

**AGENDA**  
**PANOCHÉ DRAINAGE DISTRICT**  
**REGULAR BOARD OF DIRECTORS MEETING**  
**September 13, 2022 – 9:00 a.m.**

**PURSUANT TO AB 361, THE OPEN SESSION OF THIS MEETING MAY BE JOINED  
FROM YOUR COMPUTER, TABLET OR SMARTPHONE THROUGH THE FOLLOWING MEANS:**

<https://meet.goto.com/239196349>

**AND PLEASE DIAL**

**Conference call in number: (866) 705-2554    Passcode: 148 890**

**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. DETERMINATION:** 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 imminent risk to the health or safety of attendees (Azhderian – Tab 2);

**3. 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.

**4. 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.

**5. 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]

**6. 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.

## **7. 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 3):

- Approving DRAFT minutes from the January 12, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the March 23, 2021, special meeting of the Board;
- Approving DRAFT minutes from the June 08, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the September 14, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the September 28, 2021, special meeting of the Board;
- Approving DRAFT minutes from the October 12, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the November 09, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the November 16, 2021, special meeting of the Board;
- Approving DRAFT minutes from the November 23, 2021, special meeting of the Board;
- Approving DRAFT minutes from the December 14, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the December 21, 2021, special meeting of the Board;
- Accepting the Treasurer’s Quarterly Investments Report for the period ending June 30, 2022;
- Accepting the monthly financial statements for the period ending August 31, 2022.

## **ACTION ITEMS**

8. 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 (Azhderian/Hinojosa – Tab 4);
9. The Board to review and consider approving request by Fadak Orchards, LLC., to install a pipeline under the District’s Russell Drain (Azhderian/Cadena – Tab 5);
10. 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 (Azhderian/Chagoya – Tab 6);
11. The Board to review and consider approving the accounts payable (Azhderian – Tab 7).

## **REPORT ITEMS**

12. **FINANCIAL REPORTS** (Tab 8)
  - A. FYE 2023 Budget-to-Actual Report;
  - B. Other financial matters affecting the District.

- 13. DRAINAGE MANAGEMENT REPORT (Tab 9)**
  - A. San Joaquin River Improvement Project;
  - B. Grassland Bypass Project;
  - C. Storm Water Management Water Quality Report;
  - D. Other Drainage Related Matters Affecting the District.
  
- 14. GENERAL MANAGER’S REPORT (Tab 10)**
  - 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. Grassland Basin Authority;
  - C. Other Matters Affecting the District.
  
- 15. DIVISION REPORTS:**
  - A. Water Operations & Maintenance – Juan Cadena
  - B. Administration – Ara Azhderian
  - C. Ethics, Compliance, & Human Resources – Lorena Chagoya
  
- 16. PANOCHÉ WATER & DRAINAGE DISTRICTS JOINT CLOSED SESSION:** Conference with Legal Counsel.
  - A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
 Significant Exposure to Litigation pursuant to Section 54956.9(d), paragraph (2) or (3):  
  
 Number of Cases: Ten
  
- 17. REPORT FROM JOINT CLOSED SESSION (GOVERNMENT CODE SECTION 54957.1)**
  
- 18. REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)**
  
- 19. FUTURE MEETING DATES**
  - A. Board to Consider Action to Set Special Meeting Date(s): *No staff requests.*
  - B. Next Regular Meeting Date: October 11, 2022.
  
- 20. 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 RESOLUTION NO. 818-22**

**A RESOLUTION OF THE BOARD OF DIRECTORS PROCLAIMING A LOCAL EMERGENCY,  
RATIFYING GOVERNOR NEWSOM'S MARCH 4, 2020, PROCLAMATION OF A  
STATE OF EMERGENCY, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE  
LEGISLATIVE BODIES OF PANOCHÉ DRAINAGE DISTRICT THROUGH OCTOBER 13, 2022  
PURSUANT TO BROWN ACT PROVISIONS**

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WHEREAS, the Panoche Drainage District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Panoche Drainage District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, on March 4<sup>th</sup>, 2020, Governor Newsom proclaimed a State of Emergency due to the COVID-19 pandemic and such proclamation has not as of the date of this Resolution been lifted; and

WHEREAS, due to what may be the sensitivity of some members of the public as well as to members of the Board and District staff, the contagious nature of COVID-19, including variants of the virus, and current guidance from federal, state, and local agencies that social distancing reduces the transmission of the virus, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board of Directors does hereby find that the current status of the COVID-19 pandemic has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the Proclamation of a State of Emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of Panoche Drainage District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, District notices and agendas shall provide a reasonable means for members of the public to meaningful participate in public meetings of the District.

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

1. The Board of Directors of the Panoche Drainage District hereby finds and determines the above Recitals are true and correct and are incorporated herein by this reference.
2. The Board hereby proclaims that a local emergency now exists throughout the District, and meeting in person would present a significant risk to the health and safety of those participating in person.
3. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance on March 4, 2020.
4. The General Manager, or his designee, and legislative bodies of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
5. This Resolution shall take effect on September 13, 2022, and shall be effective until the earlier of (i) October 13, 2022, or (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without strictly complying with certain provisions of the Brown Act due to the ongoing COVID-19 pandemic and resulting State of Emergency.

PASSED AND ADOPTED this 13<sup>th</sup> day of September 2022, in a duly noticed and open meeting of the Board of Directors by the following vote, to wit:

BACK

Ayes:  
Nays:  
Abstain:  
Absent:

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

Attest: \_\_\_\_\_  
Steve Fausone, Secretary

DRAFT

**CERTIFICATE OF SECRETARY  
OF  
PANOCHÉ DRAINAGE DISTRICT,  
A California Drainage District**

I, Steve Fausone, do hereby certify that I am the duly authorized and appointed Secretary of the Panoche Drainage District, a California Drainage District (the “District”); that the foregoing is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District on the 13<sup>th</sup> day of September 2022; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

**IN WITNESS WHEREOF**, I have executed this Certificate on this \_\_\_\_\_ day of September 2022.

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

DRAFT



**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
January 12, 2021, at 9:00 A.M.**

A regular 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  
Sue Redfern-West, Vice-President  
Mike Stearns, Secretary  
Michael Linneman, Director  
Ross Koda, Director

Directors Absent: None

District Staff Present: Ara Azhderian, General Manager  
John Paul Otollo, Treasurer & Controller  
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, the Panoche Financing Authority, and/or the Panoche Resource Conservation District.

**CALL TO ORDER**

President Bennett called the meeting to order at 9:04 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**

- A. Water Resources Manager, Juan Cadena reported deliveries were slow and that staff were working on various maintenance projects including repair of leaking pipes at Station 3 and cleaning of the Contour, Old Main, and T-Canals.
- B. Controller, JP Otollo reported accounting staff were performing calendar year-end functions including preparing annual tax forms, reviewing vendor contracts, and updating insurance certificates. Staff were also analyzing 2021 fiscal-year Operations and Maintenance costs to help inform the 2022 fiscal-year budget. The water department, he said, was processing the December billing, updating water supply balances, and communicating with growers about rescheduling, supplemental water, and new water year applications and Reclamation Reform Act reporting. Lastly, Otollo reported that the San Joaquin River Water Quality Improvement Project accounting function transitions from the Drainage District to the Grassland Basin Authority on December 1, 2020, and that work continued on pending SJRIP related costs.
- C. Ethics & Compliance Officer, Lorena Chagoya reported the District experienced no liability nor workers compensation claims, including COVID cases, in the month of December. She also reported that there has been no activity on the Speak Up Hotline. She stated the job postings for the electrician and accounting specialist positions had closed and staff were working to set interview dates and that the Field Safety & Compliance Officer, Pat Fuentes, was no longer employed by the District and that his tasks were being delegated to other employees to ensure continuity. She reported on training being performed for District safety, safety inspections, and other compliance activities.

