

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
July 12, 2022, at 9:30 A.M.**

A regular meeting of the Board of Directors was held in accordance with District Resolution 810-22 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

**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**

No conflicts were reported.

**PUBLIC COMMENT**

There was no public comment.

**DIVISION REPORTS**

No reports were given.

**CONSENT CALENDAR**

General Manager Azhderian presented the Board with the Consent Calendar items, which included a Resolution extending remote teleconference meetings through August 11<sup>th</sup> due to the COVID pandemic; draft meeting minutes from the July 13, 2021, regular meeting of the Board and draft meeting minutes from the June 22, 2022, adjourned regular meeting of the Board; and the monthly financial statements for the period ending June 30, 2022. Directors Bennett and Linneman affirmed the minutes from the July 13, 2021, meeting. After consideration, on a motion by Director Barcellos, 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

*Director Correia joined the meeting.*

**THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION MAKING CERTAIN FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AUTHORIZING EXECUTION OF AN ANNEXATION AGREEMENT WITH S3 GROUP, LLC, AND AUTHORIZING RELATED ACTIONS**

General Manager Azhderian requested the Board adopt a Resolution to initiate efforts to annex lands owned by the S3 Group into the District. He explained that while the form of agreement for annexation had been previously approved by the Board, staff was seeking reconsideration following the Board’s approval to include a 5-year payment plan for the annexation “buy-in” fee. Azhderian reviewed the new payment plan language and sample amortization schedule. General Counsel Williams reviewed the CEQA findings with the Board. The Board asked if approving the final annexation agreement would affect the future possibility of dissolving the District. Azhderian responded that such an endeavor would be extraordinarily complex, with or without the annexation of these additional lands, which were already being served by the District. 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 ADOPTING A RESOLUTION MAKING CERTAIN FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AUTHORIZING EXECUTION OF AN ANNEXATION AGREEMENT WITH A&H INVESTMENTS, LLC, AND AUTHORIZING RELATED ACTIONS**

General Manager Azhderian requested the Board adopt a Resolution to initiate efforts to annex lands owned by the A&H Investments into the District. He explained this agreement was identical to the one just considered with the exception of the sample amortization schedule. General Counsel Williams reviewed the CEQA findings with the Board. 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 A SOLE SOURCE CONTRACT TO MCELVANY, INC., TO INSTALL PROPOSITION 84 GRANT FUNDED COLLECTOR DRAINS IN THE SAN JOAQUIN RIVER IMPROVEMENT PROJECT'S "PEREIRA RANCH"**

General Manager Azhderian requested the Board authorize the sole source contract. He explained the recently acquired Pereira Ranch had a deep drain ditch running through it, which was the end point for a number of gravity tile lines that exist throughout the ranch. After discussions with Summers Engineering and the Grassland Basin Authority, Azhderian said staff were recommending filling the ditch so as to minimize potentially undesirable bird habitat and reduce operations and maintenance costs over time. He said in order to be able to fill the ditch, a connector drain would have to be installed to convey the existing gravity fed tile line subsurface drain water to existing drain ditches to the east and west in the San Joaquin River Improvement Project. Azhderian stated this work is highly specialized and presented the Board with a memorandum prepared by Summers Engineering justifying the sole source approach and cost estimate. After consideration, on a motion by Director Barcellos, seconded by Director Correia, the Board unanimously authorized the sole source contract.

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 Linneman, seconded by Director Fausone, the Board unanimously 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 REPORTS**

No reports were given.

**DRAINAGE MANAGEMENT REPORT**

No report was given.

**GENERAL MANAGER'S REPORT**

No report was given.

**DIVISION REPORTS**

No reports were given.

**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 9:30 a.m., President Bennett called the joint closed session to order.*

*At approximately 12:20 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.

**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 August 9, 2022, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 12:21 p.m.

  
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John Bennett, President  
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Ara Azhderian, Acting Secretary