

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

A regular meeting of the Board of Directors was held in accordance with District Resolution 820-22 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

- Directors Absent: Beau Correia, Director

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

- Others Present: Philip Williams, General Counsel

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

No conflicts were reported.

PUBLIC COMMENT

General Manager Azhderian noted this would be the last regular meeting of the Board for President Bennett following his decision to retire at the end of his current term on December 2, 2022. The other Board members expressed their appreciation for John’s long and dedicated service and wished him well in his future pursuits.

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar items, which included a Resolution extending remote teleconference meetings through December 8th due to the COVID pandemic; and the monthly financial statements for the period ending October 31, 2022. After consideration, on a motion by Director Linneman, seconded by Director Fausone, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER REVISING THE DRAINAGE SERVICE FEE FOR THE SAN JOAQUIN RIVER IMPROVEMENT PROJECT LANDS IRRIGATED AND MAINTAINED BY THE GRASSLAND BASIN AUTHORITY

General Manager Azhderian requested the Board consider revising the Drainage Service Fee for lands used for the SJRIP. He explained that following Board discussion on the matter earlier in the year, staff has been working with Summers Engineering, the San Luis & Delta-Mendota Water Authority, and the Grassland Basin Authority to review and reconcile the billable acreages as part of the annexation process. In the meantime, Azhderian reported that he and the Grassland Basin Authority General Manager, Palmer McCoy, had met to review the outstanding Drainage Service Fee billings applicable to lands used for the SJRIP and agreed that it made sense for the District to no longer bill the GBA for the District’s Operations & Maintenance costs as those are now administered through the GBA budget. They also agreed it was appropriate for the District to continue billing for the Grassland Bypass Project, SJRIP, and District administrative costs, Azhderian said. He requested the Board accept the recommendation of the general managers and authorize the rate adjustment. After consideration, on a motion by Director Fausone, seconded by Director Linneman, the Board accepted the recommendation as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE TREASURER'S QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2022

General Manager Azhderian presented the Board the Treasurer's Report. He reported on the status of the District's investment balances and stated that the District's financial portfolio was in compliance with its Statement of Investment Policy. Lastly, he said 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 Fees, reimbursement for services from other agencies, and application of Fresno County property tax receipts. After consideration, on a motion by Director Linneman, seconded by Director Fausone, the Board accepted the Treasurer's Report as presented.

The vote on the matter was as follows:

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

Abstain: None
Absent: Correia

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 Linneman, the Board approved payment of the bills as presented.

The vote on the matter was as follows:

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

FINANCIAL REPORTS

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

DRAINAGE MANAGEMENT REPORT

No report was given.

GENERAL MANAGER’S REPORT

General Manager Azhderian reported on the coming of a new regulatory drinking water replacement program related to the Regional Water Quality Control Board’s Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) effort. He said the Regional Board had adopted a Basin Plan Amendment in 2018 implementing nitrate and salinity control programs and established “priority zones”, which affect the timing of plan implementation. The District sits in a “Priority 2 Zone”, which is expected to be required to begin complying with the new programs in mid-2023, after a Notice to Comply is received from the Regional Board, he said. The District’s compliance with the program is administered both by the San Luis & Delta-Mendota Water Authority, for District lands located in the Grassland Drainage Area, and the San Joaquin Valley Drainage Authority, for District lands located outside of the GDA.

Azhderian said that part of the nitrate control program is a drinking water replacement program for residents dependent upon domestic wells that might exceed nitrate standards for drinking water. He explained that whatever agency becomes the responsible administrator of the nitrate control management zone, it will need to begin identifying domestic wells, test domestic wells for nitrates, provide replacement drinking water to residents whose wells exceed the nitrate standards, develop program funding mechanisms, coordinate with other local, regional, and state agencies, and engage the community through an outreach and education program. Azhderian noted the nexus between this new program and existing irrigated lands and groundwater sustainability programs are the wells and that the District has, through its administrative partners, already invested significantly to develop well data and land ownership information. He recommended the District work with its neighbors and the existing programs to identify a coordinated approach toward leveraging the existing work to reduce future costs and improve implementation efficiency. The Board concurred and directed staff to work with the others to develop recommendations for implementation of the anticipated drinking water replacement program.

DIVISION REPORTS

No reports were given.

At approximately 9:36 a.m., President Bennett suspended the Drainage District meeting and called the Water District Board to order.

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 11:02 a.m., President Bennett called the joint closed session to order.

At approximately 11:10 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

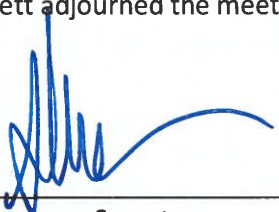
The next regular meeting of the Board was scheduled for December 13, 2022, at 9:00 a.m.

ADJOURNMENT

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



John Bennett, President



Steve Fausone, Secretary