*At approximately 9:30 a.m., President Bennett adjourned the Drainage District and Resource Conservation District meetings to Wednesday, January 13, 2021, suspended the Financing Authority meeting, and continued the Water District-ONLY meeting.*

*At approximately 9:00 a.m., Wednesday, January 13, 2021, President Bennett called the Water and Drainage Districts Boards back to order for a JOINT 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 pursuant to Government Code Section 54956.9, subdivision (d), paragraphs (1), (2), or (3).

*At approximately 9:01 a.m., President Bennett called the joint closed session to order.*

*At approximately 9:10 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.

*At approximately 9:11 a.m., President Bennett suspended the Drainage District meeting and continued the Water District-ONLY meeting.*

*At approximately 11:07 p.m., President Bennett adjourned the Water District meeting and resumed the Drainage District-ONLY meeting.*

#### **APPROVAL OF CONSENT CALENDAR**

General Manager Azhderian and Controller Otollo presented the Board the Consent Calendar, which included: 1) DRAFT minutes from the September 08, 2020, regular meeting of the Board; 2) DRAFT minutes from the September 29, 2020, special meeting of the Board; and 3) the monthly financial statements for the period ending December 31, 2020. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously accepted the Consent Calendar.

The vote on the matter was as follows:

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

#### **THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS.**

Controller Otollo presented the Board the monthly accounts payable for review. After consideration, on a motion by Director Linneman, seconded by Director Koda, the Board unanimously approved payment of the bills.

The vote on the matter was as follows:

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

#### **CONTROLLER'S REPORT**

Controller Otollo presented the Board the monthly FY 2020-21 Budget-to-Actual Report.

#### **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.

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

General Manager Azhderian updated the Board on the status of the Proposition 84 grant funded work to implement the Tile Sump SCADA Project, land acquisition, and the surveying and design of expanded SJRIP stormwater regulating basins and drainage conveyance improvements.

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

There was no report pursuant to Government Code Section 54954.2(a)(3).

#### **FUTURE MEETING DATES**

A special meeting of the Board was scheduled for January 26<sup>th</sup> at 9:00 a.m. The next regular meeting of the Board was scheduled for February 9, 2021, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 11:25 a.m.

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John Bennett, President

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Mike Stearns, Secretary

DRAFT

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
March 23, 2021, at 9:00 A.M.**

A special meeting of the Board of Directors was held on March 23, 2021, at 9:00 a.m., 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  
Sue Redfern-West, Vice-President  
Mike Stearns, Secretary  
Michael Linneman, Director  
Ross Koda, 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

**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, the Panoche Financing Authority, and/or the Panoche Resource Conservation District.

**CALL TO ORDER**

President Bennett called the meeting to order at 9:03 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.

*At approximately 9:05 a.m., President Bennett suspended the Drainage 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 Paragraphs (1), (2), or (3), of Subdivision (d) of Government Code Section 54956.9.

*At approximately 10:45 a.m., President Bennett called the joint closed session to order.*

*At approximately 10:46 a.m., President Bennett adjourned the joint closed session.*

**JOINT CLOSED SESSION REPORT**

General Counsel Williams reported the Board met with legal counsel in closed session and took no reportable action.

**CLOSED SESSION**

General Counsel Williams announced that the Panoche Drainage District Board would meet in closed session for a conference with real property negotiator pursuant to Government Code 54956.8.

*At approximately 10:47 a.m., President Bennett called the closed session to order.*

*At approximately 11:18 a.m., President Bennett adjourned the closed session.*

**CLOSED SESSION REPORT**

General Counsel Williams reported the Board met with legal counsel in closed session and took no reportable action.

**THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A PROPOSED PRICE, PAIGE & COMPANY ENGAGEMENT LETTER TO CONDUCT AN AUDIT OF THE DISTRICT’S 2019-2020 FISCAL-YEAR ENDING FEBRUARY 28, 2020**

General Manager Azhderian presented the Board a proposed engagement letter to perform the District’s financial audit. He explained the proposed fee for services would be hourly billing rates for those individuals involved with the audit and estimated, based upon prior experience, the total cost to be approximately \$45,000. Azhderian noted that the annual financial audit costs were continuing to decline as the District’s financial systems improve and recommended the Board authorize execution of the letter to capitalize on the knowledge Price Paige has gained by performing the District’s audits for the past few years. Azhderian also recommended that once the District’s financial audits were current, the District issue a Request for Proposals to examine alternative firms and rates. After consideration, on a motion by Director Stearns, seconded by Director Redfern-West, the Board unanimously authorized execution of the engagement letter as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER AUTHORIZING THE ASSIGNMENT OF THE LH FARM SERVICE AND ROUNDABOUT HAY COMPANY CONTRACTS TO THE GRASSLAND BASIN AUTHORITY**

General Manager Azhderian recommended the Board authorize assignment of the hay harvesting service agreements to the Grassland Basin Authority since it is now responsible for the operations and maintenance of the San Joaquin River Improvement Project. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously authorized the assignments.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER NAMING THE DISTRICT’S REAL PROPERTY NEGOTIATOR, IDENTIFYING REAL PROPERTY, AND IDENTIFYING THE PERSON(S) WITH WHOM THE DISTRICT WILL NEGOTIATE**

General Manager Azhderian reported to the Board that the District had received a notice of interest from the Pereira family to sell land for the Proposition 84 grant funded expansion of the San Joaquin River Improvement Project. He presented the Board an assessment of the property performed by Summers Engineering that concluded it would be suitable for SJRIP expansion. Azhderian recommended the Board name Christopher Brown with Fennemore Law to be the District’s real property negotiator due to his substantial real estate experience. After consideration, on a motion by Director Redfern-West, seconded by Director Linneman, the Board unanimously accepted the recommendation for Mr. Brown to negotiate the real property purchase.

The vote on the matter was as follows:

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

**FISCAL-YEAR 2021-2022 BUDGET**

General Manager Azhderian reported to the Board on staff’s approach to budgeting for the fiscal-year ending 2022 given the high cost of irrigation water due the drought and no Central Valley Project supply being allocated by Reclamation and the substantially increased cost of the Grassland Basin Authority to operate and maintain the San Joaquin River Improvement Project. After discussion, the Board requested staff take a “no frills” approach and defer maintenance where possible.

**FUTURE MEETING DATES**

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

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 11:30 a.m.

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John Bennett, President

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Mike Stearns, Secretary





**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
June 08, 2021, at 9:00 A.M.**

A regular 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  
Sue Redfern-West, Vice-President  
Mike Stearns, Secretary  
Michael Linneman, Director  
Ross Koda, Director

Directors Absent: None

District Staff Present: Ara Azhderian, General Manager  
John Paul Otollo, Treasurer & Controller  
Juan Cadena, Water Resources Manager  
Lorena Chagoya, Ethics & Compliance Officer

Others Present: Philip Williams, General Counsel  
Diane Rathmann, Of Counsel  
Aaron Barcellos, A-Bar Ag Enterprises  
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 meeting to order at 9:02 a.m.

**REVIEW OF AGENDA**

General Manager Azhderian reported the Consent Calendar erroneously included the Director's Monthly Credit Card Usage Report, which was a remnant from the Water District agenda, and that Item 10 was not ripe and would be scratched from the Agenda and considered at a future date.

