

AGENDA

PANOCHÉ DRAINAGE DISTRICT SPECIAL BOARD OF DIRECTORS MEETING

April 27, 2021 – 9:00 a.m.

52027 West Althea Avenue, Firebaugh, CA 93622

**IN ACCORDANCE WITH EXECUTIVE ORDERS N-25-20 AND N-29-20,
DIRECTORS AND THE PUBLIC MAY CHOOSE TO PARTICIPATE FROM ANY LOCATION,
WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT.**

**DIRECTORS AND MEMBERS OF THE PUBIC MAY CHOOSE TO PARTICIPATE
IN THE OPEN SESSION PORTION OF THE MEETING
FROM YOUR COMPUTER, TABLET OR SMARTPHONE
THROUGH THE FOLLOWING MEANS:**

<https://global.gotomeeting.com/join/733792381>

AND PLEASE DIAL

Conference call in number: 844 783-6236 Passcode: 209 364 6136

- 1. CALL TO ORDER**
- 2. REVIEW OF AGENDA:** The Board will consider corrections to the Agenda.
- 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 Directors' 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.

At approximately 9:05 a.m., it is anticipated President Bennett will suspend the Panoche Drainage District meeting and continue the Panoche Water District Board meeting.

At approximately 9:45 a.m., it is anticipated President Bennett will suspend the Panoche Water District meeting and resume the Panoche Drainage District Board meeting.

ACTION ITEMS

6. The Board to review and consider appointment of District Officers to serve during the fiscal year beginning March 1, 2021, and ending February 28, 2022 (Azhderian – handout Tab 2);
7. The Board to review and consider accepting the Treasurer’s annual review of the District’s Investment Policy (Azhderian/Otollo – handout Tab 3);
8. The Board to review and consider adopting a budget and Drainage Service Fees for the District’s fiscal-year ending February 28, 2022 (Azhderian/Otollo – handout Tab 4).

At approximately 10:15 a.m., it is anticipated President Bennett will call a 15-minute recess and then call a JOINT meeting of the Panoche Water and Drainage Districts to order.

9. JOINT CLOSED SESSION: Conference with Legal Counsel.

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of Cases:

- i. Stephen W. Sloan vs. Panoche Water District
Fresno County Superior Court Case No. 18CECG00511;
- ii. Imani Percoats & Chris Bettencourt vs. Panoche Water District
Fresno County Superior Court Case No. 18CECG01651;

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9:

Number of Cases: Eight

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

11. FUTURE MEETING DATES

- A. Board to Consider Taking Action to Set Special Meeting Date(s): *No staff requests.*
- B. Next Regular Meeting Date: May 11, 2021.

12. 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 at (209) 364-6136. Requests must be received at least 18 hours prior to a scheduled public meeting.

PANOCHÉ WATER DISTRICT

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



APRIL 27, 2021, SPECIAL BOARD MEETING MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: ARA AZHDERIAN, GENERAL MANAGER

SUBJECT: AGENDA ITEM 6
SELECTION OF DISTRICT OFFICERS

DATE: APRIL 26, 2020

CC:

Recommendation: At the beginning of each new fiscal-year, the Board review and consider selection of District Officers.

Current District Officers:

President: John Bennett

Vice-President: Suzanne Redfern-West

Secretary: Mike Stearns

Treasurer: John Paul Otollo

BACK

PANOCHÉ DRAINAGE DISTRICT STATEMENT OF INVESTMENT POLICY

Purpose: This statement is to provide a guideline for the prudent investment of temporarily idle cash, trust funds and restricted monies in the District's possession and to outline a policy for maximizing the efficiency of its cash management system.

Objective: The cash management system of the Panoche Drainage District will be maintained to accurately monitor and forecast expenditures and revenues, thus assuring the investment of monies to the fullest extent consistent with safety and liquidity. Funds will be invested in such a manner which will provide the highest interest yield within the confines of this policy and legal statutes consistent with safety and liquidity.

Policy: This policy applies only to idle funds in the District's possession or immediate control. "Idle funds" means funds the use of which is not required to meet the demands of cash flow for the succeeding month and all trust funds held by the District, including bond security funds which are unnecessary to make debt service payments within the next six months. Investments will be made under the terms and conditions of Sections 53600 through 53683 and Sections 16429.1 through 16429.3 of the Government Code. The criteria for selecting investments and the absolute order of priority in making investments are:

1. Safety
2. Liquidity
3. Yield

Except for deferred compensation invested pursuant to Government Code Section 53609, the following instruments are authorized for investment of District funds:

- 1) To the extent permitted by law and as conditions dictate, in the State of California Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code;
- 2) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest;
- 3) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of the state.
- 4) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the local agency, or by a department, board, agency or authority of the local agency;

- 5) To the extent otherwise permitted by law and as conditions dictate, in a bank or savings and loan association but only to the extent that the funds are insured by the Federal Deposit Insurance Corporation, (FDIC) or collateralized by the financial institution;

Where the policy does not specify a limitation on the term or remaining maturity at the time of investment, no investment shall be made in any security that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

The Treasurer shall annually review the investment policy and provide the Board of Directors with any recommendations for any changes or updates. The Treasurer shall render the report to the Board of Directors showing all investments as set forth in Section 53646(b) of the Government Code, on at least a quarterly basis. Such report, insofar as it is required by law, shall include:

- 1) For all securities, investments and moneys held by the District for each of the following: (a) the type of investment, (b) issuer, (c) date of maturity par and (d) dollar amount invested.
- 2) A description of any of the District's funds, investments or programs that are under the management of contracted parties, including lending programs.
- 3) A statement of the extent to which the District's investments are or may be out of compliance with this policy.
- 4) The report shall include a statement denoting the ability of the District to meet its cash demands for the next six months or shall provide an explanation as to why sufficient cash shall, or may, not be available.

