK ACCOUNTS

General Manager Azhderian presented the draft Resolution and explained the purpose was to remove former Director Bennett, continue Director Linneman's authority following his re-election, and add newly elected Director Western to the District's Mechanics Bank list of authorized signatories. After consideration, on a motion by Director Fausone, seconded by Director Correia, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS

General Manager Azhderian presented the Board with the District's accounts payable. After consideration, on a motion by Director Fausone, seconded by Director Western, the Board requested staff hold the Streamline payment for review of the proposed annual web stie subscription cost and approved payment of the rest of the bills as presented.

The vote on the matter was as follows:

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

FINANCIAL REPORTS

General Manager Azhderian presented the Board the Budget-to-Actual report.

DRAINAGE MANAGEMENT REPORT

General Manager Azhderian updated the Board on Grassland Bypass Project activities and presented the monthly San Luis Drain water quality monitoring report. Grassland Basin Authority General Manager Palmer McCoy updated the Board on San Joaquin River Improvement Project activities.

GENERAL MANAGER'S REPORT

General Manager Azhderian updated the Board on outreach efforts related to the forthcoming drinking water substitution program under the Regional Water Quality Control Board's Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) nitrate and salinity control programs. He reported on meetings with the Delta-Mendota Subbasin Coordination Committee and Technical Working Group, as well as with staff from the San Luis & Delta-Mendota Water Authority, to begin exploring how the groups may work together to leverage past investments by coordinating and consolidating well data and land ownership information already developed under various, disparate programs. Azhderian said initial feedback is positive and anticipates discussions to continue through the spring.

DIVISION REPORTS

- A. Water Resources Manager Juan Cadena reported November water deliveries of only 260 acre-feet and that current deliveries were averaging only 6 cubic-feet per second. He said maintenance staff had cleaned the Althea Drain and set gates at two sites on the San Luis Drain in preparation for anticipate winter storms.
- B. General Manager Azhderian reported that staff had finalized the audit of the Water District's FYE 2022 financial statements and were in the process of completing the annual State Controller's financial reports. Work was continuing on the FYE 2023 budget he said, and staff were preparing to process the November ag water and M&I billings and the monthly reporting of water usage and payments to the San Luis & Delta-Mendota Water Authority and Reclamation. For the Drainage District, staff had completed year-end closing of books and reconciled the balance sheet accounts in preparation for Price Paige to start the audit of the FYE 2022 financial statements.

- C. Ethics & Compliance Officer Lorena Chagoya reported on risk management activities for the months of September, October, and November. She informed the Board that there were no worker's compensation claims nor reports on the SpeakUp Hotline. However, there was one COVID-19 case at the end of November, which has been addressed and the employee has returned to work. She also reported on a meeting with the ACWA-JPIA safety advisor to review progress on the District's liability, property, worker's compensation and safety programs. Chagoya stated the advisor indicated that based on the two-year analysis, the District is reporting less work-related injuries and claims, which will result in lower dues and rates in the next enrollment cycle in July 2023. She also reported that the District had received recognition at the recent AWCA Conference for our efforts to keep our loss ratio low. Lastly, Chagoya reminded the Board of upcoming, mandated trainings and the Form 700 reporting of Statement of Economic Interests.

At approximately 9:39 a.m., President Barcellos suspended the Drainage District meeting and called the Water District Board to order.

PANOCHÉ WATER & DRAINAGE DISTRICTS' JOINT CLOSED SESSION

General Counsel Williams announced that the Panoche Water and Drainage Districts Boards would meet jointly in closed session for a conference with legal counsel on anticipated litigation pursuant to Government Code Section 54956.9, Subdivision (d), Paragraphs (2) or (3).

At approximately 9:52 a.m., President Barcellos called the joint closed session to order.

At approximately 10:53 a.m., President Barcellos adjourned the joint closed session.

JOINT CLOSED SESSION REPORT

General Counsel Williams reported the Boards met jointly with legal counsel in closed session and took no reportable action.