**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

- A. Water Resources Manager, Juan Cadena reported the District was delivering approximately 125 cfs. He said staff was repairing washouts on canal banks throughout the Water District, cleaning spoils after maintenance of the Buick Drain, and cleaning the Grassland Bypass Channel. Related to Groundwater Sustainability Plan, Cadena said staff would be collecting water quality samples to test for nitrates, boron, and total dissolved solids.
- B. Controller, JP Otollo reported the water department was focused on monitoring water usage and updating water balances on a daily basis. They are also reconciling the May delivery data and preparing the monthly billing. In addition to their routine duties, Otollo said the accounting staff were also supporting the ongoing financial audit of the Drainage District, which began two-weeks prior.
- C. Ethics & Compliance Officer, Lorena Chagoya reported that there had been no liability nor COVID-19 cases reported in the month of May. She also said that there had been no activity on the Speak Up Hotline. Chagoya report that there was one workers compensation claim opened and that the District's Human Resources Generalist, German Rodriguez, would be out on leave of absence until August and that she would be working with Contracts Administrator, Elisa Cardoza, to cover the human resources tasks. She informed the Board of ongoing safety inspections and job specific trainings, both completed and scheduled. Chagoya stated that the two-hour Annual Ethics & Compliance and Code of Conduct training or all District employees had been completed in May and that the same training for all of the Board members had been scheduled for June 9, 2021. Chagoya concluded by saying election notices for both the Water and Drainage districts had been sent out to respective landowners.

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

*At approximately 10:52 a.m., President Bennett resumed the Drainage District meeting for a JOINT session with the Water District Board.*

## 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 pursuant to Government Code Section 54956.9, subdivision (d), paragraphs (1), (2), and/or (3).

*At approximately 10:52 a.m., President Bennett called the joint closed session to order.*

*At approximately 11:14 a.m., President Bennett adjourned the joint closed session.*

## JOINT CLOSED SESSION REPORT

General Counsel Williams reported the Board met with legal counsel in closed session and took no reportable action.

## APPROVAL OF CONSENT CALENDAR

General Manager Azhderian and Controller John Paul Otollo presented the Board the Consent Calendar, which included the monthly financial statements for the period ending May 31, 2021. After

consideration, on a motion by Director Stearns, seconded by Director Redfern-West, the Board unanimously approved the Consent Calendar.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS.**

Controller Otollo presented the Board the monthly accounts payable for review. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously approved payment of the bills.

The vote on the matter was as follows:

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

**CONTROLLER’S REPORT**

Controller Otollo presented the Board the monthly FY 2020-21 Budget-to-Actual Report.

**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.

**GENERAL MANAGER’S REPORT**

General Manager Azhderian updated the Board on the status of the Proposition 84 grant funded work to implement the Tile Sump SCADA Project, land acquisition, and the surveying and design of expanded SJRIP stormwater regulating basins and drainage conveyance improvements.

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

There was no report.

**FUTURE MEETING DATES**

A special meeting of the Board was scheduled for June 22<sup>nd</sup> at 10:00 a.m. The next regular meeting of the Board was scheduled for July 13, 2021, at 9:00 a.m.

**ADJOURNMENT**

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

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John Bennett, President

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Mike Stearns, Secretary



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

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

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

**ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3**

Pursuant to the Brown Act, President Bennett announced that Directors do not receive compensation or a stipend for simultaneous or serial order meetings of Panoche Water District, Panoche Drainage District, Panoche Financing Authority, and/or the Panoche Resource Conservation District.

**CALL TO ORDER**

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

**REVIEW OF AGENDA**

There were no correction or additions to the Agenda.

**ROLL CALL**

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

**POTENTIAL CONFLICTS OF INTEREST**

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

**PUBLIC COMMENT**

General Manager Azhderian welcomed Director Fausone to his first meeting.

**DIVISION REPORTS**

- A. Water Resources Manager Juan Cadena reported the Water District's August deliveries were about 4,000 acre-feet and that current deliveries were about 45 to 50 cubic-feet per second. He said crews were repairing a safety railing at turnout 10W and cleaning debris from lateral 11E. In the Drainage District, he said crews were dozing spoils along the 1144 drain and that work had begun on the Grassland Bypass Channel Operable Gates Project. Lastly, Cadena reported staff were assisting the Groundwater Sustainability Agency by collecting water level data.
- B. Controller JP Otollo reported staff were still receiving subscription requests for supplemental water following the District's notice of a second supplemental pool. The water usage billing was being prepared for mailing and accounting staff were focused on the Water District audit, which began at the beginning of the month, he said. For the Drainage District, Otto reported staff continue to monitor cash flow projections closely and preparing for issuance of the second Drainage Service Fee billing.
- C. Ethics & Compliance Officer Lorena Chagoya reported on various risk management and Human Resources activities. She said there had been no property, liability, or worker's compensation insurance claims, nor COVID-19 cases, in the last month. She noted over 50% of the District's employees had reported being vaccinated. Chagoya said there had been no complaints reported on the SpeakUp Hotline but three internal matters were opened and closed. She stated the Safety Champions continue to assist with program implementation and maintenance and reviewed past and future planned training sessions. Lastly, Chagoya reminded the Board about providing the District their certificates of completion for the state mandated sexual harassment and ethics trainings.

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

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

**CONSENT CALENDAR**

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

The vote on the matter was as follows:

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

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

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

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

The vote on the matter was as follows:

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

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

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

The vote on the matter was as follows:

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

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

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

The vote on the matter was as follows:

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

Absent: Koda, Fausone

**THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS**

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

The vote on the matter was as follows:

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

**CONTROLLER’S REPORT**

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

**JOINT CLOSED SESSION**

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

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

*At approximately 11:39 a.m., President Bennett adjourned the joint closed session.*

**JOINT CLOSED SESSION REPORT**

General Counsel Williams reported the Boards met jointly with legal counsel in closed session and took no reportable action.

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

No reports were given.

**FUTURE MEETING DATES**

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

**ADJOURNMENT**

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

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John Bennett, President

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Mike Stearns, Secretary



**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
September 28, 2021, at 9:00 A.M.**

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

- Directors Present: John Bennett, President  
Michael Linneman, Vice-President  
Mike Stearns, Secretary  
Ross Koda, Director  
Steve Fausone, Director
- Directors Absent: None
- District Staff Present: Ara Azhderian, General Manager
- 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 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 A RESOLUTION ADOPTING THE 2021 ASSESSMENT BOOK FOR THE NOVEMBER 9TH ELECTION OF DIRECTORS TO THE DISTRICT’S BOARD**

General Manager Azhderian presented the Board the draft resolution. He explained the purpose of the resolution was to establish the ownership and value of lands in the District using the Fresno and Merced counties assessment rolls in order to properly compute votes in the upcoming November election. General Counsel Williams reviewed the pertinent water code sections and explained the election process. After consideration, on a motion by Director Fausone, seconded by Director Linneman, the Board unanimously adopted the resolution as presented.

The vote on the matter was as follows:

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

**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 RISKS TO THE HEALTH OR SAFETY OF ATTENDEES**

General Manager Azhderian explained that Assembly Bill 361 had replaced Governor Newsom’s Executive Order N-09-21 issued in response to the COVID-19 Pandemic, which allowed local and state legislative bodies to hold meetings by web and teleconference, and to make meetings accessible to the public electronically. He explained the Board could continue to meet virtually but, in order to do so, had to adopt a resolution every thirty days to proclaim a local emergency related to the current status of the COVID- 19 pandemic and the sensitivity of some members of the Board or public to the health and safety risk of meeting in person. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously adopted the resolution as presented.

