

**AGENDA**  
**PANOCHÉ DRAINAGE DISTRICT**  
**ADJOURNED REGULAR BOARD OF DIRECTORS MEETING**  
**April 18, 2023 – 9:00 a.m.**

**MEETING LOCATION**  
**Panoche Water District Boardroom**  
**52027 West Althea Ave.**  
**Firebaugh, CA 93622**

**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. 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.

**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 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.

**6. 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 2):

- Approving DRAFT minutes from the June 22, 2021, special meeting of the Board;
- Approving DRAFT minutes from the January 11, 2022, regular meeting of the Board;
- Approving DRAFT minutes from the January 25, 2022, special meeting of the Board;
- Approving DRAFT minutes from the February 8, 2022, regular meeting of the Board;
- Approving DRAFT minutes from the September 13, 2022, regular meeting of the Board;
- Approving DRAFT minutes from the October 11, 2022, regular meeting of the Board;
- Approving DRAFT minutes from the March 14, 2023, regular meeting of the Board;
- Accepting the Quarterly Investment Report for the period ending March 31, 2023;
- Accepting the monthly financial statements for the period ending March 31, 2023.

### **ACTION ITEMS**

7. 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 (Azhderian/Giosa – Tab 3);
8. The Board to review and consider adopting a budget for the fiscal-year ending February 29, 2024 and setting the Drainage Service Fee (Azhderian/Cadena/Brazil – Tab 4);
9. The Board to review and consider adopting a Resolution updating District representatives authorized to execute Local Agency Investment Fund (LAIF) transactions (Azhderian – Tab 5);
10. The Board to review and consider approving the accounts payable (Azhderian – Tab 6).

### **REPORT ITEMS**

11. **FINANCIAL REPORTS** (Tab 7)
  - A. FYE 2023 Budget-to-Actual Report;
  - B. Other financial matters affecting the District.
12. **DRAINAGE MANAGEMENT REPORT** (Tab 8)
  - 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.
13. **GENERAL MANAGER’S REPORT** (Tab 9)
  - 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. CVRWQCB Nitrate Control/Drinking Water Substitution Program
- D. Other Matters Affecting the District.

**14. DIVISION REPORTS:**

- A. Water Operations & Maintenance – Juan Cadena
- B. Administration – Ara Azhderian
- C. Ethics, Compliance, & Human Resources – Lorena Chagoya

**15. CLOSED SESSION**

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: Fresno County Assessor’s Parcel Number 004-070-06  
Agency Negotiator: To Be Named  
Negotiating Parties: Koda Farms and Randy Miles  
Under Negotiation: Price and terms.

**16. REPORT FROM CLOSED SESSION**

**17. PANOCHÉ WATER & DRAINAGE DISTRICTS JOINT CLOSED SESSION:** Conference with Legal Counsel.

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

Number of Cases: Three

- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Pursuant to Section 54956.9(d)(1):

Names of Cases:

- i. PCFFA v. Glaser, et. al.  
US District Court, E.D. Cal, Case No. 2:11-cv-02980

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

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

**20. FUTURE MEETING DATES**

- A. Board to Consider Action to Set Special Meeting Date(s): *None requested.*
- B. Next Regular Meeting Date: May 9, 2023.

**21. 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 MEETING MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
June 22, 2021, at 10:00 A.M.**

A meeting of the Board of Directors was held in accordance with Governor Newsom’s Executive Orders N-25-20 and N-29-20 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  
Ross Koda, Director
- Directors Absent: Sue Redfern-West, Vice-President  
Michael Linneman, Director
- District Staff Present: Ara Azhderian, General Manager  
Juan Cadena, Water Resources Manager
- Others Present: Philip Williams, General Counsel  
Diane Rathmann, Of Counsel  
Doug Brown, Bond Counsel  
Jonathan Guz, Bond Counsel  
Robert Porr, Municipal Financing Advisor  
Lora Carpenter, Municipal Financing Advisor  
Steve Smith, Turlock Fruit

**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 meeting to order at 10:05 a.m.

**REVIEW OF AGENDA**

There were no changes to the Agenda.

**ROLL CALL**

Directors Redfern-West and Linneman were absent. A quorum of the Board and presence of the District’s Officers were confirmed.

**POTENTIAL CONFLICTS OF INTEREST**

No conflicts were reported.

**PUBLIC COMMENT**

There was no public comment.

*At approximately 9:05 a.m., President Bennett suspended the Drainage District meeting and continued the Water District-ONLY meeting.*

*At approximately 11:40 a.m., President Bennett adjourned the Water District meeting and resumed the Drainage District-ONLY meeting.*

**THE BOARD TO REVIEW AND CONSIDER REQUEST BY SANDTON AGRICULTURE INVESTMENTS II TO BE ANNEXED BY THE DISTRICT**

General Manager Azhderian presented a letter from Sandton Agriculture Investments requesting the properties it recently acquired be annexed into the District to improve and ensure compliance with state and local regulatory requirements. He explained the annexation would affect the Drainage District as it administers and operates the drains historically used by the property, the Grassland Basin Authority as its agriculturally induced drainage would continue to be managed on the San Joaquin River Improvement Project, and the San Luis & Delta-Mendota Water Authority as its stormwater induced drainage would be managed through the Grassland Bypass Project. Azhderian reported that the Basin Authority and Water Authority had both adopted policies requiring a 2-year “buy in” to join the respective projects and recommended the Drainage District impose the same requirement. He said, if approved, staff and General Counsel Williams would work with Sandton to negotiate an annexation agreement. After consideration, on a motion by Director Stearns, seconded by Director Koda, the Board accepted the recommendation and approved the request for annexation.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Koda
Nays:	None
Abstain:	None
Absent:	Redfern-West, Linneman

**THE BOARD TO REVIEW AND CONSIDER APPROVING AS TO FORM A PRE-ANNEXATION AGREEMENT TO GOVERN DRAINAGE SERVICE DURING THE ANNEXATION PROCESS**

General Manager Azhderian and General Counsel Williams presented a draft “Pre-Annexation Agreement” for consideration. Azhderian explained the purpose of the Agreement is to define the terms and conditions under which Drainage Service would be provided during the time of the annexation process. He said the annexation would need to be considered and approved by the Fresno County Local Agency Formation Commission and that their processes can often take years, even under straightforward applications. Azhderian said the proposal was for the form of Agreement to be the basis from which he and General Counsel Williams would negotiate with the landowner’s requesting annexation and that the negotiated agreements would be brought back to the Board for final consideration and approval. Williams reviewed the details of the proposed Agreement. After consideration, on a motion by Director Stearns, seconded by Director Koda, the Board approved the draft Pre-Annexation Agreement as the basis for annexation negotiation.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Koda
Nays:	None
Abstain:	None
Absent:	Redfern-West, Linneman

**FUTURE MEETING DATES**

The next regular meeting of the Board was scheduled at 9:00 a.m. on July 13, 2021.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 12:02 p.m.

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John Bennett, President

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Mike Stearns, Secretary

DRAFT





**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
January 11, 2022, at 9:00 A.M.**

A meeting of the Board of Directors was held in accordance with Resolution 800-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through January 13, 2022, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. Those present at the meeting were:

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

Directors Absent: None

District Staff Present: Ara Azhderian, General Manager  
Juan Cadena, Water Resources Manager  
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 9:02 a.m.

**REVIEW OF AGENDA**

General Manager Azhderian requested Agenda Item 7 be deleted as it was mistakenly carried over from the previous Agenda. The Board concurred and the Item was removed.

**ROLL CALL**

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

**POTENTIAL CONFLICTS OF INTEREST**

There were no conflicts reported.

**PUBLIC COMMENT**

The was no public comment.

**CONSENT CALENDAR**

General Manager Azhderian presented the Board with the Consent Calendar, which included monthly financial statements for the period ending December 31, 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:	Bennett, Linneman, Fausone, Barcellos
Nays:	Correia
Abstain:	None
Absent:	None

**THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DESIGNATING DISTRICT REPRESENTATIVES TO SERVE ON THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY GRASSLAND BASIN DRAINAGE STEERING COMMITTEE**

General Manager Azhderian presented the draft Resolution and explained that following the departure of Director Stearns from the Drainage District Board, it was necessary for the Board to appoint his replacement to represent the District on the San Luis & Delta-Mendota Water Authority's Grassland Basin Drainage Steering Committee. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board elected to appoint Director Linneman to serve as Director and Director Barcellos to serve as Alternate on the Steering Committee.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DETERMINING THAT DURING THE GOVERNOR'S PROCLAIMED STATE OF EMERGENCY DUE TO THE COVID-19 PANDEMIC, MEETING IN PERSON WOULD PRESENT IMMEDIATE RISK TO THE HEALTH OR SAFETY OF ATTENDEES**

General Manager Azhderian explained the proposed Resolution was identical to the one adopted by the Board at the last meeting except that it extended the proclaimed state of emergency and ability for the Board and public to meet virtually until February 10, 2022. After consideration, on a motion by Director Fausone, seconded by Director Barcellos, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

Ayes:	Bennett, Linneman, Fausone, Barcellos, Correia
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. Upon review, the Board requested information on the outstanding balance of the loans to the Drainage District by the Water District. After consideration, on a motion by Director Barcellos, seconded by Director Linneman, the Board approved payment of the bills.

