

PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES
ADJOURNED REGULAR MEETING OF THE BOARD OF DIRECTORS
June 22, 2022, at 9:00 A.M.

An adjourned regular meeting of the Board of Directors was held in accordance with District Resolution 808-22 proclaiming a local emergency due to the COVID-19 pandemic and authorizing the District's legislative body to hold meetings by web and teleconference, and to make meetings accessible to the public electronically, pursuant to Assembly Bill 361. 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
 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 9:01 a.m.

REVIEW OF AGENDA

There were no changes to the Agenda.

ROLL CALL

A quorum of the Board was confirmed. Secretary Fausone arrived to the meeting at approximately Agenda Item 13 so Director Linneman was named Acting Secretary.

POTENTIAL CONFLICTS OF INTEREST

No conflicts were reported.

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar items, which included draft meeting minutes from the May 10, 2022, regular meeting of the Board, the May 24, 2022, special meeting of the Board; and the monthly financial statements for the period ending May 31, 2022. After consideration, on a motion by Director Barcellos, seconded by Director Linneman, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING A PAYMENT PLAN FOR THE DISTRICT'S ANNEXATION "BUY-IN" FEE

General Manager Azhderian requested the Board consider authorizing a payment plan for the "buy-in" fee for the two growers requesting annexation into the District. He explained that the Annexation Agreement thus far negotiated contemplates a 30-day payment timeframe and that A&H Investors had formally requested a payment plan to facilitate their entrance into the District. He said the other landowner, S3 Group, had made a similar request though informally. Azhderian suggested that the District could pay the San Luis & Delta-Mendota Water Authority and Grassland Basin Authority their respective shares of the buy-in fee from idle cash, which is currently earning less than 0.5%, while also improving the District's interest revenue for the term of the plan. After discussion, the Board concluded that a 5-year payment term, with interest set equal to the value of a 5-year T-Bill at the time of execution of the Agreement, would be appropriate. After consideration, on a motion by Director Barcellos, seconded by Director Linneman, the Board authorized development of a payment plan.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER REQUEST FROM THE GRASSLAND BASIN AUTHORITY TO TRANSFER TITLE OF CERTAIN EQUIPMENT

General Manager Azhderian presented the Board a request from the Grassland Basin Authority to transfer ownership of certain equipment currently owned by the District but used by the GBA for the operation and maintenance of the San Joaquin River Improvement Project. He explained that for equipment that was grant funded, the District would need to follow the respective grant agreement and Uniform Grants Guidance requirements. As for equipment owned by the District, Azhderian explained that the District's Disposal of Surplus Property Policy provides current guidance on the handling of equipment deemed surplus and, absent modification of the policy, provides that the District make surplus equipment available for sale after notice to the District's growers. He said the District's practice was to utilize a web site that provides for competitive bidding. Azhderian noted that response to the request would take some level of administrative effort and suggested the costs be billed to the GBA given their request for the work. After discussion, the Board asked staff to track the District's administrative costs for future consideration of billing the GBA and to establish values for the District owned pieces of

equipment to inform the sale process. After consideration, on a motion by Director Linneman, seconded by Director Correia, the Board authorized the requested transfer of ownership.

The vote on the matter was as follows:

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

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

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

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION CALLING FOR A GENERAL ELECTION ON NOVEMBER 8, 2022, OF REPRESENTATIVES TO SERVE ON THE BOARD OF DIRECTORS

General Manager Azhderian requested the Board adopt a Resolution to call for a general election of directors for Divisions 1 and 5, consistent with the District’s election plan adopted in May 2020. General Counsel Williams reviewed specific provisions of the Resolution with the Board. After consideration, on a motion by Director Correia, seconded by Director Linneman, the Board adopted the Resolution as presented.

The vote on the matter was as follows:

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

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 unanimously approved payment of the bills.

The vote on the matter was as follows:

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

FINANCIAL REPORTS

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

Director Fausone joined the meeting.

DRAINAGE MANAGEMENT REPORT

The Grassland Basin Authority General Manager, Palmer McCoy, updated the Board on activities at the San Joaquin River Improvement Project. General Manager Azhderian reported on activities related to the Grassland Bypass Project, Long-Term Stormwater Management, and the Mud Slough Restoration Project. In particular, he focused on a meeting he attended with David Cory of Camp 13 Drainage District, Joe McGahan and Chris Linneman of Summers Engineering, and the California Department of Fish and Wildlife to discuss the proposed Mud Slough Restoration project.

GENERAL MANAGER'S REPORT

General Manager Azhderian updated the Board on various ongoing grant administration activities, noting in particular that a mandatory pre-bid meeting was held for the Short-Term Storage Basin construction project on June 7th and that the turn-out was better than expected with many big-name companies in attendance. Lead Project Engineer, Chris Linneman, conducted the presentation.

DIVISION REPORTS

- A. Water Resources Manager Juan Cadena reported on water deliveries and maintenance activities. Of note, he said that deliveries for the month of May were about 1,200 acre-feet, or 25%, less than last year. Cadena also reported on various repair activities, weed control treatments, and cleaning of dredge spoils.
- B. General Manager Azhderian reported the water department was focused on closely monitoring water usage daily to avoid overdrafts and communicating frequently with growers about usage and water supply issues. Of note, he reported the 2020-21 financial audit of the Drainage District had begun and that staff were working to prepare for the Water District's audit expected to start in August.
- C. Ethics & Compliance Officer Lorena Chagoya reported on various risk management activities for the month. She said there had been no worker's compensation or liability insurance claims, nor COVID-19 cases, during the month; however, the District did file one property damage claim to clean up an oil spill from an old piece of equipment that had been parked for years, but the claim was denied by the carrier as they concluded it was caused by faulty maintenance. There were no incidents reported on the Speak-Up Hotline, she said, but there were two internal reports, both of which had been resolved. She also spoke of efforts to reduce training costs by exploring alternatives such as web-based training and expanding in-house training capabilities. Lastly, Chagoya reported on the upcoming annual Ethics & Compliance and spill prevention trainings.

PANOCHÉ WATER & DRAINAGE DISTRICTS' JOINT CLOSED SESSION

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

At approximately 10:02 a.m., President Bennett called the joint closed session to order.

At approximately 12:03 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 July 12, 2022, at 9:00 a.m.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 12:05 p.m.



John Bennett, President

Michael Linneman, Acting Secretary