The vote on the matter was as follows:

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

**FUTURE MEETING DATES**

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

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 9:32 a.m.

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John Bennett, President

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Mike Stearns, Secretary

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
October 12, 2021, at 9:00 A.M.**

A regular meeting of the Board of Directors was held in accordance with Resolution 786-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through October 28, 2021, 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  
Mike Stearns, Secretary  
Ross Koda, Director  
Steve Fausone, Director
- Directors Absent: None
- District Staff Present: Ara Azhderian, General Manager  
Juan Cadena, Water Resources Manager  
John Paul Otollo, Treasurer & Controller
- Others Present: Philip Williams, General Counsel  
Diane Rathmann, Of Counsel  
Palmer McCoy, Grassland Basin Authority  
Will Gleason, West Hills Farms  
Aaron Barcellos, A-Bar Ag Enterprises

**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.

**DIVISION REPORTS**

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

*At approximately 10:35 a.m., President Bennett suspended the Water District meeting and resumed the Drainage District-ONLY meeting.*

**CONSENT CALENDAR**

General Manager Azhderian presented the Board with the Consent Calendar, which included the draft minutes from the December 08, 2021, regular meeting of the Board; and the monthly financial statements for the period ending September 30, 2021. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

**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 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 to for the Board and public to meet virtually until November 11, 2021. After consideration, on a motion by Director Linneman, seconded by Director Fausone, the Board unanimously adopted the resolution as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER AWARDED A CONTRACT TO F.S. ROD, INC., FOR THE DELIVERY OF 4,500 TONS OF ROAD BASE FOR THE PROPOSITION 84 GRASSLAND BYPASS CHANNEL OPERABLE GATES PROJECT**

General Manager Azhderian explained the Grassland Bypass Channel Operable Gates Project had been originally approved and budgeted for by the San Luis & Delta-Mendota Water Authority’s Grassland Basin Drainers Steering Committee but that subsequently District staff were able to get the Department of Water Resources to approved funding of the project under the District’s Proposition 84 grant. Azhderian noted the DWR approval saved the Steering Committee members \$130,000, of which the District would have paid more than half. He said the recommended award of contract to F.S. Rod was based upon the District’s receipt of bids to which F.S. Rod was the lowest cost responsible bidder. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously accepted the recommendation to award the contract.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A LOAN AGREEMENT WITH SYLVIA CARBAJAL TO STRUCTURE PAYMENT OF DELINQUENT DRAINAGE SERVICE FEES**

General Manager Azhderian reported the Sylvia Carbajal account had been in arrears for a number of years and staff had been working with the landowner to resolve the matter. Recently, he explained, Ms. Carbajal had proposed to enter into a payment plan to bring the account current within two-years. Azhderian recommended presenting Ms. Carbajal the same form of agreement used by the Water District to resolve similar matters and to apply a current interest to calculate the amortization schedule. After consideration, on a motion by Director Stearns, seconded by Director Fausone, the Board unanimously accepted the recommendation to enter into the repayment agreement.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS**

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

The vote on the matter was as follows:

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

**CONTROLLER’S REPORT**

Controller Otollo reviewed the District’s Budget-to-Actual report with the Board. General Manager Azhderian noted the District had issued the second Drainage Service Fee early to help ease cash flow restrictions, but maintained the original December due date as discussed at the last Board 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 10:55 a.m., President Bennett called the joint closed session to order.*

*At approximately 11:24 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 November 9, 2021, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 11:25 a.m.

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

\_\_\_\_\_  
Mike Stearns, Secretary

DRAFT

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
November 09, 2021, at 9:00 A.M.**

A regular meeting of the Board of Directors was held in accordance with Resolution 787-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through November 11, 2021, 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  
Mike Stearns, Secretary  
Ross Koda, Director  
Steve Fausone, Director
- Directors Absent: None
- District Staff Present: Ara Azhderian, General Manager  
Juan Cadena, Water Resources Manager  
John Paul Otollo, Treasurer & Controller  
Lorena Chagoya, Ethics & Compliance Officer
- Others Present: Philip Williams, General Counsel  
Palmer McCoy, Grassland Basin Authority  
Beau Correia, KB Family Farms

**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**

Mr. Correia requested the Board consider tabling all decisions until after the election, when a new Board is seated in December.

**DIVISION REPORTS**

- A. Water Resources Manager Juan Cadena reported the Water District's August deliveries were about 1,080 acre-feet and that current deliveries were about 35 cubic-feet per second. He said crews were replacing a control gate at turnout 10W and installing safety railings and catwalks at Station 1 and Laterals 1, 2, and 3. In the Drainage District, he said crews were cleaning the Davidson and Bennett drains and repairing washouts in the Charleston drain. Lastly, Cadena reported the region had received about .18 inches of rainfall but drainage flows into the San Joaquin River Improvement Project remain low and no discharge event is anticipated.
- B. Controller JP Otollo reported staff were preparing the October water usage billing and responding to ongoing requests for supplemental water. He said the Water District audit was in its final stages and the results would be presented to the Board at a special meeting on November 23<sup>rd</sup>. For the Drainage District, Otto reported cash flow had improved significantly following issuance of the second Drainage Service Fee billing and that staff were preparing for the next financial audit.
- C. Ethics & Compliance Officer Lorena Chagoya reported on various risk management and Human Resources activities. She said there had been no property, liability, or worker's compensation insurance claims, nor COVID-19 cases, in the last month. Chagoya said there had been no complaints reported on the SpeakUp Hotline and two internal matters were addressed. Lastly, Chagoya updated the Board on past and future planned training events.

**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 9:13 a.m., President Bennett called the joint closed session to order.*

*At approximately 9:57 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.

*At approximately 9:57 a.m., President Bennett suspended the Drainage District meeting and continued the Water District-ONLY meeting.*

*At approximately 12:00 p.m., President Bennett adjourned the Water District meeting and resumed the Drainage District-ONLY meeting.*

**CONSENT CALENDAR**

General Manager Azhderian presented the Board with the Consent Calendar, which included the draft minutes from the January 26, 2021, special meeting of the Board, and the February 9, 2021, regular meeting of the Board; and the monthly financial statements for the period ending October 31, 2021. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:



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

**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 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 December 12, 2021. After consideration, on a motion by Director Linneman, seconded by Director Stearns, the Board unanimously adopted the resolution as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE TREASURER’S QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2021**

Treasurer Otollo presented the Board with the Quarterly Investment Report. He stated the majority of District funds were invested in the State of California Local Agency Investment Fund, other funds were deposited in Federal Deposit Insurance Corporation insured accounts at Mechanics Bank, and the remaining balance was held in the Fresno County Fund Account. Otollo reported the District’s financial portfolio was in compliance with the District’s Statement of Investment Policy and that he expected the District to be able to meet its expenditure requirements for the next six months based on projected revenues from Drainage Service charges, reimbursements for project costs, and with application of funds from Fresno County tax allocations. After consideration, on a motion by Director Linneman, seconded by Director Koda, the Board accepted the Treasurer’s Report as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS**

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

The vote on the matter was as follows:

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

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

No reports were given.

**FUTURE MEETING DATES**

Special meeting dates were set for November 16<sup>th</sup> and 23<sup>rd</sup>. The next regular meeting of the Board was scheduled for November 9, 2021, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 12:13 p.m.