The vote on the matter was as follows:

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

## **FINANCIAL REPORT**

General Manager Azhderian presented the Board the monthly FY 2021-22 Budget-to-Actual Report. Upon review, the Board requested information on the legal and financial audit budgets and a breakdown of the Drainage Service Fee costs.

## **DRAINAGE MANAGEMENT REPORT**

General Manager Azhderian reported on water quality monitoring results for the Grassland Bypass Project, noting the Project continues to meet water quality objectives, and ongoing activities at the San Joaquin River Water Quality Improvement Project. He also presented a proposed budget adjustment by the Grassland Basin Authority, which was forecasting a budget surplus of \$636,000 and requesting to use the surplus cash to purchase equipment, reduce future-year members' dues, and increase the GBA reserve. The Board discussed the pros and cons of the request and a potential refund and deferred further discussion to the next GBA Board meeting.

## **GENERAL MANAGER'S REPORT**

General Manager Azhderian updated the Board on the status of the Proposition 84 grant funded work, including the Tile Sump SCADA Project, potential land acquisition, and other drainage conveyance improvements.

## **DIVISION REPORTS**

- A. Water Resources Manager Juan Cadena reported the Water District's December deliveries were about 85 acre-feet and that no deliveries had occurred since December 10, 2021. He said crews were working on Pump Station 13E, setting up a new delivery box, pump, and pipeline. Lastly, Cadena reported crews would be working to build a Prop 84 funded all-weather road to the Grassland Bypass Channel inlet gates. He reported the work had been originally budgeted under the San Luis & Delta-Mendota Water Authority's Grassland Drainage Steering Committee's budget but staff had been able to get approval from the Department of Water Resources to utilize grant funds instead saving the District approximately \$120,000.
- B. General Manager Azhderian reported financial accounting staff were working on calendar year-end accountings and annual payroll tax reports. He said water accounting staff were preparing to send 2023 water year applications, forms, and information requests and processing the December usage billings.

- C. Ethics & Compliance Officer Lorena Chagoya reported on the District’s activities relating to regulatory compliance, human resources, and risk management for the month of December. She stated that there were no liability or worker’s compensation claims, however, there were three unrelated, positive COVID-19 cases, which have been mitigated and resolved. Chagoya also indicated that there were no reports on the SpeakUp hotline, however, there were three internal reports, which have all been resolved. She also provided a brief overview for 2021, stating that there were a total of thirty (30) internal reports resolved during the year and that the District maintained a high score of 90% or better at every quarterly safety inspection. Chagoya said there were a total of three claims for property damage and one claim for liability but that there had been no worker’s compensation claims during the year. Chagoya also reported the District had hired a new part-time housekeeper and said farewell to the Controller and an equipment operator. Lastly, Chagoya updated the Board on upcoming and completed safety trainings.

**PANOCHE WATER & DRAINAGE DISTRICTS JOINT CLOSED SESSION**

General Counsel Williams announced there was no need for a Joint Closed Session.

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

No reports were given.

**FUTURE MEETING DATES**

A special meeting was scheduled for January 25<sup>th</sup> at 9:00 a.m.. The next regular meeting of the Board was scheduled for February 8, 2022, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 10:03 a.m..

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John Bennett, President

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Steve Fausone, Secretary

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
January 25, 2022, at 9:00 A.M.**

A meeting of the Board of Directors was held pursuant to Assembly Bill 361 authorizing remote teleconference Board meetings and making those meetings accessible to the public electronically. Those present at the meeting were:

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

Directors Absent: None

District Staff Present: Ara Azhderian, General Manager

Others Present: Philip Williams, General Counsel  
Diane Rathmann, Of Counsel  
Palmer McCoy, Grassland Basin Authority  
David Cory, Camp 13 Drainage District

**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 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**

There were no conflicts reported.

**PUBLIC COMMENT**

There was no public comment.

**THE BOARD TO REVIEW AND CONSIDER ALTERNATIVE DRAINAGE SERVICE FEE FOR LANDS FARMED BY THE GRASSLAND BASIN AUTHORITY**

General Manager Azhderian presented a memorandum providing background on how the District calculates its annual Drainage Service Fee and explained that some of the lands farmed as part of the San

Joaquin River Improvement Project are subject to the Fees. With the transfer of day-to-day SJRIP operations and maintenance responsibilities to the Grassland Basin Authority, General Manager Palmer McCoy was requesting reconsideration of the historical practice, Azhderian said. He presented the Board four scenarios to help illustrate the issue and a range of potential impacts to the members of the GBA and related activities administered by the San Luis & Delta-Mendota Water Authority. Azhderian explained the lands in question were privately farmed prior to becoming part of the SJRIP and so were billed for drainage service by the District and the Water Authority. Later, he said, when those lands became part of the SJRIP and, afterward, when the GBA was formed, the practice continued. So, the purpose of the District billing those lands is, in large part, to recover the costs imposed on the District by the Water Authority and GBA. Azhderian noted the circularness of the practice and said one remedy would be for the Water Authority and GBA to simply not bill services to those lands in the first place. However, he said, the challenge would be reconciling the affected parcels with the Water Authority and GBA billings as those entities and the District all have differing billing acreages. After discussion, the Board directed staff to work with the Water Authority and GBA to reconcile the acreages and bring the matter back for future consideration.

#### **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 9:32 a.m., President Bennett called the joint closed session to order.*

*At approximately 11:55 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.

#### **FUTURE MEETING DATES**

The next regular meeting of the Board was scheduled for 9:00 a.m., February 8, 2022.

#### **ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 11:55 a.m..

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John Bennett, President

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Steve Fausone, Secretary

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
February 08, 2022, at 9:00 A.M.**

A meeting of the Board of Directors was held in accordance with Resolution 803-22 proclaiming a local emergency and authorizing remote teleconference Board meetings through February 10, 2022, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. Those present at the meeting were:

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

Directors Absent: None

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

Others Present: Philip Williams, General Counsel  
Diane Rathmann, Of Counsel  
Palmer McCoy, Grassland Basin Authority  
Chase Hurley, Pacheco Water District  
Audrey Arnao, WestWater Research

**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 9:02 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**

There were no conflicts reported.

**PUBLIC COMMENT**

There was no public comment.

**CONSENT CALENDAR**

General Manager Azhderian presented the Board with the Consent Calendar, which included draft minutes from the April 13, 2021, regular meeting and April 27, 2021, special meeting of the Board; and the monthly financial statements for the period ending January 31, 2022. Directors Bennett and Linneman affirmed the meetings minutes. After consideration, on a motion by Director Linneman, seconded by Director Barcellos, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DESIGNATING DISTRICT REPRESENTATIVES TO SERVE ON THE SAN JOAQUIN VALLEY DRAINAGE AUTHORITY BOARD OF DIRECTORS**

General Manager Azhderian presented the draft Resolution and explained that Director Bennett, who had been serving as the District's Alternate on the Drainage Authority's Board of Directors since October 2017, had decided to step down; therefore, it was necessary for the Board to appoint his replacement. After consideration, on a motion by Director Barcellos, seconded by Director Linneman, the Board elected to appoint General Manager Azhderian to serve as Director and Director Linneman to serve as Alternate on the Drainage Authority Board.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DETERMINING THAT DURING THE GOVERNOR'S PROCLAIMED STATE OF EMERGENCY DUE TO THE COVID-19 PANDEMIC, MEETING IN PERSON WOULD PRESENT IMMEDIATE RISK TO THE HEALTH OR SAFETY OF ATTENDEES**

General Manager Azhderian explained the proposed Resolution was identical to the one adopted by the Board at the last meeting except that it extended the proclaimed state of emergency and ability for the Board and public to meet virtually until March 10, 2022. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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



**THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A PROPOSED PRICE, PAIGE AND COMPANY ENGAGEMENT LETTER TO CONDUCT A FINANCIAL AUDIT OF THE DISTRICT'S 2020-2021 FISCAL-YEAR**

General Manager Azhderian presented a proposed letter agreement from Price Paige to perform an audit of the District's financial statements for the period ending February 28, 2021. He explained that since 2017, Price Paige had performed the District's audits, beginning with a redo of the 2014 fiscal-year, and through that experience had developed an important understanding of the District's accounts, methods, and staff, and recommended they be engaged again to perform the 2021 audit to bring the District current as soon as possible. Once current, Azhderian said, the District could then issue a Request for Proposals for future work. After discussion, the Board directed staff to prepare and return for future consideration a Request for Proposals to solicit competitive bids to perform the District's financial audits. No further action was taken on the matter.

**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 Barcellos, seconded by Director Linneman, the Board approved payment of the bills.

The vote on the matter was as follows:

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

**FINANCIAL REPORT**

General Manager Azhderian presented the Board the monthly FY2021-22 Budget-to-Actual Report. Upon review, the Board requested information on the timing of the administration accounting and on energy and equipment repair costs.