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

No reports were given.

FUTURE MEETING DATES

The next regular meeting of the Board was scheduled for January 10, 2022, at 9:30 a.m.

ADJOURNMENT

With no further business on the agenda, President Barcellos adjourned the meeting at 10:54 a.m.

Aaron Barcellos, President

Steve Fausone, Secretary

PANOCHÉ DRAINAGE DISTRICT		
TREASURER'S MONTHLY FINANCIAL REPORT		
BALANCE SHEET-CURRENT ASSETS & LIABILITIES		
DATE AS OF	December 31, 2022	November 30, 2022
<u>CURRENT LIABILITIES</u>		
ACCOUNTS PAYABLE	\$212,363	\$325,550
NOTE PAYABLE - PWD	\$24,100	\$36,105
CUSTOMER PREPAYMENTS	-	-
TOTAL CURRENT LIABILITIES	\$236,463	\$361,655
<u>CASH AND INVESTMENT ACCOUNTS</u>		
CHECKING ACCOUNT	\$599,239	\$678,697
FRESNO COUNTY FUNDS	\$417,148	\$287,399
PROP 84 CHECKING	\$40,729	\$30,631
LAIF ACCOUNT	\$185,179	\$185,179
TOTAL CASH AND INVESTMENTS	\$1,242,294	\$1,181,905
<u>ACCOUNTS RECEIVABLES</u>		
DRAINAGE SERVICE CHARGES	\$1,906	\$174,462
OTHER RECEIVABLES	-	-
DELINQUENT ACCOUNT CHARGES	\$352,313	\$235,548
TOTAL ACCOUNTS RECEIVABLES	\$354,219	\$410,010
TOTAL CURRENT UNAUDITED ASSETS	\$1,596,513	\$1,591,915
NET CURRENT UNAUDITED ASSETS (NET CASH POSITION)	\$1,360,050	\$1,230,260




	Beginning Balance	Debit	Credit	Net Change	Ending Balance
1311-000					
FRESNO COUNTY CASH ACCOUNT	152,667.51	271,036.64	6,556.58	264,480.06	417,147.57
1311-600					
MECHANIC CKNG#*****0066	165,528.95	3,601,400.17	3,167,690.25	433,709.92	599,238.87
1312-010					
MECHANIC-PROP 84 CK ACCT#*****6000	388,252.02	2,411,967.86	2,759,491.19	347,523.33-	40,728.69
1313-000					
L. A. I. F.	283,957.40	2,692.71	101,471.51	98,778.80-	185,178.60
Report Total:	990,405.88	6,287,097.38	6,035,209.53	251,887.85	1,242,293.73



RETURN SERVICE REQUESTED

PANOCHÉ DRAINAGE DISTRICT
PDD CHECKING
52027 W ALTHEA AVE
FIREBAUGH CA 93622-9401

Managing Your Accounts

-  Client Services 800.797.6324
-  Online www.mechanicsbank.com
-  Mobile Download Our Mobile Apps



**BUSINESS LINE OF CREDIT
UP TO \$100,000**

Prime +0%
APR

LIMITED TIME OFFER
www.MechanicsBank.com/GrowIt

All loans and credit products subject to program eligibility, collateral, underwriting approval and credit approval. Offer is for new lines of credit and does not apply to renewing lines of credit. Subject to change or cancellation without notice. Offer is effective as of 3/17/2022 and subject to change or cancellation without notice. Prime Rate is defined as "the Prime Rate as published daily in the Money Rates section of the Wall Street Journal." For the current Prime Rate, talk to a banker or visit <https://www.wsj.com/market-data/bonds/moneyrates>.