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John Bennett, President

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Mike Stearns, Secretary

DRAFT

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS AND  
GENERAL ELECTION HEARING  
November 16, 2021, at 9:00 A.M.**

A special meeting of the Board of Directors was held in accordance with Resolution 788-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through December 12, 2021, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. Those present at the meeting were:

Directors Present: Michael Linneman, Vice-President  
Mike Stearns, Secretary  
Ross Koda, Director  
Steve Fausone, Director

Directors Absent: John Bennett, President

District Staff Present: Ara Azhderian, General Manager

Others Present: Philip Williams, General Counsel  
Beau Correia, KB Family Farms

**ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3**

Pursuant to the Brown Act, Vice-President Linneman 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**

Vice-President Linneman called the regular meeting to order at 9:01 a.m.

**REVIEW OF AGENDA**

There were no changes to the Agenda.

**ROLL CALL**

President Bennett was absent; however, 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 PRESIDENT OF THE BOARD TO OPEN THE GENERAL ELECTION PUBLIC HEARING**

Vice-President Linneman opened the 2021 General Election public hearing and invited public comment on the matter of the General Election. Following no speakers coming forth, Vice President Linneman waited an additional 20 seconds before closing the public hearing.

**THE PRESIDENT OF THE BOARD TO CLOSE THE GENERAL ELECTION PUBLIC HEARING**

Vice-President Linneman closed the 2021 General Election public hearing and asked the District Secretary, Mr. Stearns, who served as the District's Election Officer, to swear in the election officers: Ms. Chagoya, Mr. Marquez, Ms. Brazil, and Ms. Cardoza. With the oath of office having been administered, Mr. Stearns directed the election officers to begin the canvass of the vote. The election officers then began to count the ballots, the results from which would be certified on November 23<sup>rd</sup>, 2021, at a special meeting of the Board. Members of the public were invited to remain at the District to observe the canvass of the ballots.

**FUTURE MEETING DATES**

A special meeting of the Board was scheduled for November 23<sup>rd</sup> at 9:00 a.m. The next regular meeting of the Board was scheduled for December 14, 2021, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, Vice-President Linneman adjourned the meeting at 9:12 a.m..

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Michael Linneman, Vice- President

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Mike Stearns, Secretary

**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
November 23, 2021, at 9:00 A.M.**

A special meeting of the Board of Directors was held in accordance with Resolution 788-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through December 12, 2021, 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  
Mike Stearns, Secretary  
Steve Fausone, Director
- Directors Absent: Ross Koda, Director
- District Staff Present: Ara Azhderian, General Manager
- Others Present: Philip Williams, General Counsel  
Diane Rathmann, Of Counsel  
Palmer McCoy, Grassland Basin Authority  
Beau Correia, KB Family Farms  
Aaron Barcellos, A-Bar Ag Enterprises  
Will Gleason, West Hills Farming

**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.

*At approximately 9:04 a.m., President Bennett suspended the Drainage District meeting and continued the Water District-ONLY meeting.*

*At approximately 9:43 a.m., President Bennett suspended the Water District meeting and resumed the Drainage District-ONLY meeting.*

**THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION CERTIFYING THE RESULTS OF THE 2021 GENERAL ELECTION FOR DIRECTORS TO SERVE ON THE DISTRICT'S BOARD**

General Manager Azhderian presented the Board the draft resolution. He explained the results of the votes canvass performed by staff on November 16<sup>th</sup> was the election Mr. Aaron Barcellos to serve as Director for Division 2 and the election of Mr. Beau Correia to serve as Director for Division 4. Azhderian stated both positions would become effective at noon, December 3<sup>rd</sup>, 2021. After congratulating the newly elected Directors, on a motion by Director Linneman, seconded by Director Fausone, the Board adopted the resolution as presented.

The vote on the matter was as follows:

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

**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 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 to for the Board and public to meet virtually until December 31, 2021. After consideration, on a motion by Director Linneman, seconded by Director Stearns, the Board adopted the resolution as presented.

The vote on the matter was as follows:

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

**FUTURE MEETING DATES**

The next regular meeting of the Board was scheduled for December 14, 2021, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 9:45 a.m.

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John Bennett, President

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Mike Stearns, Secretary

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

A regular meeting of the Board of Directors was held in accordance with Resolution 799-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through December 23, 2021, 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, Director  
Aaron Barcellos, Director  
Beau Correia, Director
- Directors Absent: None
- District Staff Present: Ara Azhderian, General Manager  
Juan Cadena, Water Resources Manager
- 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 9:03 a.m.

**REVIEW OF AGENDA**

There were no changes to the Agenda.

**ROLL CALL**

A quorum of the Board was present.

**POTENTIAL CONFLICTS OF INTEREST**

There were no conflicts reported.

**PUBLIC COMMENT**

General Manager Azhderian welcomed new Directors, Messrs. Barcellos and Correia, and thanked the outgoing Directors, Messrs. Stearns and Koda, for their dedicated years of service. Azhderian also reported that Controller, John Paul Otollo, was leaving the District for a new job with Fresno First Bank.

## DIVISION REPORTS

- A. Water Resources Manager Juan Cadena reported the Water District's August deliveries were about 469 acre-feet and that current deliveries were about 5 cubic-feet per second. He said crews were replacing turnouts 13E and 302, repairing a washout on the Contour Canal and standpipe at turnout 77, and performing routine maintenance on Laterals 1, 2, and 3. In the Drainage District, he said routine drain cleaning was continuing and the District had graded 16 miles of roads on the San Luis Drain. Lastly, Cadena reported the region had received about .44 inches of rainfall but drainage flows into the San Joaquin River Improvement Project remain low and no discharge event is anticipated and that crews were wrapping up work on the Grassland Bypass Channel Operable Gates Project.
- B. General Manager Azhderian reported that staff had prepared a transition plan to manage the administration and accounting work following the departure of JP Otollo and would be relying on a consulting Certified Public Accountant to provide periodic review of the accounting work. Azhderian said staff was reviewing Otollo's job description and duties to assess the kinds of skills to recruit for and recommended the Board consider hiring a recruiting firm to help search for a replacement. The Board requested staff hold off on recruitment and instead present the assessment when complete so that the Board could better understand the need of the position and consider next steps.
- C. General Manager Azhderian presented the Ethic & Compliance report in Lorena Chagoya's absence. He reported there had been no property, liability, or worker's compensation insurance claims, nor COVID-19 cases, in the last month and no complaints reported on the SpeakUp Hotline, though three internal matters were addressed. Azhderian reported the District had finally hired a parttime housekeeper, who was expected to start work on January 3<sup>rd</sup>. Lastly, he updated the Board on past and future planned training events and said that for the new Directors, Chagoya would be reaching out directly to facilitate their on-boarding.

*At approximately 9:15 a.m., President Bennett suspended the Drainage District meeting and continued the Water District-ONLY meeting.*

*At approximately 11:58 a.m., President Bennett adjourned the Water District meeting and resumed the Drainage District-ONLY meeting.*

## JOINT CLOSED SESSION

General Counsel Williams announced there was no need for a closed session.

## CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar, which included the draft minutes from the March 9, 2021, regular meeting of the Board; and the monthly financial statements for the period ending November 30, 2021. Directors Bennett and Linneman affirmed the meeting 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 REVISING MEETING DATES AND/OR TIMES**

General Manager Azhderian requested the Board consider establishing a new meeting date and/or time for the Drainage District since it now had different Board members than the Water District. He recommended starting the Drainage District meeting at 9:00 a.m. and the Water District at 9:30 a.m. as the Drainage District typically had a lighter agenda. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously accepted the recommendation.

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 APPOINTING A SECRETARY**

General Manager Azhderian reported that with the departure of Mr. Stearns from the Board, the position of Secretary was now open and needed to be filled. After consideration, on a motion by Director Barcellos, seconded by Director Correia, the Board unanimously elected to appoint Mr. Steve Fausone as Secretary.