**DRAINAGE MANAGEMENT REPORT**

No report was given.

**GENERAL MANAGER'S REPORT**

No report was given.

**DIVISION REPORTS**

No reports were given.

**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 9:45 a.m., President Bennett called the joint closed session to order.*

*At approximately 10:32 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 9:00 a.m., March 8, 2022.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 10:33 a.m..

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John Bennett, President

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Steve Fausone, Secretary

DRAFT

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

A meeting of the Board of Directors was held pursuant to Assembly Bill 361 authorizing remote teleconference Board meetings and making the meetings accessible to the public electronically. Those present at the meeting were:

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

Directors Absent: None

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

Others Present: Philip Williams, General Counsel  
Palmer McCoy, Grassland Basin Authority  
Will Gleason, West Hills Farm Services

**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 9:03 a.m.

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

General Manager Azhderian explained the proposed Resolution was identical to the one adopted by the Board at the last meeting except that it extended the proclaimed state of emergency and ability for the Board and public to meet virtually until October 13, 2022. After consideration, on a motion by Director Barcellos, seconded by Director Correia, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

Ayes: Bennett, Linneman, Fausone, Barcellos, Correia  
Nays: None  
Abstain: None

Absent: None

**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**

There were no conflicts reported.

**PUBLIC COMMENT**

There was no public comment.

**CONSENT CALENDAR**

General Manager Azhderian presented the Board with the Consent Calendar, which included draft minutes from the January 12, 2021, regular meeting, the March 23, 2021, special meeting, the June 08, 2021, regular meeting, the September 14, 2021, regular meeting, the September 28, 2021, special meeting, the October 12, 2021, regular meeting, the November 09, 2021, regular meeting, the November 16, 2021, special meeting, the November 23, 2021, special meeting, the December 14, 2021, regular meeting, and the December 21, 2021, special meeting of the Board; the Treasurer’s Quarterly Investments Report for the period ending June 30, 2022; and the monthly financial statements for the period ending August 31, 2022. General Manager Azhderian explained that significant staff turnover and COVID disruptions had contributed to the backlog of meetings minutes and said staff was continuing to audit the District’s records for completeness. Directors Bennett and Linneman affirmed the older meetings minutes. After consideration, on a motion by Director Barcellos, seconded by Director Correia, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING AS FINAL THE PRICE, PAIGE, AND COMPANY DRAFT FINANCIAL AUDIT FOR THE FISCAL-YEAR ENDING FEBRUARY 28, 2021, SUBJECT TO ANY FURTHER BOARD DIRECTION**

General Manager Azhderian introduced Fausto Hinojosa, Audit Principal with Price, Paige & Company, to present the audit findings. He reviewed its key conclusions and reported that the audited financial statements presented fairly the respective financial position of the District and, as such, they were providing an unmodified, clean opinion. Hinojosa praised staff for the good, corrective work done over the past several years to achieve an audit absent of any findings. Hinojosa responded to questions from the Board. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board accepted the accepted as final the Audited Financial Statements as presented.

The vote on the matter was as follows:

Ayes:	Bennett, Linneman, Fausone, Barcellos, Correia
Nays:	None

Abstain:	None
Absent:	None

*At approximately 9:35 a.m., President Bennett suspended the Drainage District meeting and proceeded with the Water District meeting.*

**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 10:48 a.m., President Bennett called the joint closed session to order.*

*At approximately 11:33 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.

**THE BOARD TO REVIEW AND CONSIDER APPROVING REQUEST BY FADAK ORCHARDS, LLC., TO INSTALL A PIPELINE UNDER THE DISTRICT’S RUSSELL DRAIN**

General Manager Azhderian reported the District had received a request from Landmark Irrigation Company, the contractor performing the work requested by Fadak Orchards, to bore a 14” pipeline under the Russell Drain. He explained Fadak Orchards was wanting to connect their irrigation system to serve properties situated on both the west and east sides of Russell Ave.. Azhderian recommended the Board approve the request subject to review by the District’s Engineer, Chris Linneman, and preparation and execution of a license agreement outlining the terms and conditions of the approval by General Counsel Williams. After consideration, on a motion by Director Correia, seconded by Director Linneman, the Board accepted the recommendation and approved the requested work.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION APPOINTING A REPRESENTATIVE TO SERVE ON THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY’S BOARD OF DIRECTORS**

General Manager Azhderian presented the draft Resolution and explained that following the departure of Director Stearns from the Board, it was necessary for the Board to name a replacement to

serve on the JPIA Board of Directors as required by Article 7 of the JPIA Agreement. After consideration, on a motion by Director Barcellos, seconded by Director Linneman, the Board elected to appoint Director Correia to serve as Director on the JPIA Board and Ethics & Compliance Officer Chagoya to serve as Alternate.

The vote on the matter was as follows:

Ayes:	Bennett, Linneman, Fausone, Barcellos, Correia
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 Barcellos, seconded by Director Fausone, the Board approved payment of the bills.

The vote on the matter was as follows:

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

#### **FINANCIAL REPORT**

General Manager Azhderian presented the Board the monthly FY2021-22 Budget-to-Actual Report.

#### **DRAINAGE MANAGEMENT REPORT**

Grassland Basin Authority General Manager Palmer McCoy reported on activities at the San Joaquin River Improvement Project. General Manager Azhderian reported on Grassland Bypass Project related activities.

#### **GENERAL MANAGER'S REPORT**

Azhderian updated the Board on Proposition 84 funded activities to implement the Westside Regional Drainage Management Plan.

#### **DIVISION REPORTS**

- A. Water Resources Manager Juan Cadena reported the Water District's August deliveries were about 3,743 acre-feet and that last week's deliveries averaged 55 cubic-feet per second. He reported thieves stole copper wire from Russell Lift #1 and that work to replace it had been completed. He said crews were applying aquatic herbicides throughout the District and that routine maintenance was ongoing. Lastly, Cadena reported crews had cleaned about 2.5 miles of the Charleston Drainage District's Outside Drain.
- B. General Manager Azhderian reported financial accounting staff were working on the Water District financial audit and water accounting staff were preparing to send the August usage billings.

- C. Ethics & Compliance Officer Lorena Chagoya reported on risk management activities for the month of August. She informed the Board that there were no worker's compensation claims nor activities on the SpeakUp Hotline. However, there were four new positive COVID-19 cases reported and that those individuals have since recovered and returned to work. She also summarized completed safety trainings including upcoming trainings such as Diversity, Equity, and Inclusion; Electrical safety; and Slip, Trips, and Falls Safety. Chagoya also welcomed Mr. Wayne Western to the Board and provided an update on efforts to amend the current Conflict of Interest Code. Lastly, she announced that the District received three declarations of candidacy for the upcoming Panoche Water District election and one form each for the Panoche Drainage District Divisions 1 and 5. General Manager Azhderian reported that since no other candidates declared for the Drainage District's Divisions, an election would not be necessary and that Chagoya would inform Fresno County of the results.

#### **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).

#### **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 9:00 a.m., October 11, 2022.

#### **ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 12:19 p.m..

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John Bennett, President

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Steve Fausone, Secretary





**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
October 11, 2022, at 9:00 A.M.**

A meeting of the Board of Directors was held in accordance with Resolution 818-22 proclaiming a local emergency and authorizing remote teleconference Board meetings through October 13, 2022, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. Those present at the meeting were:

- Directors Present: John Bennett, President  
Michael Linneman, Vice-President  
Steve Fausone, Secretary  
Aaron Barcellos, Director  
Beau Correia, Director
- Directors Absent: None
- District Staff Present: Ara Azhderian, General Manager  
Juan Cadena, Water Resources Manager  
Lorena Chagoya, Ethics & Compliance Officer  
Josh Marquez, Contracts Administrator
- Others Present: Philip Williams, General 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 9:00 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**

There were no conflicts reported.

**PUBLIC COMMENT**

There was no public comment.

**CONSENT CALENDAR**

General Manager Azhderian presented the Board with the Consent Calendar, which included a draft 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; draft minutes from the August 09, 2022, regular meeting of the Board; and the monthly financial statements for the period ending September 30, 2022. After consideration, on a motion by Director Barcellos, seconded by Director Correia, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER AUTHORIZING AN INCREASE TO THE REPAIR & MAINTENANCE BUDGET TO REPLACE THE SABATTE DRAIN PIPELINE CROSSING AT THE DELTA-MENDOTA CANAL AND TO ACCOUNT FOR UNBUDGETED EQUIPMENT USAGE**

General Manager Azhderian presented a memorandum providing background on work being planned by the San Luis & Delta- Mendota Water Authority to replace the bridge across the Delta-Mendota Canal upon which the Sabatte Drain pipeline is hung. The Sabatte Drain pipeline is steel, at the end of its useful life, and has been an increasing source of repairs and maintenance costs, Azhderian said, and, as part of its work, the SLDMWA is offering to re-hang a new pipeline for the District, if the District is willing to purchase the pipe. He said the District would also be responsible for the installation of the pipe outside of the SLDMWA's right-of-way, to connect it from the Sabatte Drain pump station on the south side of the DMC to the pipeline's outlet on the north side. He explained the Sabatte Drain conveys subsurface drainage for the Charleston Drainage District, Pacheco Water District, and the Panoche Water District and that the initial estimated cost of the replacement is \$55,000. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board authorized the increase to the Repair & Maintenance Budget to replace the Pipeline.