WATCH OUT FOR CARD OR ACCOUNT LOCKED SCAMS

Criminals contact you via phone, text or email pretending to be your bank or a credit card company, and tell you that your account is "locked" or "frozen" from fraudulent attempts to access it. They then ask for your card number, account number, password or PIN to "unlock" the account. **Learn how to spot this scam at www.MechanicsBank.com/Security.**

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXX0066	\$643,820.67








RETURN SERVICE REQUESTED

PANOCHÉ DRAINAGE DISTRICT
PROP 84 NO 4600012787
52027 W ALTHEA AVE
FIREBAUGH CA 93622-9401

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All loans and credit products subject to program eligibility, collateral, underwriting approval and credit approval. Offer is for new lines of credit and does not apply to renewing lines of credit. Subject to change or cancellation without notice. Offer is effective as of 3/17/2022 and subject to change or cancellation without notice. Prime Rate is defined as "the Prime Rate as published daily in the Money Rates section of the Wall Street Journal." For the current Prime Rate, talk to a banker or visit <https://www.wsj.com/market-data/bonds/moneyrates>.

WATCH OUT FOR CARD OR ACCOUNT LOCKED SCAMS

Criminals contact you via phone, text or email pretending to be your bank or a credit card company, and tell you that your account is "locked" or "frozen" from fraudulent attempts to access it. They then ask for your card number, account number, password or PIN to "unlock" the account. **Learn how to spot this scam at www.MechanicsBank.com/Security.**

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXX6000	\$422,442.09



PANOCHÉ DRAINAGE DISTRICT						
AGED ACCOUNTS RECEIVABLE, BY DUE DATE						
As of 12/31/2022						
Name	31-60 Days	61-90 Days	Over 90 Days	Total A/R	Balance	
B & C Farms, c/o Francisco & Romelia Nunez	2,189.83	157.43	23,674.99	26,022.25		
Bryant Jolley	5,267.41	-	-	5,267.41		
Carbajal, Sylvia	411.84	-	4,698.13	5,109.97		
Cecilia Echeveste Survivor's Trust	11,095.20	196.82	24,230.31	35,522.33		
Correia 2015 Living Trust	22,527.15	-	-	22,527.15		
Imperial Merchants USA, LLC	162.96	162.96	20,585.06	20,910.98		
Lupe Brown	74.00	-	-	74.00		
McGrath, Mary K.	5,108.32	-	-	5,108.32		
Miles, Earlynn Rebecca	2,143.93	-	-	2,143.93		\$0
Miles, Randall	1,056.41	-	-	1,056.41		\$0
Olam West Coast, Inc.	10,631.51	188.57	24,076.62	34,896.70		
Panoche Drainage District	6,263.91	-	37,203.80	43,467.71		
PDD/Maverick	19,870.85	-	80,841.49	100,712.34		
S3 Group, LLC	23,902.46	-	-	23,902.46		\$0
San Luis & Delta Mendota Water Authority	-	-	25,590.80	25,590.80		
Total:	110,705.78	705.78	240,901.20	\$ 352,312.76		
** Checks were received through the holiday week, but applied to the account after 1/1/23. **						

BACK

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Agreement”) entered into on January 1, 2023 (“Effective Date”), by and between Panoche Drainage District hereinafter referred to as “Lessor”, and Panoche Water District, hereinafter referred to as “Lessee”, referred to collectively as “Parties”.

IT IS AGREED between the Parties hereto as follows:

1) **Description of Land:** Lessor does hereby lease to Lessee and Lessee hires from Lessor, on the terms and conditions hereinafter set forth, that certain tract of land containing approximately 1,887.92 acres located in Fresno and Merced counties, as described in Exhibit A (“Premises”).

2) **Term:** The term of this Agreement shall commence on the Effective Date and shall continue for twenty-five (25) years (“Term”), unless extended by mutual agreement of the Parties.

3) **Rent:** Lessee promises and agrees to pay as rental of all the aforesaid Premises, the sum of Ten Dollars (\$10.00) per year. The entire amount is due and payable by Lessee directly to Lessor upon execution and thereafter on or before January 1st of each year during the Term.