To the extent all of the District's surplus or idle funds are invested in LAIF, or a bank or savings and loan association account insured by FDIC, or some combination thereof, the report may consist of the last statement from the institutions holding the funds plus each of the items set forth in paragraphs 2, 3 and 4 above.

This investment policy will remain in effect until rescinded or modified by the Board of Directors, but shall be reviewed annually insofar as such a review is required by law.

BACK

Panoche Drainage District

Budget Cost Drivers

GBA/SJRIP

| | | |
|-------------------|---------------------|------------|
| Participants Dues | 1,602,262 | |
| | \$ 1,602,262 | 44% |

SLDMWA

| | | |
|------------------------------|---------------------|------------|
| Membership dues | 1,142,978 | |
| GBD Ground Water Specific | 167,228 | |
| Grassland Bypass Project GBP | 180,000 | |
| San Joaquin Valley Drainage | 9,593 | |
| | \$ 1,499,799 | 41% |

Panoche

| | | |
|----------------------------------|-------------------|------------|
| General admin Cost | 229,500 | |
| Labor Costs | 170,000 | |
| Operation and Maintainance Costs | 170,000 | |
| | \$ 569,500 | 16% |

| | | |
|--------------|---------------------|-------------|
| Total | \$ 3,671,561 | 100% |
| | \$ - | |

| PANOCHÉ DRAINAGE DISTRICT (PDD) | | | | |
|---|-----------------------------|--------------------------|--------------------------|----|
| Revenue and Expense BUDGET (March 1, 2021 - February 28, 2022) | | | | |
| | Budget 2021-2022 | FY 2020-2021 | FY 2019 - 2020 | |
| REVENUES | Budget (12Months) | Actual (12Months) | Actual (12Months) | |
| Drainage Service Fee | 3,324,145 | 3,405,293 | 2,750,774 | |
| SLDMWA - GBP Activities | 180,000 | 94,360 | 189,927 | |
| Revenues - Fresno County Property | 215,000 | 247,242 | 210,653 | |
| Interest - LAIF Account | 10,000 | 5,766 | 7,479 | |
| Revenue - Others | - | 16,831 | 3,826 | |
| Total PDD Revenues | \$ 3,729,145 | \$ 3,769,491 | \$ 3,162,659 | |
| EXPENSES | | | | |
| General Admin and Supplies | | | | |
| 1 Office expenses | 15,000 | 6,511 | 9,153 | 1 |
| 2 Interest expenses | 21,000 | 18,254 | 8,012 | 2 |
| 3 Audit fee | 65,000 | 66,011 | 67,075 | 3 |
| 4 Legal costs | 85,000 | 116,190 | 84,355 | 4 |
| 5 Professional services | 15,000 | 14,095 | 12,045 | 5 |
| 6 Communication Costs | 6,000 | 5,270 | 425 | 6 |
| 7 Travel and meetings costs | 2,500 | 935 | 105 | 7 |
| 8 Dues & Subscriptions | 20,000 | 19,640 | 41,960 | 8 |
| 9 Bad debt expenses | - | - | 1,025 | 9 |
| General Admin and Supplies | 229,500 | 246,906 | 224,155 | |
| Direct Drainage costs | | | | |
| 1 Contract - Direct labor and benefits | 105,000 | 106,132 | 331,978 | 1 |
| 2 Contract -Admin labor & benefits | 65,000 | 71,187 | 413,615 | 2 |
| 3 SJRIP Participation Dues | 1,602,262 | 1,907,127 | 830,080 | 3 |
| 4 SLDMWA - Membership** | 1,142,978 | 677,779 | 988,023 | 4 |
| 5 SLDMWA - GBD Groundwater Specific | 167,228 | 176,395 | 125,963 | 5 |
| 6 San Joaquin Valley Drainage | 9,593 | 1,497 | 13,433 | 6 |
| 7 GBD - Mitigation Water | - | - | 241,925 | 7 |
| 8 GBP Activities | 180,000 | 38,434 | - | 8 |
| 9 MSWD Land based charges | 50,000 | 74,077 | - | 9 |
| 10 Chemicals | 30,000 | 34,131 | 65,921 | 10 |
| 11 Energy costs - Utilities | 35,500 | 18,307 | 33,362 | 11 |
| 12 Equipment repairs & maintenance | 15,500 | 2,131 | 15,883 | 12 |
| 13 Wires, structures & gates | 26,500 | - | 35,803 | 13 |
| 14 Property Taxes | 4,500 | 10 | 160 | 14 |
| 15 Laboratory | 8,000 | 3,741 | 6,310 | 15 |
| Total Direct Drainage Costs | \$ 3,442,061 | \$ 3,110,948 | \$ 3,102,456 | |
| Total General Admin and Direct Costs | \$ 3,671,561 | \$ 3,357,854 | \$ 3,326,611 | |
| Net Revenue/(Deficit) | \$ 57,584 | \$ 411,637 | \$ (163,952) | |
| Regular Rate per acres | \$ 83 | \$ 76 | | |
| Landlocked Rate per acres | \$ 20 | \$ 20 | | |
| **SLDMWA - Membership - Significant increase | \$ 465,199.00 | | | |