The vote on the matter was as follows:

Ayes:	Bennett, Linneman, Fausone, Barcellos, Correia
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. The Board requested staff analyze the potential cost savings of using generic herbicides. After consideration, on a motion by Director Barcellos, seconded by Director Linneman, the Board approved payment of the bills.

The vote on the matter was as follows:

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

**FINANCIAL REPORT**

General Manager Azhderian presented the Board the monthly FY2021-22 Budget-to-Actual Report. The Board requested staff examine the Water District’s Property Related Fees & Charges Delinquency Policy to clarify that it also protects the Drainage District.

**DRAINAGE MANAGEMENT REPORT**

Grassland Basin Authority General Manager Palmer McCoy reported on activities at the San Joaquin River Improvement Project. General Manager Azhderian reported on Grassland Bypass Project related activities.

*At approximately 9:45 a.m., President Bennett suspended the Drainage District meeting and proceeded with the Water District meeting.*

**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 11:30 a.m., President Bennett called the joint closed session to order.*

*At approximately 12:40 p.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.

**GENERAL MANAGER’S REPORT**

No report was given.

**DIVISION REPORTS**

No reports were given.

**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 9:00 a.m., November 8, 2022.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 12:41 p.m..

\_\_\_\_\_  
John Bennett, President

\_\_\_\_\_  
Steve Fausone, Secretary



**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
March 14, 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  
Steve Fausone, Secretary  
Beau Correia, Director  
Wayne Western, Director
- Directors Absent: None
- District Staff Present: Ara Azhderian, General Manager  
Juan Cadena, Water Resources Manager
- Others Present: Philip Williams, General Counsel  
Palmer McCoy, Grassland Basin Authority  
Michael Linneman, Linneman Farms (via phone from unnoticed location)

**ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3**

Pursuant to the Brown Act, President Barcellos 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 Barcellos called the regular meeting to order at 9:03 a.m.

**REVIEW OF AGENDA**

There were no changes to the Agenda.

**ROLL CALL**

For purposes of a quorum, Vice-President Linneman was considered absent. A quorum of the Board and presence of the District's Officers were confirmed.

**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, which included draft minutes from the February 14, 2023, regular meeting and the March 1, 2023, special meeting of the Board; and the monthly financial statements for the period ending February 28, 2023. After

consideration, on a motion by Director Correia, seconded by Director Western, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

Ayes:	Barcellos, Fausone, 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 Correia, the Board approved payment of the bills as presented.

The vote on the matter was as follows:

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

#### **FINANCIAL REPORTS**

General Manager Azhderian presented the Budget-to-Actual Report noting that expenses were tracking well with projections. The Board requested a final Budget-to-Actual Report after the close-out of the 2022-23 fiscal-year.

#### **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 with the recent wet weather, field work has been on hold.

#### **DIVISION REPORTS**

- A. Water Resources Manager Juan Cadena reported February water deliveries of only 713 acre-feet and that current deliveries were averaging only 15 cubic-feet per second. He reported maintenance crews had installed or repaired canal gates at turnouts 10W-S, 10E-2, and 86; cleaned Lateral 2 turnout 204, and the crossing at 500 Ditch 50 Gate, installed new trash racks and fixed 30 linear feet of washout on the Russell Ditch. Lastly, Cadena reported Cal Poly ITRC was still processing the data it requested from the District and that Reclamation had scheduled inspections on May 10<sup>th</sup> of the District's turnouts on the Delta-Mendota and San Luis canals.
- B. General Manager Azhderian reported that accounting staff was working on the fiscal-year close-out process, preparation the Drainage District's FYE 2023 budget, and supporting the Drainage District's FYE2022 financial statements auditing process. He said the Watermaster was reviewing 2023 water year applications and assisting growers that had not yet submitted the required forms

and processing the February ag and M&I water billings and the monthly reporting of water usage and payments to the San Luis & Delta-Mendota Water Authority and Reclamation.

**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 9:45 a.m., President Barcellos called the joint closed session to order.*

*At approximately 11:34 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 reports were given.

**FUTURE MEETING DATES**

The next regular meeting of the Board was adjourned to 9:00 a.m. on April 18, 2023.

**ADJOURNMENT**

With no further business on the agenda, President Barcellos adjourned the meeting at 11:35 a.m.

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Aaron Barcellos, President

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Steve Fausone, Secretary





**PANOCHÉ DRAINAGE DISTRICT**

2023 Quarterly Investment Report  
 For Quarter Ending March 31, 2023

DATE: April 18, 2023

TO: Board of Directors

FROM: Marlene Brazil

In accordance with Government Code Section 53646 and the Panoche Drainage District Investment Policy, the following shall constitute the quarterly report of investment on behalf of the Panoche Drainage District:

	MECHANICS BANK (2 ACCTS)	LAIF	FRESNO COUNTY FUND	TOTAL
INVESTMENT BALANCES March 31, 2023	\$ 66,079.54	\$ 111,145.97	\$ 437,254.54	\$ 614,480.05

1. As of the date of the report, the majority of District funds are held in the Fresno County Fund Account.
2. As of the date of the report, other District funds are invested in the State of California Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code. The remaining District funds are deposited in Federal Deposit Insurance Corporation (FDIC) insured accounts at Mechanics Bank. As provided by Government Code Section 53646 (e), attached are the most recent statement(s) received by the District.
3. The portfolio of the District is in compliance with the District’s Statement of Investment Policy.
4. It is expected the District will be able to meet its expenditure requirements for the next six months based on projected revenue from drainage service charges, reimbursement for project costs and with application of funds from Fresno County tax allocations.

PeopleSoft

Report ID: GLSF9109  
 Program: GLSF9109

MONTHLY GENERAL LEDGER TRIAL BALANCE

Page No. 1  
 Run Date 04/04/2023

Fiscal Year 2023  
 Through Period 9

Run Time 09:05:48

Fund: Panoche Drainage Subclass: 10000 General Subclass	Beginning Balance		Year-to-Date Transaction		Current Balances	
	Debit Accts	Credit Accts	Debits	Credits	Debits Accts	Credit Accts
0110 Cash In Treasury	284,060.51	0.00	153,194.03	0.00	437,254.54	0.00
0315 Interest Receivable	846.22	0.00	0.00	846.22	0.00	0.00
1435 Due To Other Governmental	0.00	128,358.44	0.00	0.00	0.00	128,358.44
1480 Fiduciary Closing	0.00	2,035,059.86	0.00	0.00	0.00	2,035,059.86
2230 Fund Balance - Unassigned	0.00	-1,878,511.57	0.00	0.00	0.00	-1,878,511.57
3010 Property Taxes-Current Sec	0.00	0.00	0.00	128,486.65	0.00	128,486.65
3011 Suppl-Current Secured	0.00	0.00	0.00	3,329.16	0.00	3,329.16
3015 Property Taxes-Current Uns	0.00	0.00	0.00	11,144.17	0.00	11,144.17
3017 Property Taxes-Curr Unsec	0.00	0.00	0.00	347.23	0.00	347.23
3046 Joint County Funds	0.00	0.00	0.00	5,604.66	0.00	5,604.66
3380 Interest	0.00	0.00	0.00	2,626.08	0.00	2,626.08
3565 State-I/L Homeowners Prop	0.00	0.00	0.00	809.86	0.00	809.86
SUB CLASS TOTAL	284,906.73	284,906.73	153,194.03	153,194.03	437,254.54	437,254.54

*Marlene Brazil*  
 4/4/24

End of Report



# Mechanics Bank®

Apr 18 2023 – PDD Adjourned Regular Board Meeting Packet  
P.O. Box 6010  
Santa Maria, CA 93456-6010  
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www.mechanicsbank.com




## Statement Ending 09/31/2023

Page 1 of 4

RETURN SERVICE REQUESTED

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

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-  Online [www.mechanicsbank.com](http://www.mechanicsbank.com)
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### WATCH OUT FOR TECH SUPPORT SCAMS

Scammers pose as technology support representatives and offer to fix non-existent computer or technology issues. Learn how to spot this scam at [www.MechanicsBank.com/Security](http://www.MechanicsBank.com/Security).

### Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXX0066	\$27,316.68





# Mechanics Bank®

Apr 18 2023 – PDD Adjourned Regular Board Meeting Packet  
P.O. Box 6010  
Santa Maria, CA 93456-6010  
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## Statement Ending 09/31/2023

Page 1 of 4

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 TECH SUPPORT SCAMS

Scammers pose as technology support representatives and offer to fix non-existent computer or technology issues. Learn how to spot this scam at [www.MechanicsBank.com/Security](http://www.MechanicsBank.com/Security).

### Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXX6000	\$193,965.90



<b>PANOCHE DRAINAGE DISTRICT</b>		
<b>TREASURER'S MONTHLY FINANCIAL REPORT</b>		
<b>BALANCE SHEET-CURRENT ASSETS &amp; LIABILITIES</b>		
<b>DATE AS OF</b>	<b>March 31, 2023</b>	<b>February 28, 2023</b>
<b><u>CURRENT LIABILITIES</u></b>		
ACCOUNTS PAYABLE	\$801,289	\$574,384
NOTE PAYABLE - PWD	\$135,061	-
CUSTOMER PREPAYMENTS	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$936,350</b>	<b>\$574,384</b>
<b><u>CASH AND INVESTMENT ACCOUNTS</u></b>		
CHECKING ACCOUNT	\$25,932	\$242,229
FRESNO COUNTY FUNDS	\$437,255	\$424,372
PROP 84 CHECKING	\$40,148	\$39,379
LAIF ACCOUNT	\$111,146	\$186,146
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$614,480</b>	<b>\$892,126</b>
<b><u>ACCOUNTS RECEIVABLES</u></b>		
DRAINAGE SERVICE CHARGES	\$1,627	\$25,747
OTHER RECEIVABLES	-	-
DELINQUENT ACCOUNT CHARGES	\$179,239	\$180,433
<b>TOTAL ACCOUNTS RECEIVABLES</b>	<b>\$180,866</b>	<b>\$206,180</b>
<b>TOTAL CURRENT UNAUDITED ASSETS</b>	<b>\$795,346</b>	<b>\$1,098,306</b>
<b>NET CURRENT UNAUDITED ASSETS (NET CASH POSITION)</b>	<b>(\$141,004)</b>	<b>\$523,922</b>

**General Ledger Detail Report**

Apr 18 2023 - PDD Adjourned Regular Board Meeting Packet  
**Summary Report for Period 01 Ending 3/31/2023**

**PANOCHÉ DRAINAGE DISTRICT (PDD)**

Account Number/Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
1311-000					
FRESNO COUNTY CASH ACCOUNT	424,372.38	12,882.16	0.00	12,882.16	437,254.54
1311-600					
MECHANIC CKNG#*****0066	242,229.08	106,523.35	322,820.91	216,297.56-	25,931.52
1312-010					
MECHANIC-PROP 84 CK ACCT#*****6000	39,378.69	442,137.88	441,368.55	769.33	40,148.02
1313-000					
L. A. I. F.	186,145.97	0.00	75,000.00	75,000.00-	111,145.97
<b>Report Total:</b>	<b>892,126.12</b>	<b>561,543.39</b>	<b>839,189.46</b>	<b>277,646.07-</b>	<b>614,480.05</b>

<b>PANOCHÉ DRAINAGE DISTRICT</b>					
<b>AGED ACCOUNTS RECEIVABLE, BY DUE DATE</b>					
<b>As of 3/31/2023</b>					
	<b>Name</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>Over 90 Days</b>	<b>Total A/R</b>
	B & C Farms, c/o Francisco & Romelia Nunez	-	174.36	26,179.68	26,354.04
	Carbajal, Sylvia	-	-	5,109.97	5,109.97
	Cecilia Echeveste Survivor's Trust	287.59	287.59	35,719.15	36,294.33
	Correia 2015 Living Trust	187.65	187.65	10,527.15	10,902.45
	Imperial Merchants USA, LLC	162.96	162.96	21,073.94	21,399.86
	Lupe Brown	-	-	74.00	74.00
	Olam West Coast, Inc.	275.57	275.57	35,085.27	35,636.41
	Panoche Drainage District	-	-	43,467.71	43,467.71
	<b>Total:</b>	<b>913.77</b>	<b>1,088.13</b>	<b>177,236.87</b>	<b>\$ 179,238.77</b>

BACK





**PANOCHÉ DRAINAGE DISTRICT  
FIREBAUGH, CALIFORNIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
FEBRUARY 28, 2022**

DRAFT

DRAFT

**PANOCHÉ DRAINAGE DISTRICT  
FINANCIAL STATEMENTS  
FEBRUARY 28, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Panoche Drainage District  
Firebaugh, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of Panoche Drainage District (the District) as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of February 28, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **April XX, 2023**, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Clovis, California  
**April XX, 2023**

**PANOCHÉ DRAINAGE DISTRICT**  
**STATEMENT OF NET POSITION**  
**FEBRUARY 28, 2022**

**ASSETS**

## Current assets:

Cash and investments	\$ 997,227
Accounts receivable, net of allowance of \$32,364	220,846
Grants receivable	1,353,723
Interest receivable	144
Prepaid expense	<u>87,451</u>

Total current assets 2,659,391

## Other assets:

Capital assets, net of accumulated depreciation	<u>47,178,876</u>
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Total other assets 47,178,876

Total assets \$ 49,838,267

**LIABILITIES**

## Current liabilities:

Accounts payable and accrued expenses	\$ 454,222
Retainage payable	291,847
Accounts payable - related party	4,412,363
Advance from Panoche Water District - related party	460,000
Current portion of notes payable - related party	<u>346,538</u>

Total current liabilities 5,964,970

## Noncurrent liabilities:

Notes payable - related party	<u>492,786</u>
-------------------------------	----------------

Total liabilities 6,457,756

**NET POSITION**

Net investment in capital assets	47,178,876
Unrestricted	<u>(3,798,365)</u>

Total net position 43,380,511

Total liabilities and net position \$ 49,838,267

The notes to the basic financial statements are an integral part of this statement.

**PANOCHÉ DRAINAGE DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

<b>OPERATING REVENUES</b>	
Drainage assessment fees	\$ 3,212,338
Delinquent accounts charges	4,284
Other District reimbursements	197,875
Fresno and Madera Counties property assessments	<u>242,444</u>
Total operating revenues	<u>3,656,941</u>
<b>OPERATING EXPENSES</b>	
SL&DM water authorities' fees	1,507,684
Contract labor and benefits	118,465
Utilities	11,842
Depreciation	1,081,022
Chemicals	5,250
SJRIP participation	1,614,842
Repairs and maintenance	1,414
Supplies and small tools	12,357
Professional fees	130,090
Drainage studies and tests	71,225
Insurance	8,026
Dues and subscriptions	19,716
Laboratory	<u>3,525</u>
Total operating expenses	<u>4,585,458</u>
Operating income (loss)	<u>(928,517)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Grant revenue	4,165,572
Interest income	1,106
Bad debt recovery revenue	15,967
Interest expense	<u>(24,212)</u>
Nonoperating revenues (expenses)	<u>4,158,433</u>
Change in net position	3,229,916
Net position, beginning	<u>40,150,595</u>
Net position, ending	<u>\$ 43,380,511</u>

The notes to the basic financial statements are an integral part of this statement.



**PANOCHÉ DRAINAGE DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED FEBRUARY 28, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and others	\$ 3,658,432
Payments to suppliers	<u>(3,930,595)</u>
Net cash provided by (used in) operating activities	<u>(272,163)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(3,954,131)
Payments on notes payable - related party	(338,536)
Interest paid on notes payable - related party	<u>(24,212)</u>
Net cash provided by (used in) capital and related financing activities	<u>(4,316,879)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Grants received	<u>4,154,185</u>
Net cash provided by (used in) noncapital and financing activities	<u>4,154,185</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest revenue	<u>1,241</u>
Net cash provided by (used in) by investing activities	<u>1,241</u>
Net increase (decrease) in cash	(433,616)
Cash and investments, beginning of year	<u>1,430,843</u>
Cash and investments, ending of year	<u><u>\$ 997,227</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>	
Operating income (loss)	\$ (928,517)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation expense	1,081,022
(Increase) decrease in accounts receivable	1,491
(Increase) decrease in prepaid expense	(227)
Increase (decrease) in accounts payable - related party	(185,932)
Increase (decrease) in cash advance - related party	<u>(240,000)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (272,163)</u></u>

The notes to the basic financial statements are an integral part of this statement.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Financial Reporting Entity**

Panoche Drainage District (the “District”) was created in 1957. It operates pursuant to the California Drainage District Act 1903 (Water Code, App.8). The Drainage District Act of 1903 provides for the organization and government structure of special districts whose sole purpose is to drain agricultural lands. The District encompasses approximately 41,500 acres located in northwestern Fresno and Merced counties. The District manages subsurface drainage and stormwater for land within its borders.

### **Basis of Presentation and Accounting**

The financial statements of the District are presented using the full accrual method of accounting and conform to accounting principles generally accepted in the United States of America and with the policies and procedures of the office of the State Controller, State of California.

The accounts of the District are organized based on a proprietary fund type; specifically, an enterprise fund. The activities of this fund are accounted for with a set of accounts that comprise the District’s assets, liabilities, net position, revenues and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenue from fees and charges of the activity; or (ii) that are required by law or regulation that the activity’s costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenue; or (iii) that the pricing policies of the activity establishes fees and charges designated to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets less total liabilities) are segregated into net investment in capital assets, restricted and unrestricted components.

### **Budgetary Procedures**

The District operates under a budget approved by the Board of Directors. The budget is prepared by staff on a detailed line-item basis. Revenue is budgeted by use (services and supplies, other charges, drainage supply and contingencies). Once approved, the Board of Directors may amend the adopted budget when unexpected modifications are required in estimated revenues and expenditures or expenses.