4) **Default:** Should default be made in the payment of any of the portions of the rent when due, or in the keeping of any of the covenants or agreements herein stated to be kept and performed by the Lessee, then Lessor shall have all remedies permitted by California law resulting from any breach thereof. Any and all remedies herein or by law provided in the event of default on the part of Lessee shall be cumulative and not exclusive of any other remedies exercised by Lessor. The waiver by Lessor of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent term, covenant or condition herein contained.

5) **Quiet Enjoyment:** The Lessor does hereby covenant and agree that the Lessee paying the rent and performing the covenants and agreements aforesaid, shall and may at all times during the Term peaceably and quietly have, hold and enjoy the said Premises, without any manner of suit or hindrance of or from the Lessor or any other person or persons under the control of the Lessor.

6) **Others Bound:** It is further agreed that all the terms and provisions of this Agreement shall extend to and include the heirs, executors, administrators, and assigns of the respective Parties hereto. Lessor shall provide this Agreement to any such heirs, executors, administrators, or assigns.

7) **Attorney's Fees:** Should it be necessary to file any suit or suits to enforce any provision or covenant of this Agreement, then the prevailing party shall, in addition to any other remedies or relief, be entitled to reasonable attorney's fees and costs, as fixed by the court.

8) **Entire Agreement:** This Agreement contains all the terms and conditions made between the Parties to this Agreement, and the same shall not be modified orally or in any other manner than by agreement in writing signed by all the Parties or their respective representatives or successors in interest.

9) **Warranty:** The undersigned warrant that they have authority to bind their respective party to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto agree to the terms and conditions set above:

LESSOR

Signature: _____
Ara Azhderian, General Manager

Date: _____

LESSEE

Signature: _____
Ara Azhderian, General Manager

Date: _____

DRAFT

EXHIBIT A

<u>County</u>	<u>APN</u>	<u>Acres</u>
Fresno	004-040-12	320.54
Fresno	004-040-15	160.24
Fresno	004-040-20	217.29
Fresno	004-070-15	351.43
Fresno	004-090-44	316.97
Fresno	004-090-47	26.99
Fresno	004-090-49	157.68
Merced	089-300-04	62.52
Merced	089-300-05	111.26
Merced	090-140-06	163.00