The vote on the matter was as follows:

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

**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 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 January 13, 2022. After consideration, on a motion by Director Correia, 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 AUTHORIZING TO AWARD PURCHASE OF 1,000 FT OF 18” DUAL WALL PIPE TO IRRIGATION DESIGN & CONSTRUCTION, LLC., FOR THE PROPOSITION 84 TASK 3 CONVEYANCE CONSTRUCTION – GRASSLAND BYPASS OPERABLE GATES PROJECT**

General Manager Azhderian explained the District had requested price quotes for 18” pipe to provide drainage to protect the all-weather road recently constructed to provide access to the Grassland Bypass Operable Gates. He said the project was being funded by Proposition 84 and that the lowest

responsive bidder was Irrigation Design & Construction, LLC. Azhderian recommended the Board award the purchase to them. After consideration, on a motion by Director Correia, seconded by Director Fausone, the Board unanimously accepted the recommendation and awarded the purchase to IDC.

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 TO AWARD PURCHASE OF 3,600 LBS OF JOSE TALL WHEAT GRASS SEED TO R.C. SHERWOOD FOR THE PROPOSITION 84 TASK 3 REUSE LAND DEVELOPMENT**

General Manager Azhderian explained the District had requested price quotes to purchase and deliver 3,600 pounds of Jose Tall Wheat Grass seed for the Proposition 84 funded development of lands for drainage management at the San Joaquin River Improvement Project. The lowest responsive bidder was R.C. Sherwood Grain, Azhderian said, and he recommended the Board award the purchase to them. After consideration, on a motion by Director Correia, seconded by Director Barcellos, the Board unanimously accepted the recommendation and awarded the purchase to R.C. Sherwood Grain.

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 SERVICE AGREEMENT WITH CAL INC. FOR THE PROPOSITION 84 TASK 3 REUSE LAND DEVELOPMENT**

General Manager Azhderian explained the District had requested price quotes to permit, demolish, and properly dispose of an unused building at the San Joaquin River Improvement Project to clear the way for the Proposition 84 funded development of lands for drainage management. The lowest responsive bidder was CAL INC., Azhderian said, and he recommended the Board authorize execution of the service agreement. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously authorized execution of the service agreement.

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 Correia, 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

**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 December 21<sup>st</sup> at 9:00 a.m.. The next regular meeting of the Board was scheduled for November 9, 2021, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 12:16 p.m.

---

John Bennett, President

---

Steve Fausone, Secretary

DRAFT



**PANOCHÉ DRAINAGE DISTRICT MEETING MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
December 21, 2021, at 9:00 A.M.**

A special meeting of the Board of Directors was held in accordance with Resolution 791-21 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
- Others Present: Philip Williams, General Counsel  
Diane Rathmann, Of Counsel  
Chris Panetta, Special Counsel  
William Haesy, Special Counsel  
Suzanne Redfern-West, Redfern Ranches

**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.

**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**

General Manager Azhderian wished everyone a Merry Christmas.

**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 9:04 a.m., President Bennett called the joint closed session to order.*

*At approximately 12:31 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.

**FUTURE MEETING DATES**

The next regular meeting of the Board was scheduled for December 14, 2021, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 12:31 p.m.

---

John Bennett, President

---

Steve Fausone, Secretary

DRAFT

**PANOCHÉ DRAINAGE DISTRICT**

2022 Quarterly Investment Report  
 For Quarter Ending June 30, 2022

DATE: August 9, 2022

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 June 30, 2022	\$ 966,443.40	\$ 184,550.65	\$ 284,906.73	\$ 1,435,900.78

1. As of the date of the report, the majority of District funds are deposited in Federal Deposit Insurance Corporation (FDIC) insured accounts at Mechanics Bank. Therefore, as provided by Government Code Section 53646 (e), attached are the most recent statement(s) received by the District.
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 held in the Fresno County Fund Account. Attached are the most recent statements 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.



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name

PANOCHÉ DRAINAGE DIST

Account Number

90-10-001

As of 07/15/2022, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2022.




Earnings Ratio		.00002057622201151
Interest Rate		0.75%
Dollar Day Total	\$	17,957,352.92
Quarter End Principal Balance	\$	184,181.16
Quarterly Interest Earned	\$	369.49



RETURN SERVICE REQUESTED

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

**Managing Your Accounts**

-  Client Services 800.797.6324
-  Online [www.mechanicsbank.com](http://www.mechanicsbank.com)
-  Mobile Download Our Mobile Apps



**BUSINESS LINE OF CREDIT**  
**UP TO \$100,000**  
**Prime +0%**  
APR

**LIMITED TIME OFFER**  
[www.MechanicsBank.com/GrowIt](http://www.MechanicsBank.com/GrowIt)

Subject to program eligibility, collateral, underwriting approval and credit approval. Offer is effective as of 3/17/2022 and is for new lines of credit up to \$100,000. Subject to change or cancellation without notice. See banker for details. As of 5/5/2022, the Prime Rate (as published daily in the Money Rates section of the Wall Street Journal) is 4.00% and is subject to change.

**WATCH OUT FOR CARD OR ACCOUNT LOCKED SCAMS**

Criminals contact you via phone, text or email pretending to be your bank or a credit card company, and tell you that your account is "locked" or "frozen" from fraudulent attempts to access it. They then ask for your card number, account number, password or PIN to "unlock" the account. **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	\$722,576.37

**PUBLIC CHECKING-XXXXXXXX0066**

**Account Summary**

Date	Description	Amount
06/01/2022	Beginning Balance	\$460,762.26
	7 Credit(s) This Period	\$467,745.08
	12 Debit(s) This Period	\$205,930.97
06/30/2022	Ending Balance	\$722,576.37

**Electronic Credits**




Date	Description	Amount
06/01/2022	Remote Deposit	\$1,348.63
06/01/2022	Remote Deposit	\$23,256.44



RETURN SERVICE REQUESTED

PANOCHE DRAINAGE DISTRICT  
 PROP 84 NO 4600012787  
 52027 W ALTHEA AVE  
 FIREBAUGH CA 93622-9401

**Managing Your Accounts**

-  Client Services 800.797.6324
-  Online [www.mechanicsbank.com](http://www.mechanicsbank.com)
-  Mobile Download Our Mobile Apps



**BUSINESS LINE OF CREDIT**  
**UP TO \$100,000**  
**Prime +0%**  
APR

**LIMITED TIME OFFER**  
[www.MechanicsBank.com/GrowIt](http://www.MechanicsBank.com/GrowIt)

Subject to program eligibility, collateral, underwriting approval and credit approval. Offer is effective as of 3/17/2022 and is for new lines of credit up to \$100,000. Subject to change or cancellation without notice. See banker for details. As of 5/5/2022, the Prime Rate (as published daily in the Money Rates section of the Wall Street Journal) is 4.00% and is subject to change.