The District follows these procedures in establishing the budgetary data: First, staff prepares a draft budget after analysis of the prior year’s revenues and expenditures and formulation of projections for the future year’s activities. Staff then presents the draft budget and recommended service fee to the Board for review and comment, which may result in revisions to the draft budget and additional review. After all the Board’s comments are adequately addressed, the Board will take action to approve a budget and resultant Drainage Service Fee rates. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that loan and bond proceeds are treated as other financial sources, and loan and bond principal payments and fixed asset purchases are treated as expenditures.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Net Position**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**Capital Assets**

Capital assets (fixed assets) are stated at historical cost, except for donated assets, which are stated at fair value on the date donated. It is the policy of the District to capitalize all property, plants and equipment (except equipment with a cost of less than \$5,000). Costs of assets sold or retired are eliminated from the accounts in the year of disposition, and the resulting proceeds, if any, are recorded as proceeds of sales in the applicable fund. Depreciation is recorded on enterprise fund fixed assets using the straight-line method. The estimated useful life for the irrigation distribution system of the District is 50 years.

**Revenue and Expense**

Operating revenues and expenses consist of those revenues that result from ongoing principal operations of the District. Operating revenues consist primarily of Drainage service fees collected from customers, Fresno County property taxes and charges for services. Nonoperating revenues and expenses consist of those revenue and expense items that are related to grants, financing and investing type of activities and results from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

**Net Position**

Net position comprises the various net earnings from operating income, nonoperating revenue, expenses and capital contributions. Net position is classified in the following three components:

*Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent process is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net components as the unspent proceeds.

*Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

**Estimates**

Presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**PANACHE DRAINAGE DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 2 – CASH AND INVESTMENTS**

Unrestricted cash and investments as of February 28, 2022 consist of the following:

Cash in Fresno County Treasury	\$ 152,668
Cash in bank	560,602
Local Agency Investment Fund (LAIF)	<u>283,957</u>
 Total cash and investments	 \$ <u>997,227</u>

**Custodial Credit Risk**

*Custodial credit risk* for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District maintains its cash balances in one financial institution: Mechanics Bank. The balances are insured by the federal deposit insurance corporation up to \$250,000.

The District's deposits as of February 28, 2022, were entirely covered by federal depository insurance or otherwise collateralized. The Government Code of the State of California requires California financial institutions to secure District deposits by pledging government securities as collateral.

The market value of pledged securities must equal at least 110 percent of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first deed of mortgage notes having a value of at least 150 percent of the District's total deposits.

**Investments Authorized**

The District strives to maintain the level of investment of idle funds as near to 100 percent as possible and operates its pooled idle cash investments under the Prudent Investor Standard. This affords a broad spectrum of investment opportunities so long as the investment is deemed prudent and is permissible under currently effective legislation of the State of California and other imposed legal restrictions. Permitted investments are identified in Section 53635 of the Government Code of California. Criteria for selecting investments and the absolute order of priority are safety, liquidity and yield. The primary basic premise underlying the District's investment policy is to insure the safety of principal and to provide funds when needed. A high dollar yield on investments, though important, ranks third in the priority of investment strategy.

Investment maturities are selected to anticipate cash needs, thereby obviating the need for forced liquidation and the accompanying loss of interest income.

The District operates its investment program with many Federal, State and self-imposed constraints. It does not buy stocks; it does not speculate; and it does not deal in futures, options or security loan agreements. Longer-term investments (over one year) are generally limited to maturities of five years or less.

To maximize investment income, the District uses all available, economically feasible investment aids. Economic conditions and various money markets are monitored to assess the probable course of interest rates.

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Local Agency Investment Fund (LAIF)**

The District participates in an external investment pool, as defined by the Government Accounting Standards Board (GASB) Statement No. 31, by way of its funds on deposit in the Local Agency Investment Fund (LAIF) managed by the State of California Treasurer and is not registered with the Securities and Exchange Commission. These funds are pooled with those of other agencies in the State and invested in accordance with State guidelines. The value of the District's shares in the LAIF that may be withdrawn is determined on an amortized costs basis, which may be different from the fair value of the District's position in the pool. The District's portion of the February 28, 2022 balance was \$283,957.

**Cash in Fresno County Treasury**

The District maintains cash deposits with the Fresno County Auditor-Controller/Treasurer and voluntarily participates in the common investment pool of the County. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer and is recorded on the amortized cost basis. Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party, and because the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required. In accordance with applicable state laws, the Fresno County Treasurer may invest in derivative securities with the State of California. However, at February 28, 2022, the Fresno County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles. The District's portion of the February 28, 2022 balance was \$152,668.

**Credit Rate Risk**

*Credit rate risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At February 28, 2022, the LAIF managed by the State of California and the Fresno County investment pool were not rated.

**Concentration of Credit Rate Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) did not exceed 5 percent or more of total District investments.

**Fair Value**

LAIF and The Fresno County Treasury investment pools invest in numerous types of investments ranging all levels in the fair value hierarchy, and, accordingly, are not investment types that can be categorized in any particular level in the fair value hierarchy.

**PANOCHE DRAINAGE DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following at February 28, 2022:

Drainage service charges	\$ 158,539
Other drainage activities charges	94,671
Allowance for doubtful accounts	<u>(32,364)</u>
 Total accounts receivable	 <u>\$ 220,846</u>

**NOTE 4 – CAPITAL ASSETS**

Following is a summary of activity affecting capital assets for the year ended February 28, 2022:

	Balance March 1, 2021	Additions	Deletions	Balance February 28, 2022
Nondepreciable assets:				
SJRIP land	\$ 27,803,183	\$ 2,920,477	\$ -	\$ 30,723,660
Construction in progress	1,686,862	1,245,095	-	2,931,957
Total nondepreciable assets	<u>29,490,045</u>	<u>4,165,572</u>	<u>-</u>	<u>33,655,617</u>
Depreciable assets:				
SJRIP land improvements	20,267,248	-	-	20,267,248
Buildings and improvements	1,761,414	-	-	1,761,414
Equipment	1,602,841	-	(35,346)	1,567,495
GDMIP land improvements	<u>787,606</u>	<u>-</u>	<u>-</u>	<u>787,606</u>
Total capital assets, being depreciated	<u>24,419,109</u>	<u>-</u>	<u>(35,346)</u>	<u>24,383,763</u>
Less accumulated depreciation	<u>(9,814,828)</u>	<u>(1,081,022)</u>	<u>35,346</u>	<u>(10,860,504)</u>
Total capital assets, being depreciated, net	<u>14,604,281</u>	<u>(1,081,022)</u>	<u>-</u>	<u>13,523,259</u>
Total capital assets	<u>\$ 44,094,326</u>	<u>\$ 3,084,550</u>	<u>\$ -</u>	<u>\$ 47,178,876</u>

Depreciation expense for the year ended February 28, 2022 was \$1,081,022.

**PANOCHÉ DRAINAGE DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Following is a summary of accounts payable and accrued expenses as of February 28, 2022:

Accounts payable vendors	\$ 89,305
Accounts payable GBA	352,917
Deposit from sublease	<u>12,000</u>
Total accounts payable and accrued expenses	<u>\$ 454,222</u>

**NOTE 6 – RELATED PARTY**

The District is governed by a five-member Board of Directors elected by divisions. The District, which has no employees, utilizes staff of the Panoche Water District and outside contractors to meet its administrative, operational, and maintenance needs. The Panoche Water District is a separate Special District organized to furnish irrigation water to a portion of the District's land in Fresno and Merced counties.

The District reimburses Panoche Water District for the cost of providing the District with personnel and other services. The total amount charged to the District by Panoche Water District for the year ended February 28, 2022 was \$201,205 in total. As of February 28, 2022, the amount due to related party is summarized as follows:

Accounts payable	\$ 4,412,363
Cash advance from PWD	<u>460,000</u>
Total	<u>\$ 4,872,363</u>

**NOTE 7 – NOTES PAYABLE – RELATED PARTY**

Following is a summary of noncurrent (long-term) liabilities for the year ended February 28, 2022:

Note payable to Panoche Water District, with monthly payment of \$17,419 including principal and interest at 1.75%, maturity March 2024.	\$ 410,527
Note payable to Panoche Water District, with monthly payment of \$12,810 including principal and interest at 3%, maturity February 2025.	<u>428,797</u>
Total long-term debt	839,324
Less: Amounts due within one year	<u>(346,538)</u>
Total long-term debt, due after one year	<u>\$ 492,786</u>

Total maturities on long-term debt are as follows at February 28, 2022:

2023	\$ 346,538
2024	337,099
2025	<u>155,687</u>
Total	<u>\$ 839,324</u>

## **NOTE 8 – COMMITMENTS AND CONTINGENCIES**

### **Litigation**

The District understands that the United States Attorney's Office, the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigations Division, and the United States Bureau of Reclamation/Office of the Inspector General of the Department of the Interior ("OIG") are no longer actively investigating the District's general financial and accounting controls. The investigation, which had been primarily focused on the Panoche Water District, was concluded in 2021 with a settlement between the Water District and the United States. The Water District has adopted and implemented written policies and adopted an Ethics & Compliance Program, which the Drainage District also utilizes, to address these issues, and the Drainage District does not have information sufficient to conclude with certainty whether claims or litigation against either District or any individuals will result or, if any claims were asserted, the likely outcome or the range of the Drainage District's liability.