BACK

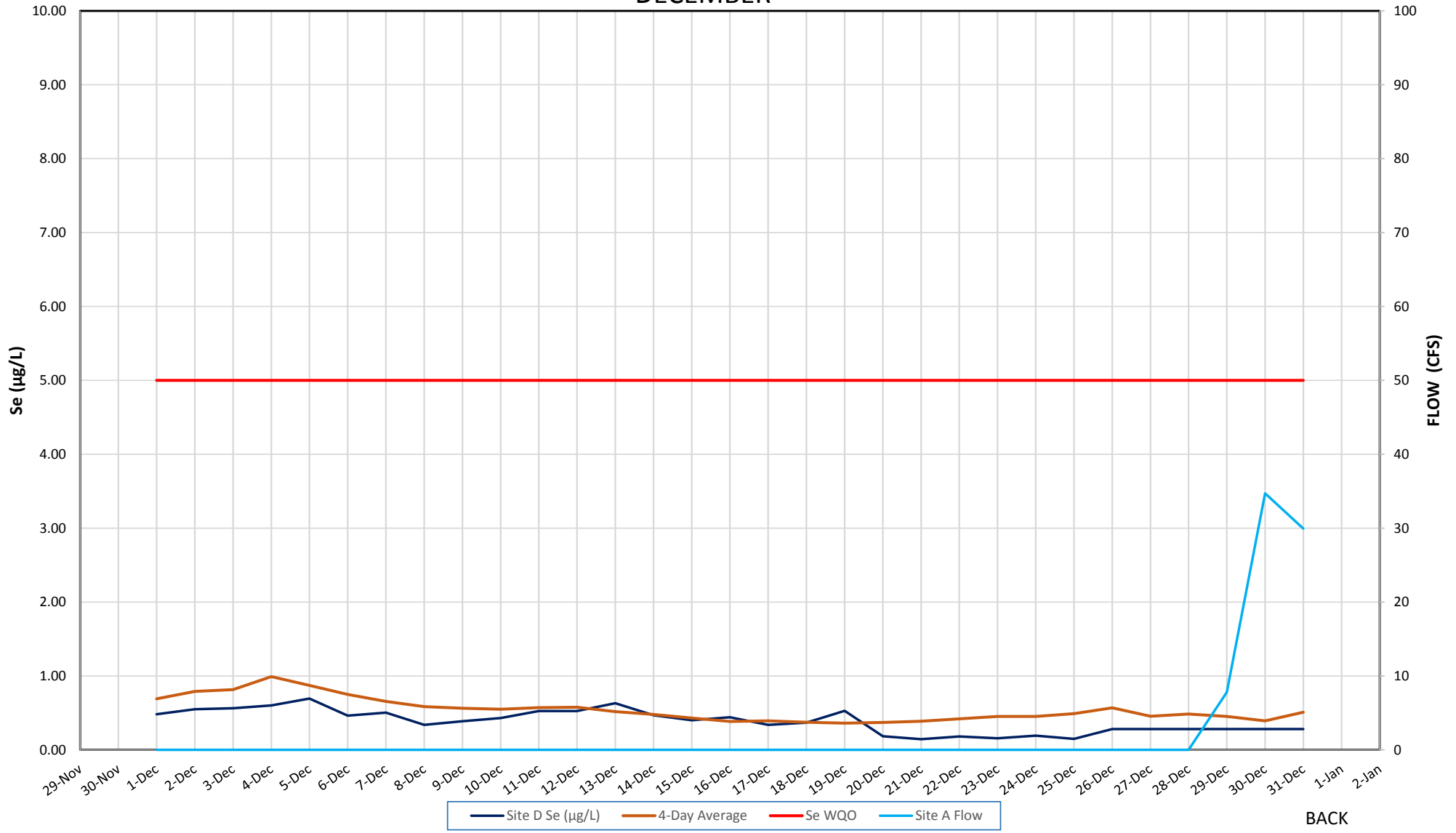
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ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 12/14/2022 TO 1/10/2023				
DATE	CHECK NUMBER	VENDOR	AMOUNT	MEMO
12/14/2022	7065	MAVERICK PISTACHIOS	\$ 10.00	2022 LEASE PAYMENT
12/21/2022	7066	MAVERICK PISTACHIOS	\$ 7,868.64	REIMBURSEMENT OF PROPERTY TAXES ON ORO LOMA DRAINAGE LAND LEASE
12/21/2022	7067	PACIFIC GAS & ELECTRIC	\$ 1,383.78	ELECTRICAL POWER
12/21/2022	7068	PANOCHÉ WATER DISTRICT	\$ 37,798.02	OCTOBER 2022 SLD O & M BYPASS \$ 22,832.71 & OCTOBER 2022 LABOR \$ 6,246.69, EQUIPMENT \$ 5,445.14, CHEMICALS \$ 2,529.84 & ADMIN OVERHEAD \$ 743.64
12/21/2022	7069	PRICE PAIGE & COMPANY	\$ 730.00	PLAN & PRELIMINARY WORK ON FYE22 AUDIT
12/21/2022	7070	SUMMERS ENGINEERING INC.	\$ 458.70	2022 ANNEXATION
12/21/2022	7071	BAKER MANOCK & JENSEN	\$ 50.00	NOVEMBER 2022 LEGAL SERVICES
11/9/2022	JE-59	PANOCHÉ WATER DISTRICT	\$ 12,810.00	NOVEMBER 2022 LOAN INSTALLMENT PAYMENT
12/15/2022	W000000585	SAN LUIS DELTA MENDOTA WATER AUTHORITY	\$ 106,181.25	FY23 2ND INSTALL MEMBERSHIP DUES (4TH PYMT)
12/15/2022	JE-64	PANOCHÉ WATER DISTRICT	\$ 12,810.00	DECEMBER 2022 LOAN INSTALLMENT PAYMENT
12/22/2022	W000000586	WELTY WEAVER & CURRIE	\$ 3,643.76	NOVEMBER 2022 LEGAL SERVICES
		TOTAL	\$ 183,744.15	
PANOCHÉ DRAINAGE DISTRICT/PROP 84				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 12/14/2022 TO 1/10/2023				
DATE	CHECK NUMBER	VENDOR	AMOUNT	MEMO
12/21/2022	10157	BOCKMAN & WOODY ELECTRIC CO., INC.	\$ 20,741.40	SCADA PROJECT # 11
12/21/2022	10158	FS ROD, INC.	\$ 48,193.19	GRAVEL FOR ALL WEATHER ROAD - RUSSELL TO SITE A
12/21/2022	10159	LABOR LAW CONSULTANTS	\$ 5,525.00	CONSULTANT TO MONITOR LABOR FOR SCADA PROJECT, SHORT TERM STORAGE PROJECT & DRAINAGE PIPELINE PEREIRA PROJECT
12/21/2022	10160	MCELVANY INC.	\$ 498,563.28	SHORT TERM STORAGE PROJECT - PROGRESS PAYMENT # 2
12/21/2022	10161	SUMMERS ENGINEERING INC.	\$ 31,154.67	SEPTEMBER, OCTOBER & NOVEMBER 2022 ACCOUNTING SERVICES
12/21/2022	10162	VALLEY IRON INC.	\$ 476.16	PIPES FOR VEHICLE GATES - SITE A TO RUSSELL
12/27/2022	10163	ANDERSON PUMP COMPANY	\$ 259,242.98	
		TOTAL	\$ 863,896.68	