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Criminals contact you via phone, text or email pretending to be your bank or a credit card company, and tell you that your account is "locked" or "frozen" from fraudulent attempts to access it. They then ask for your card number, account number, password or PIN to "unlock" the account. **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	\$244,867.03

**PUBLIC CHECKING-XXXXXXXX6000**

**Account Summary**

Date	Description	Amount
06/01/2022	Beginning Balance	\$313,150.31
	2 Credit(s) This Period	\$333,673.72
	4 Debit(s) This Period	\$401,957.00
06/30/2022	Ending Balance	\$244,867.03

**Electronic Credits**

Date	Description	Amount
06/02/2022	Prop 84 paid PDD bill Bradley & Sons	\$2,825.00
06/27/2022	Remote Deposit	\$330,848.72



PeopleSoft  
 MONTHLY GENERAL LEDGER TRIAL BALANCE

Fiscal Year 2022  
 Through Period 12

Run Time 08:35:59

Fund: 4440 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	124,758.89	0.00	159,301.62	0.00	284,060.51	0.00
0315 Interest Receivable	1,127.07	0.00	0.00	280.85	846.22	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	1,144,472.09	0.00	630,959.92	0.00	1,775,432.01
2230 Fund Balance - Unassigned	0.00	-1,146,944.57	731,567.00	0.00	0.00	-1,878,511.57
3009 Suppl-Current Unsecured	0.00	0.00	0.00	31.32	0.00	31.32
3010 Property Taxes-Current Sec	0.00	0.00	0.00	231,101.60	0.00	231,101.60
3011 Suppl-Current Secured	0.00	0.00	0.00	4,469.14	0.00	4,469.14
3013 Supplemental-Curr Unsec Pr	0.00	0.00	0.00	57.84	0.00	57.84
3015 Property Taxes-Current Uns	0.00	0.00	0.00	10,006.29	0.00	10,006.29
3017 Property Taxes-Curr Unsec	0.00	0.00	0.00	517.87	0.00	517.87
3046 Joint County Funds	0.00	0.00	0.00	9,011.72	0.00	9,011.72
3380 Interest	0.00	0.00	0.00	2,776.32	0.00	2,776.32
3565 State-I/L Homeowners Prop	0.00	0.00	0.00	1,655.75	0.00	1,655.75
SUB CLASS TOTAL	125,885.96	125,885.96	890,868.62	890,868.62	284,906.73	284,906.73

End of Report



<b>PANOCHÉ DRAINAGE DISTRICT</b>		
<b>TREASURER'S MONTHLY FINANCIAL REPORT</b>		
<b>UNAUDITED BALANCE SHEET-CURRENT ASSETS &amp; LIABILITIES</b>		
<b>DATE AS OF</b>	<b><u>August 31, 2022</u></b>	<b><u>July 31, 2022</u></b>
<b><u>CURRENT LIABILITIES</u></b>		
ACCOUNTS PAYABLE	\$637,088	\$261,941
NOTE PAYABLE - PWD	\$71,941	\$83,827
CUSTOMER PREPAYMENTS		
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$709,029</b>	<b>\$345,768</b>
<b><u>CASH AND INVESTMENT ACCOUNTS</u></b>		
CHECKING ACCOUNT	\$346,457	\$602,453
FRESNO COUNTY FUNDS	\$284,907	\$284,907
PROP 84 CHECKING	\$153,386	\$223,573
LAIF ACCOUNT	\$184,551	\$184,551
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$969,300</b>	<b>\$1,295,484</b>
<b><u>ACCOUNTS RECEIVABLES</u></b>		
DRAINAGE SERVICE CHARGES	\$215	\$92,596
OTHER RECEIVABLES	-	-
DELINQUENT ACCOUNT CHARGES	\$239,634	\$309,435
CASH ADVANCE - PROP 84		-
<b>TOTAL ACCOUNTS RECEIVABLES</b>	<b>\$239,849</b>	<b>\$402,031</b>
<b>TOTAL CURRENT UNAUDITED ASSETS</b>	<b>\$1,209,149</b>	<b>\$1,697,515</b>
<b>NET CURRENT UNAUDITED ASSETS (NET CASH POSITION)</b>	<b>\$500,121</b>	<b>\$1,351,747</b>

**General Ledger Detail Report**  
 Sep 13 2022 - PDD Regular Board Meeting Packet  
**Summary Report for Period 01 Thru 06 Ending 8/31/2022**




**PANOCHÉ DRAINAGE DISTRICT (PDD)**

<b>Account Number/Description</b>	<b>Beginning Balance</b>	<b>Debit</b>	<b>Credit</b>	<b>Net Change</b>	<b>Ending Balance</b>
1311-000 FRESNO COUNTY CASH ACCOUNT	152,667.51	132,247.36	8.14	132,239.22	284,906.73
1311-600 MECHANIC CKNG#*****0066	165,528.95	2,096,708.29	1,915,779.94	180,928.35	346,457.30
1312-010 MECHANIC-PROP 84 CK ACCT#*****6000	388,252.02	333,673.72	568,539.99	234,866.27-	153,385.75
1313-000 L. A. I. F.	283,957.40	817.01	100,223.76	99,406.75-	184,550.65
<b>Report Total:</b>	<b>990,405.88</b>	<b>2,563,446.38</b>	<b>2,584,551.83</b>	<b>21,105.45-</b>	<b>969,300.43</b>

RETURN SERVICE REQUESTED

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

**Managing Your Accounts**

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Subject to program eligibility, collateral, underwriting approval and credit approval. Offer is effective as of 3/17/2022 and is for new lines of credit up to \$100,000. Subject to change or cancellation without notice. See banker for details. As of 5/5/2022, the Prime Rate (as published daily in the Money Rates section of the Wall Street Journal) is 4.00% and is subject to change.

**WATCH OUT FOR SWEEPSTAKES/LOTTERY SCAMS**

Criminals claim that you've won a lottery or sweepstakes (sometimes from a foreign country), but you need to pay a fee to access the winnings. **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	\$358,536.32

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 PROP 84 NO 4600012787  
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**Summary of Accounts**

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXX6000	\$164,527.65



<b>PANOCHÉ DRAINAGE DISTRICT</b>					
<b>AGED ACCOUNTS RECEIVABLE, BY DUE DATE</b>					
<b>As of 8/31/2022</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	-	-	23,360.13	23,360.13
	Carbajal, Sylvia	-	-	4,698.13	4,698.13
	Cecilia Echeveste Survivor's Trust	-	-	23,836.37	23,836.37
	Imperial Merchants USA, LLC	-	-	20,259.14	20,259.14
	J&M Enterprises	-	-	5,436.36	5,436.36
	McGrath, Mary K.	-	-	11,172.78	11,172.78
	Olam West Coast, Inc.	-	-	24,558.44	24,558.44
	Panoche Drainage District	-	-	39,185.22	39,185.22
	PDD/Maverick	-	-	87,127.08	87,127.08
	<b>Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>239,633.65</b>	<b>\$ 239,633.65</b>

BACK



***DRAFT***

**PANOCHÉ DRAINAGE DISTRICT  
FIREBAUGH, CALIFORNIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
FEBRUARY 28, 2021**



**PANOCHÉ DRAINAGE DISTRICT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
FEBRUARY 28, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements Panoche Drainage District (the "District") as of and for the year ended February 28, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

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, 2021 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.

**Other Matters***Required Supplementary Information*

Management has omitted the management discussion and analysis that generally accepted accounting principles 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 opinion on the basic financial statements is 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 **September xxx, 2022** 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 City 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.