The District understands it is no longer under active investigation by the Civil Division of the United States Attorney's Office in conjunction with the OIG relating to financial assistance agreements between the Bureau of Reclamation and the District. Those grants were suspended in April 2017, and there have been no further invoices to the grants. The District does not anticipate that the government has additional claims under the grant suspension that are probable of assertion.

The District understands the previous audit by the OIG as reported in previous District audits has been closed due to Reclamation and the District having resolved the OIG audit findings and OIG's concurrence as to the remaining findings.

The Drainage District understands that the Water District or certain individuals previously or currently associated with the Water or Drainage Districts have been investigated by the California Department of Justice. On February 20, 2018, the Department filed a criminal complaint against the former General Manager, Office Manager and Manager of the District's San Joaquin River Improvement Project alleging, in relevant part, conspiracy and embezzlement and misappropriation of public resources. On February 21, 2019, the former General Manager and former Office Manager were each ordered to be held over for trial on counts of embezzlement and misappropriation of public funds relating to the Panoche Water District. However, charges against the former Manager of the Drainage District's San Joaquin River Improvement Project were dropped. No charges were instituted against the Drainage District itself or its Board of Directors and the District does not anticipate that any such charges will be instituted.

Finally, and as reported previously, in 2018, the United States Environmental Protection Agency (USEPA) issued a Notice of Suspension to Panoche Water District and Panoche Drainage Districts, suspending the Districts from participation in federal contracts and assistance activities. Upon the District's request to convert the Notice of Suspension to an Order to Show Cause, the acting EPA Suspending and Debarring Official ("SDO") terminated the Districts' suspension and issued a Show Cause Notice based on substantially the same underlying concerns as the initial Notice of Suspension. The Districts responded to the EPA's concerns as stated in the terminated Notice of Suspension and Show Cause Notice and detailed the steps they had taken as of June 2018 to remedy the circumstances that served as bases for the Notice of Suspension. The Districts also responded to what the EPA later characterized as outstanding concerns, following which, while the Districts understand the EPA reserves its rights to take action based upon new information, the Districts do not anticipate any further action by the EPA, continue to implement the mitigation policies and practices reported to EPA, and continue to be eligible for federal contracts and assistance agreements.



**PANOCHE DRAINAGE DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2022**

**NOTE 9 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for the first \$2,500 in claims paid for automobile, property and general liability claims. The District is a member of the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (the “Authority”). The Authority was created to formulate, develop, and administer a program of self-insurance for its members. The District pays an annual premium to the Authority for automobile, property and general liability insurance. The District accounts for premiums paid as a pooling of risk arrangement and thus expense premiums as they are paid. The Authority has the right to make retrospective adjustments to premium deposits based on actual claims paid.

**NOTE 10 – SUBSEQUENT EVENTS**

Management has evaluated and concluded that there are no subsequent events that have occurred from February 28, 2022 through the date the financials were available to be issued at April XX, 2023, that would require disclosure or adjustment.

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OTHER AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of  
Panoche Drainage District  
Firebaugh, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Panoche Drainage District (the District), as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April XX, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clovis, California  
April XX, 2023

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FINDINGS AND QUESTIONED COSTS

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**PANOCHÉ DRAINAGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_\_\_ Yes      X   No

Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes      X   No

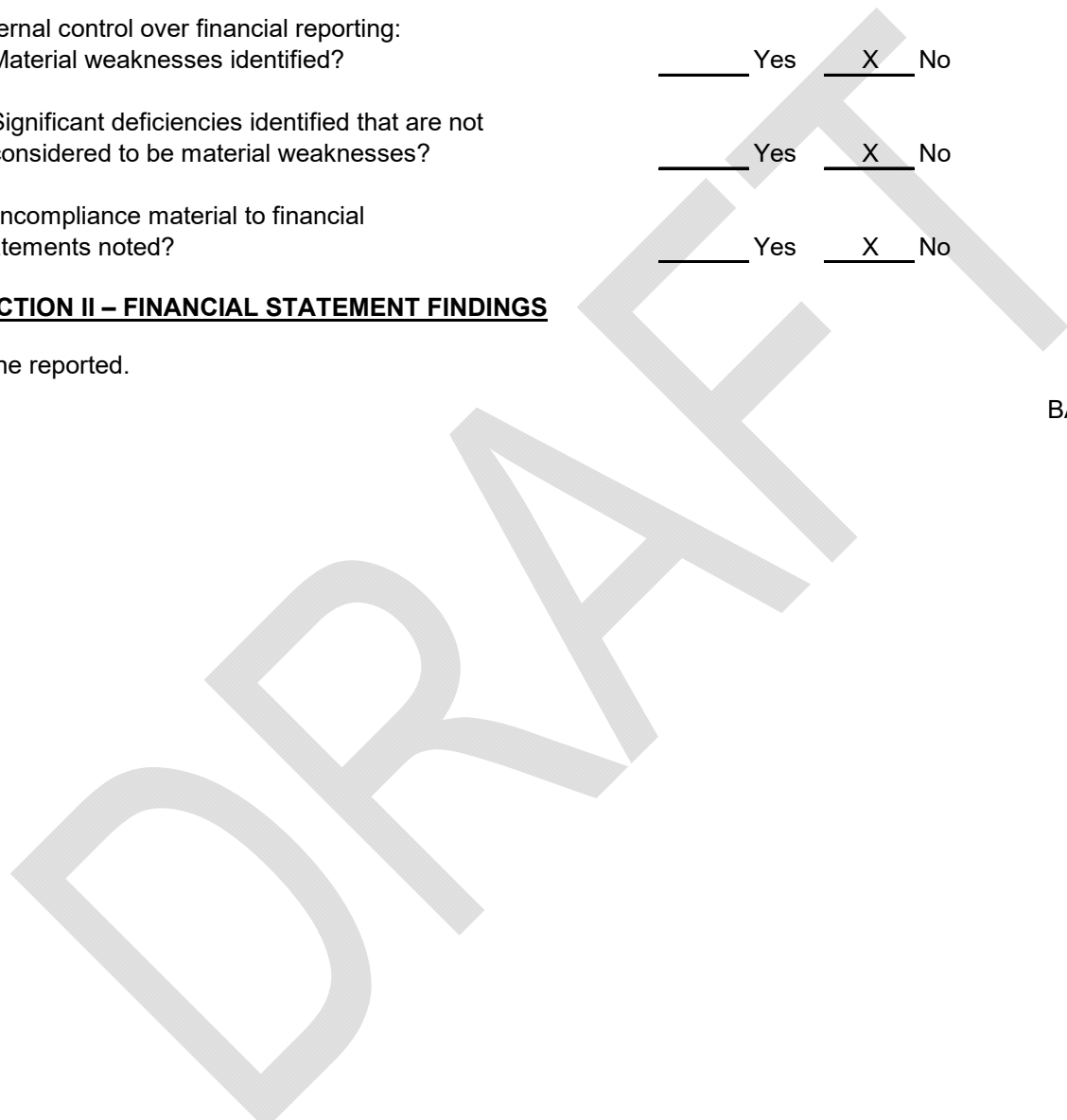
Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes      X   No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

BACK





**PANOCHÉ DRAINAGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

**FINANCIAL STATEMENT FINDINGS**

None reported.