PANOCHÉ DRAINAGE DISTRICT				
FYE 2023 BUDGET (March 1, 2022 - February 28, 2023) - Adopted April 12, 2022				
March thru December - 83%	Budget	Actual	Remaining	
OPERATING REVENUES				
Drainage Service Fee	\$ 2,773,567	\$ 3,447,430	\$ (673,863)	124%
Fresno County Property Tax	\$ 240,000	\$ 264,480	\$ (24,480)	110%
SLDMWA Reimbursement	\$ 223,000	\$ 86,955	\$ 136,045	39%
Other Revenues	\$ 74,500	\$ 7,963	\$ 66,537	11%
TOTAL REVENUES	\$ 3,311,067	\$ 3,806,828	\$ (495,761)	115%
OPERATING EXPENSES				
San Joaquin River Improvement Proj	\$ 1,176,930	\$ 1,176,930	\$ -	100%
Grassland Bypass Project	\$ 1,274,175	\$ 1,274,175	\$ -	100%
San Luis Drain Maintenance	\$ 223,000	\$ 85,506	\$ 137,494	38%
Irrigated Lands Program	\$ 203,462	\$ 203,462	\$ -	100%
Professional Fees	\$ 145,000	\$ 117,785	\$ 27,215	81%
Labor - Field	\$ 105,000	\$ 71,520	\$ 33,480	68%
Mercy Springs WD/SGMA	\$ 28,000	\$ -	\$ 28,000	0%
Labor - Admin	\$ 75,000	\$ 25,369	\$ 49,631	34%
General Overhead	\$ 32,000	\$ 63,076	\$ (31,076)	197%
Interest	\$ 15,000	\$ 9,026	\$ 5,974	60%
Energy	\$ 13,000	\$ 10,738	\$ 2,262	83%
Herbicides	\$ 12,000	\$ 12,749	\$ (749)	106%
Water Quality Monitoring	\$ 3,500	\$ 1,504	\$ 1,996	43%
Repairs & Maintenance	\$ 140,000	\$ 63,926	\$ 76,074	46%
TOTAL EXPENSES	\$ 3,446,067	\$ 3,115,766	\$ 330,301	90%
INCOME/(LOSS)				
		\$ 691,062		

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Mud Slough Water Quality - 2022 DECEMBER



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