

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
September 14, 2021, at 9:00 A.M.**

A regular meeting of the Board of Directors was held in accordance with Governor Newsom's Executive Order N-09-21 issued in response to the COVID-19 Pandemic, which allows local and state legislative bodies to hold meetings by web and teleconference, and to make meetings accessible to the public electronically. Those present at the meeting were:

- Directors Present: John Bennett, President
 Mike Stearns, Secretary
 Michael Linneman, Director
 Steve Fausone, Director
- Directors Absent: Ross Koda, Director
- District Staff Present: Ara Azhderian, General Manager
 Juan Cadena, Water Resources Manager
 John Paul Otollo, Treasurer & Controller
 Lorena Chagoya, Ethics & Compliance Officer
- Others Present: Philip Williams, General Counsel
 Diane Rathmann, Of Counsel
 Palmer McCoy, Grassland Basin Authority

ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3

Pursuant to the Brown Act, President Bennett 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

President Bennett called the regular meeting to order at 9:08 a.m.

REVIEW OF AGENDA

There were no correction or additions to the Agenda.

ROLL CALL

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

POTENTIAL CONFLICTS OF INTEREST

Director Fausone announced he would recuse himself from consideration of Agenda Item 10.

PUBLIC COMMENT

General Manager Azhderian welcomed Director Fausone to his first meeting.

DIVISION REPORTS

- A. Water Resources Manager Juan Cadena reported the Water District’s August deliveries were about 4,000 acre-feet and that current deliveries were about 45 to 50 cubic-feet per second. He said crews were repairing a safety railing at turnout 10W and cleaning debris from lateral 11E. In the Drainage District, he said crews were dozing spoils along the 1144 drain and that work had begun on the Grassland Bypass Channel Operable Gates Project. Lastly, Cadena reported staff were assisting the Groundwater Sustainability Agency by collecting water level data.

- B. Controller JP Otollo reported staff were still receiving subscription requests for supplemental water following the District’s notice of a second supplemental pool. The water usage billing was being prepare for mailing and accounting staff were focused on the Water District audit, which began at the beginning of the month, he said. For the Drainage District, Otto reported staff continue to monitor cash flow projections closely and preparing for issuance of the second Drainage Service Fee billing.

- C. Ethics & Compliance Officer Lorena Chagoya reported on various risk management and Human Resources activities. She said there had been no property, liability, or worker’s compensation insurance claims, nor COVID-19 cases, in the last month. She noted over 50% of the District’s employees had reported being vaccinated. Chagoya said there had been no complaints reported on the SpeakUp Hotline but three internal matters were opened and closed. She stated the Safety Champions continue to assist with program implementation and maintenance and reviewed past and future planned training sessions. Lastly, Chagoya reminded the Board about providing the District their certificates of completion for the state mandated sexual harassment and ethics trainings.

At approximately 9:20 a.m., President Bennett suspended the Drainage District meeting and continued the Water District-ONLY meeting.

At approximately 10:22 a.m., President Bennett suspended the Water District meeting and resumed the Drainage District-ONLY meeting.

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar, which included the draft minutes from the February 23, 2021, special meeting of the Board; and the monthly financial statements for the period ending August 31, 2021. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Linneman, Fausone
Nays:	None
Abstain:	None
Absent:	Koda

THE BOARD TO REVIEW AND CONSIDER APPOINTMENT OF DISTRICT OFFICERS TO SERVE THE BALANCE OF FISCAL YEAR BEGINNING MARCH 1, 2021, AND ENDING FEBRUARY 28, 2022

General Manager Azhderian explained that following the retirement of Vice-President Suzanne Redfern-West, the Board needed to consider appointment of a new Vice-President. After consideration,

on a motion by Director Stearns, seconded by Director Fausone, the Board elected to appoint Mr. Michael Linneman to serve as Vice-President.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Linneman, Fausone
Nays:	None
Abstain:	None
Absent:	Koda

THE BOARD TO REVIEW AND CONSIDER AMENDING THE PURCHASE AGREEMENT WITH RONALD PEREIRA, AS SOLE TRUSTEE OF THE UNIFIED CREDIT TRUST OF THE ANTONE AND MADELINE PEREIRA 2000 TRUST DATED OCTOBER 4, 2000, AND AMK PEREIRA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

General Manager Azhderian explained that in November 2020, the District received a notice of interest to sell land from the Pereira family for the Proposition 84 grant funded expansion of the San Joaquin River Improvement Project. He said following receipt of the notice, Summer's Engineering was asked to perform a suitability assessment, which found the property to be well situated for the SJRIP expansion. After that determination, the Board appointed Christopher Brown with Fennemore Law to be the District's real property negotiator due to his substantial real estate experience, Azhderian explained. He presented the Board with the draft Real Property Purchase and Sale Agreement and reviewed the proposed amendment, which was to provide for the accrual of interest on the 10% Holdback the sellers had agreed upon to accommodate the retention held by the Department of Water Resources until the end of the grant on March 31, 2023. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board authorized the proposed amendment as presented.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Linneman, Fausone
Nays:	None
Abstain:	None
Absent:	Koda

THE BOARD TO REVIEW AND CONSIDER AMENDING THE ACCESS EASEMENT AGREEMENT TO IMPLEMENT THE GRASSLAND BYPASS PROJECT GROUNDWATER MONITORING PROGRAM

Director Fausone rescued himself from consideration of this matter. General Manager Azhderian reported the District had reached out to certain landowners with property in suitable locations for the proposed observation wells to be drilled for the Grassland Bypass Project Groundwater Monitoring Program and presented them with the District's proposed Access Agreement. After review by landowners, certain revisions were being requested, he said. General Counsel Williams reviewed the proposed amendments with the Board, which provided direction. Azhderian asked if the Board wanted to review the final version of the agreement prior to authorizing execution, or authorize the General Counsel and General Manager to negotiate and execute, when both are satisfied. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board authorized the General Counsel and General Manager to negotiate and execute, when both are satisfied.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Linneman
Nays:	None
Abstain:	None

Absent: Koda, Fausone

THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS

Controller Otollo presented the Board with the District’s accounts payable. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board approved payment of the bills.

The vote on the matter was as follows:

Ayes: Bennett, Stearns, Linneman
Nays: None
Abstain: None
Absent: Koda, Fausone

CONTROLLER’S REPORT

Controller Otollo reviewed the District’s Budget-to-Actual report with the Board. Otollo noted the District’s cash flow was tight and recommended the District bill the second Drainage Service Fee in October to facilitate payment to the Grassland Basin Authority but maintain the originally established December payment deadline. The Board concurred with the recommendation.

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 11:03 a.m., President Bennett called the joint closed session to order.

At approximately 11:39 a.m., President Bennett 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

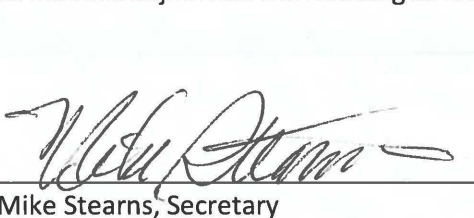
The next regular meeting of the Board was scheduled for October 12, 2021, at 9:00 a.m.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 11:40 a.m.



John Bennett, President



Mike Stearns, Secretary