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<b>PANOCHÉ DRAINAGE DISTRICT</b>				
<b>BUDGET (March 1, 2022 - February 28, 2023)</b>				
<b>FOR DISCUSSION</b>	<b>Proposed Budget 2023-2024</b>	<b>2022 -2023 Actual</b>	<b>Proposed Change</b>	<b>Δ</b>
<b>OPERATING REVENUES</b>				
Drainage Service Fee	\$ 2,118,869	\$ 3,447,430	\$ (1,328,561)	-39%
Fresno County Property Tax	\$ 275,000	\$ 271,705	\$ 3,295	1%
SLDMWA Reimbursement	\$ 145,000	\$ 143,538	\$ 1,462	1%
Annexation Reimbursement	\$ 120,000			
Other Revenues	\$ 10,000	\$ 11,472	\$ (1,472)	-13%
<b>TOTAL REVENUES</b>	<b>\$ 2,668,869</b>	<b>\$ 3,874,145</b>	<b>\$ (1,325,276)</b>	<b>-34%</b>
<b>OPERATING EXPENSES</b>				
San Joaquin River Improvement Project	\$ 1,002,570	\$ 1,176,930	\$ (174,360)	-15%
Grassland Bypass Project	\$ 695,951	\$ 1,274,175	\$ (578,224)	-45%
Irrigated Lands Program	\$ 225,733	\$ 203,462	\$ 22,271	11%
San Luis Drain Maintenance	\$ 145,000	\$ 142,053	\$ 2,947	2%
Annexation	\$ 120,000			
Repairs & Maintenance	\$ 105,000	\$ 127,633	\$ (22,633)	-18%
Labor - Field	\$ 85,000	\$ 91,890	\$ (6,890)	-7%
Professional Fees	\$ 75,000	\$ 165,555	\$ (90,555)	-55%
Legal Costs	\$ 67,000		\$ 67,000	
Labor - Admin	\$ 35,000	\$ 29,309	\$ 5,691	19%
General Overhead	\$ 30,000	\$ 75,535	\$ (45,535)	-60%
Dues & Subscriptions	\$ 20,000		\$ 20,000	
Energy	\$ 16,800	\$ 14,594	\$ 2,206	15%
Herbicides	\$ 15,000	\$ 12,749	\$ 2,251	18%
San Joaquin Valley Drainage Authority	\$ 10,803	\$ -	\$ 10,803	
Insurance	\$ 9,000		\$ 9,000	
Interest	\$ 8,012	\$ 10,546	\$ (2,534)	-24%
Water Quality Monitoring	\$ 3,000	\$ 1,504	\$ 1,496	99%
<b>TOTAL EXPENSES</b>	<b>\$ 2,668,869</b>	<b>\$ 3,325,934</b>	<b>\$ (777,065)</b>	<b>-23%</b>
<b>INCOME/(LOSS)</b>	<b>\$ -</b>	<b>\$ 548,211</b>	<b>\$ (548,211)</b>	
Drainage Service Fee - Regular	\$ 54.75	\$ 71.75	\$ (17.00)	-24%
Drainage Service Fee - Landlocked	\$ 13.25	\$ 17.50	\$ (4.25)	-24%
			Reg/Ac.	LL/Ac.
San Joaquin River Improvement Proj	\$ 1,002,570	\$ 1,176,930	\$ 20.57	\$ 4.98
	38%	35%		
Grassland Bypass Project	\$ 695,951	\$ 1,274,175	\$ 14.28	\$ 3.46
	26%	38%		
Irrigated Lands Program	\$ 225,733	\$ 203,462	\$ 4.63	\$ 1.12
	8%	6%		
San Joaquin Valley Drainage Authority	\$ 10,803	\$ -	\$ -	\$ -
	0%	0%		
Sub-Total	\$ 1,935,057	\$ 2,654,568		
Panoche Drainage District	\$ 733,812	\$ 671,366	\$ 15.05	\$ 3.64
	27%	20%		



## PANOCHÉ DRAINAGE DISTRICT RESOLUTION NO. 825-23

### A RESOLUTION AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND AND DESIGNATING PERSONS AUTHORIZED TO REQUEST THE LOCAL AGENCY INVESTMENT FUND WIRE TRANSFERS AND RELATED ACTIONS

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code sections 16429.1, *et. seq.*, for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Panoche Drainage District’s (“District”) Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code sections 16429.1, *et. seq.*, for the purpose of investment as provided therein is in the best interest of the District.

**NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:**

The District’s Board of Directors hereby authorizes the deposit and withdrawal of District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code sections 16429.1, *et. seq.*, for the purpose of investment as provided therein.

**BE IT FURTHER RESOLVED, AS FOLLOWS, THAT:**

Section 1. The following Officers holding the titles specified hereinbelow are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby:

Beau Correia  
Director

Marlene Brazil  
Treasurer

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Section 2. The Board declares that General Manager Ara Azhderian, following his resignation from the District, is hereby no longer authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund effective April 21, 2023, and shall be removed from the District’s account(s).

Section 3. This Resolution shall remain in full force and effect until rescinded by the District’s Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer’s Office.

Section 4. By adopting this Resolution, the District’s Board of Directors hereby rescinds Resolution No. 789-20, and directs the Ethics & Compliance Officer, or her designee, to file a copy of this Resolution with the State Treasurer’s Office.

PASSED AND ADOPTED this 18<sup>th</sup> day of April 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

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PANOCHE DRAINAGE DISTRICT				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 3/15/2023 TO 4/18/2023				
DATE	CHECK NUMBER	VENDOR	AMOUNT	MEMO
3/27/2023	7090	BRYANT L. JOLLEY	\$ 450.00	JANUARY 2023 ACCOUNTING SERVICES
3/27/2023	7091	PACIFIC GAS & ELECTRIC	\$ 955.16	FEBRUARY & MARCH 2023 ELECTRICAL SERVICE
3/27/2023	7092	SAN JOAQUIN VALLEY DRAINAGE AUTHORITY	\$ 5,401.25	FY24 1ST INSTALLMENT GENERAL MEMBERSHIP DUES
4/11/2023	7093	PRICE PAIGE & COMPANY	\$ 8,000.00	WORK IN PROGRESS FYE 2/28/2022 AUDIT
4/18/2023	7094	BEDROCK ENGINEERING	\$ 2,125.00	DETERMINE DRAIN RIGHT OF WAY - OUTSIDE DRAIN
4/18/2023	7095	BRYANT JOLLEY	\$ 525.00	ACCOUNTING SERVICES MARCH 2023
3/15/2023	W000000593	SLDM WATER AUTHORITY	\$ 115,991.84	FY24 1ST INSTALLMENT MEMBERSHIP DUES PAYMENT ONE OF THREE
3/15/2023	JE-1	PANOCHE WATER DISTRICT	\$ 12,810.00	MARCH 2023 LOAN INSTALLMENT PAYMENT
3/30/2023	W000000594	SLDM WATER AUTHORITY	\$ 112,866.50	FY24 1ST INSTALLMENT MEMBERSHIP DUES
4/6/2023	W000000595	WELTY WEAVER CURRIE	\$ 3,562.50	FEBRUARY 2023 LEGAL SERVICES
		<b>TOTAL</b>	<b>\$ 262,687.25</b>	
PANOCHE DRAINAGE DISTRICT/PROP 84				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 3/15/2023 thru 4/18/2023				
DATE	CHECK NUMBER	VENDOR	AMOUNT	MEMO
3/29/2023	10167	AMK PEREIRA, LLC	\$ 166,792.79	10% RETENTION PAYMENT + INTEREST ON PROPERTY PURCHASE
3/29/2023	10168	VOID	\$ -	VOID CHECK
3/29/2024	10169	AMK PEREIRA, LLC	\$ 369.08	BALANCE DUE
3/29/2023	10170	RONALD H. PEREIRA-SUCCESSOR TRUSTEE	\$ 136,768.80	10% RETENTION PAYMENT + INTEREST ON PROPERTY PURCHASE
4/18/2023	10171	BEDROCK ENGINEERING	\$ 39,371.25	NOVEMBER & DECEMBER 2022 ENGINEERING SERVICES
4/18/2023	10172	SUMMERS ENGINEERING	\$ 14,961.50	DECEMBER 2022 & JANUARY 2023 ENGINEERING SERVICES
		<b>TOTAL</b>	<b>\$ 358,263.42</b>	





<b>PANOCHÉ DRAINAGE DISTRICT</b>				
<b>FYE 2023 BUDGET (March 1, 2022 - February 28, 2023) - Adopted April 12, 2022</b>				
<b>Report thru April 17, 2023</b>	<b>Budget</b>	<b>Actual</b>	<b>Remaining</b>	
<b>OPERATING REVENUES</b>				
Drainage Service Fee	\$ 2,773,567	\$ 3,447,430	\$ (673,863)	124%
Fresno County Property Tax	\$ 240,000	\$ 271,705	\$ (31,705)	113%
SLDMWA Reimbursement	\$ 223,000	\$ 143,538	\$ 79,462	64%
Other Revenues	\$ 74,500	\$ 11,472	\$ 63,028	15%
<b>TOTAL REVENUES</b>	<b>\$ 3,311,067</b>	<b>\$ 3,874,145</b>	<b>\$ (563,078)</b>	<b>117%</b>
<b>OPERATING EXPENSES</b>				
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	\$ 142,067	\$ 80,933	64%
Irrigated Lands Program	\$ 203,462	\$ 203,462	\$ -	100%
Professional Fees	\$ 145,000	\$ 165,554	\$ (20,554)	114%
Labor - Field	\$ 105,000	\$ 91,890	\$ 13,110	88%
Mercy Springs WD/SGMA	\$ 28,000	\$ -	\$ 28,000	0%
Labor - Admin	\$ 75,000	\$ 29,309	\$ 45,691	39%
General Overhead	\$ 32,000	\$ 75,525	\$ (43,525)	236%
Interest	\$ 15,000	\$ 10,546	\$ 4,454	70%
Energy	\$ 13,000	\$ 14,594	\$ (1,594)	112%
Herbicides	\$ 12,000	\$ 12,749	\$ (749)	106%
Water Quality Monitoring	\$ 3,500	\$ 1,504	\$ 1,996	43%
Repairs & Maintenance	\$ 140,000	\$ 127,632	\$ 12,368	91%
<b>TOTAL EXPENSES</b>	<b>\$ 3,446,067</b>	<b>\$ 3,325,937</b>	<b>\$ 120,130</b>	<b>97%</b>
<b>INCOME/(LOSS)</b>				
		\$ 548,208		



### Mud Slough Water Quality - 2023 MARCH

