

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
ADJOURNED REGULAR MEETING OF THE BOARD OF DIRECTORS  
April 18, 2023, at 9:00 A.M.**

A meeting of the Board of Directors was held at 52027 West Althea Ave., Firebaugh, CA 93622. Those present at the meeting were:

Directors Present: Aaron Barcellos, President  
Michael Linneman, Vice-President  
Steve Fausone, Secretary  
Beau Correia, Director  
Wayne Western, Director

Directors Absent: None

District Staff Present: Ara Azhderian, General Manager  
Marlene Brazil, Treasurer  
Lorena Chagoya, Ethics & Compliance Officer  
Chris Carlucci, Maintenance Manager  
Diana Moses, Risk Management Assistant

Others Present: Philip Williams, General Counsel  
Darryl Smith, Consulting Accountant, Bryant Jolley Accountancy  
Josh Giosa, Financial Audit Principal, Price Paige & Company  
Larisa Murren, Financial Auditor, Price Paige & Company  
Palmer McCoy, Grassland Basin Authority  
Steve Creighton, S3 Group  
John Bennett, Bennett Ranches

**ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3**

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.

**CALL TO ORDER**

President Barcellos called the regular meeting to order at 9:01 a.m.

**REVIEW OF AGENDA**

There were no changes to the Agenda.

**ROLL CALL**

A quorum of the Board and presence of the District's Officers were confirmed.

**POTENTIAL CONFLICTS OF INTEREST**

No conflicts were reported.

## **PUBLIC COMMENT**

General Manager Azhderian noted that this would be his last meeting as General Manager of the Panoche Drainage District. He thanked the Board for their continuing support and committed to help the District through the transition to a new general manager over the coming months. The Board thanked Azhderian for his service and continued support.

## **CONSENT CALENDAR**

General Manager Azhderian presented the Board with the Consent Calendar, which included DRAFT minutes from the June 22, 2021, special meeting of the Board, DRAFT minutes from the January 11, 2022, regular meeting of the Board, DRAFT minutes from the January 25, 2022, special meeting of the Board, DRAFT minutes from the February 8, 2022, regular meeting of the Board, DRAFT minutes from the September 13, 2022, regular meeting of the Board, DRAFT minutes from the October 11, 2022, regular meeting of the Board, and DRAFT minutes from the March 14, 2023, regular meeting of the Board; the Quarterly Investment Report for the period ending March 31, 2023; and the monthly financial statements for the period ending March 31, 2023. Azhderian explained that as part of preparing for his departure, staff has been auditing the historic records of his tenure to identify and fill any gaps and that this batch completed the Drainage District's record. He said that former Director Stearns reviewed and affirmed the minutes from 2021. After consideration, on a motion by Director Fausone, seconded by Director Linneman, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

## **THE BOARD TO REVIEW AND CONSIDER ACCEPTING AS FINAL THE PRICE, PAIGE, & COMPANY DRAFT AUDIT OF THE FINANCIAL STATEMENTS FOR THE FISCAL-YEAR ENDING FEBRUARY 28, 2022, SUBJECT TO ANY FURTHER BOARD DIRECTION**

General Manager Azhderian introduced Josh Giosa, the financial audit principal with Price Paige & Company. Giosa presented the draft audit and explained the basis for the auditors' opinion and the distinct responsibilities of management and the auditors in its performance. He reported the auditors' opinion was a clean, unmodified opinion that the District's financial statements present fairly, in all material respects, its respective financial position as of February 28, 2022. Giosa reviewed the audit in detail and responded to questions from the Board. After consideration, on a motion by Director Western, seconded by Director Fausone, the Board accepted the Audit as presented as final.

The vote on the matter was as follows:

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

*At approximately 9:30 a.m., President Barcellos suspended the Drainage District meeting and opened the Water District meeting.*

**THE BOARD TO REVIEW AND CONSIDER ADOPTING A BUDGET FOR THE FISCAL-YEAR ENDING FEBRUARY 29, 2024 AND SETTING THE DRAINAGE SERVICE FEE**

General Manager Azhderian presented the draft FYE 2024 budget and proposed Drainage Service Fees. He explained the proposed budget reflected a 23% reduction in forecasted expenses over the previous year, primarily due to reduced fees for the Grassland Bypass Project due to carryover revenues from FYE 2023. He noted other areas of anticipated expense reduction included the San Joaquin River Improvement Project, professional fees, and general overhead. Azhderian said, if approved, the budget would translate into a Drainage Service Fee for tiled lands of \$54.75 per acre and \$13.25 per acre for untilled lands. After consideration, on a motion by Director Fausone, seconded by Director Linneman, the Board adopted the 2023-24 budget and Drainage Service Fees as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION UPDATING DISTRICT REPRESENTATIVES AUTHORIZED TO EXECUTE LOCAL AGENCY INVESTMENT FUND (LAIF) TRANSACTIONS**

General Manager Azhderian presented the Board the draft Resolution and explained it was to remove him as an authorized designee to administer the District’s Local Agency Investment Fund and to add Director Correia and Treasurer Brazil as authorized agents. After consideration, on a motion by Director Linneman, seconded by Director Western, the Board adopted the Resolution as presented.

The vote on the matter was as follows:

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

**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 Correia, seconded by Director Linneman, the Board approved payment of the bills as presented.

The vote on the matter was as follows:

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

**FINANCIAL REPORTS**

General Manager Azhderian presented the FYE 2023 Budget-to-Actual Report noting that expenses continued to track well with projections through the fiscal-year close out period.

## **DRAINAGE MANAGEMENT REPORT**

The Grassland Basin Authority General Manager, Palmer McCoy, provided the Board an update on activities at the San Joaquin River Improvement Project. General Manager Azhderian reported on Grassland Bypass Project activities.

## **GENERAL MANAGER'S REPORT**

General Manager Azhderian updated the Board on Proposition 84 grant funded Westside Regional Drainage Management Plan implementation activities noting that activity has been minimal with the recent wet weather and with field work on hold.

## **DIVISION REPORTS**

Maintenance Manager, Chris Carlucci provided the Board a report on the District's maintenance activities over the prior month. General Manager, Azhderian reported the accounting staff had been focused on finalizing the Drainage District's FYE 2022 financial audit and FYE 2024 fiscal-year budget and rates. They had also been developing FYE 2024 budgets and rates for the Mercy Springs Water District and Charleston Drainage District. With budgets and rates now adopted, staff would be turning to preparing landowner and water users billings as well as working to closeout the FYE 2023 books and preparing for the next round of audits, Azhderian said. Ethics & Compliance Officer, Lorena Chagoya updated the Board on the District's risk management activities. She reported on one worker's compensation claim in which no wages were lost. She also reported the District's 2022 4<sup>th</sup> quarterly safety inspection received the highest score since 2018, scoring 99%. Lastly, Chagoya reported that all annual employee evaluations had been completed as of March and the job advertisement for the General Manager had been posted and that the District had received five applications by the April 13<sup>th</sup> deadline.

## **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 10:20 a.m., President Barcellos called the joint closed session to order.*

*At approximately 11:28 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 no reportable action was taken.

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

No report was given.

## **FUTURE MEETING DATES**

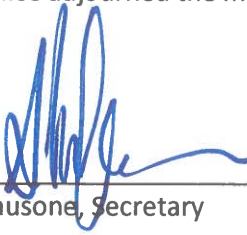
The next regular meeting of the Board was scheduled for 9:00 a.m. on May 9, 2023.

**ADJOURNMENT**

With no further business on the agenda, President Barcellos adjourned the meeting at 11:29 a.m.



Aaron Barcellos, President



Steve Fausone, Secretary