Firm's signature

Clovis, California

**September xxx, 2022**



**PANOCHÉ DRAINAGE DISTRICT**  
**STATEMENT OF NET POSITION**  
**FEBRUARY 28, 2021**

**ASSETS**

## Current assets:

Cash and investments	\$ 1,430,843
Accounts receivable, net of allowance of \$48,331	1,548,706
Interest receivable	279
Prepaid expense	<u>87,224</u>
Total current assets	<u>3,067,052</u>

## Other assets:

Capital assets, net of accumulated depreciation	<u>44,094,326</u>
Total other assets	<u>44,094,326</u>

Total assets	<u>\$ 47,161,378</u>
--------------	----------------------

**LIABILITIES**

## Current liabilities:

Accounts payable and accrued expenses	\$ 534,628
Accounts payable - related party	5,298,295
Current portion of notes payable - related party	<u>338,539</u>
Total current liabilities	<u>6,171,462</u>

## Noncurrent liabilities:

Notes payable - related party	<u>839,321</u>
-------------------------------	----------------

**NET POSITION**

Net investment in capital assets	44,094,326
Unrestricted	<u>(3,943,731)</u>
Total net position	<u>40,150,595</u>
Total liabilities and net position	<u>\$ 47,161,378</u>

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, 2021**

OPERATING REVENUES	
Drainage assessment fees	\$ 3,405,293
Delinquent accounts charges	2,058
Other District reimbursements	149,590
Fresno County property assessments	<u>247,242</u>
Total operating revenues	<u>3,804,183</u>
OPERATING EXPENSES	
SL&DM water authorities' fees	897,580
Contract labor and benefits	247,150
Utilities	21,378
Depreciation	1,112,270
Chemicals	13,526
SJRIP participation	1,907,127
Supplies and small tools	33,248
Professional fees	228,575
Wires, structures and gates	51,139
Other	2,269
Land based charges	74,077
Drainage studies and tests	1,497
Insurance	4,513
Dues and subscriptions	19,640
Laboratory	4,005
Bad debt expense	<u>22,703</u>
Total operating expenses	<u>4,640,697</u>
Operating income (loss)	<u>(836,514)</u>
NONOPERATING REVENUES (EXPENSES)	
Grant revenue	1,301,691
Interest income	4,288
Interest expense	<u>(33,551)</u>
Nonoperating revenues (expenses)	<u>1,272,428</u>
Change in net position	435,914
Net position, beginning of year	<u>39,714,681</u>
Net position, end of year	<u>\$ 40,150,595</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, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and others	\$ 2,950,036
Payments to suppliers	<u>(2,820,457)</u>
Net cash provided by (used in) by operating activities	<u>129,579</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(1,323,477)
Payments on notes payable - related party	(342,007)
Interest paid on notes payable - related party	<u>(33,551)</u>
Net cash provided by (used in) by capital and related financing activities	<u>(1,699,035)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Grants received	<u>1,301,691</u>
Net cash provided by (used in) by noncapital and financing activities	<u>1,301,691</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest revenue	<u>5,766</u>
Net cash provided by (used in) by investing activities	<u>5,766</u>
Net increase (decrease) in cash	(261,999)
Cash and investments, beginning of year	<u>1,692,842</u>
Cash and investments, end of year	<u><u>\$ 1,430,843</u></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, 2021**  
(Continued)

**Reconciliation of Operating Income (Loss) to Net Cash Provided  
(Used) by Operating Activities:**

Operating income (loss)	\$ (836,514)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	1,112,270
Bad debt expense	22,703
(Increase) decrease in accounts receivable	(854,147)
(Increase) decrease in prepaid expense	1,742
Increase (decrease) in accounts payable and accrued expense	191,594
Increase (decrease) in accounts payable - related party	<u>491,931</u>
 Net cash provided (used) by operating activities	 <u>\$ 129,579</u>

**Supplemental Disclosure of Cash Flow Information**

Cash paid for interest (net of amount capitalized)	<u>\$ 33,551</u>
--	------------------

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 28, 2021****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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 28, 2021**

**NOTE 2 – CASH AND INVESTMENTS**

Unrestricted cash and investments as of February 28, 2021 consist of the following:

Cash in Fresno County Treasury	\$ 227,223
Cash in bank – business checking and savings	820,901
Local Agency Investment Fund	<u>382,719</u>
 Total cash and investments	 <u>\$ 1,430,843</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, 2021, 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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 28, 2021****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, 2021 balance was \$382,719.

**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, 2021, 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, 2021 balance was \$227,223.

**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, 2021, 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.



**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following at February 28, 2021:

Drainage service charges	\$ 176,222
Other drainage activities charges	78,479
Grants	1,342,336
Allowance for doubtful accounts	<u>(48,331)</u>
 Total accounts receivable	 <u>\$ 1,548,706</u>

**NOTE 4 – CAPITAL ASSETS**

Following is a summary of activity affecting capital assets for the year ended February 28, 2021:

	Balance March 1, 2020	Additions	Deletions	Balance February 28, 2021
Nondepreciable assets:				
SJRIP land	\$ 27,803,183	\$ -	\$ -	\$ 27,803,183
Construction in progress	<u>385,170</u>	<u>1,301,692</u>	<u>-</u>	<u>1,686,862</u>
Total nondepreciable assets	<u>28,188,353</u>	<u>1,301,692</u>	<u>-</u>	<u>29,490,045</u>
Depreciable assets:				
SJRIP land improvements	20,254,903	12,345	-	20,267,248
Buildings and improvements	1,761,414	-	-	1,761,414
Equipment	1,653,009	9,440	(59,608)	1,602,841
GDMIP land improvements	<u>787,606</u>	<u>-</u>	<u>-</u>	<u>787,606</u>
Total capital assets, being depreciated	<u>24,456,932</u>	<u>21,785</u>	<u>(59,608)</u>	<u>24,419,109</u>
Less accumulated depreciation	<u>(8,762,166)</u>	<u>(1,112,270)</u>	<u>59,608</u>	<u>(9,814,828)</u>
Total capital assets, being depreciated, net	<u>15,694,766</u>	<u>(1,090,485)</u>	<u>-</u>	<u>14,604,281</u>
Total capital assets	<u>\$ 43,883,119</u>	<u>\$ 211,207</u>	<u>\$ -</u>	<u>\$ 44,094,326</u>

Depreciation expense for the year ended February 28, 2021 was \$1,112,270.

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

Following is a summary of accounts payable and accrued expenses as of February 28, 2021:

Accounts payable vendors	\$ 326,823
Accounts payable GBA	195,805
Deposit from sublease	<u>12,000</u>
 Total accounts payable and accrued expenses	 <u>\$ 534,628</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, 2021 was approximately \$247,000.

As of February 28, 2021, the amount due to the Panoche Water District was \$5,298,295.

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

Following is a summary of noncurrent (long-term) liabilities for the year ended February 28, 2021:

Note payable to Panoche Water District, with monthly payment of \$17,419 including principal and interest at 1.75%, maturity March 2024.	\$ 610,466
Note payable to Panoche Water District, with monthly payment of \$12,810 including principal and interest at 3%, maturity February 2025.	<u>567,394</u>
Total long-term debt	1,177,860
Less: Amounts due within one year	<u>(338,539)</u>
Total long-term debt, due after one year	<u>\$ 839,321</u>

Total maturities on long-term debt are as follows at February 28, 2021:

2022	\$ 338,539
2023	317,126
2024	370,941
2025	<u>151,254</u>
	 <u>\$ 1,177,860</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 28, 2021****NOTE 8 – COMMITMENTS AND CONTINGENCIES****Litigation**

The District is currently under investigation by 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"). The investigation involves general financial and accounting controls of the District, and more particularly, of the Panoche Water District, including examining whether personnel of the Water District may have misused District credit cards for personal, rather than business, expenses. Also, the investigation is reviewing issues concerning whether certain payments for housing, utilities and other housing-related expenses paid to Panoche Water District employees who were assigned to Drainage District activities were appropriately treated as business, rather than personal expenses benefiting the employees. The Panoche Water District has adopted and implemented written policies and adopted an Ethics & Compliance Program to address these issues, and the Drainage District does not have information sufficient to conclude if claims or litigation against either District or any individuals will result or if the claims were asserted, the likely outcome, or the range of the District's liability.

The District is also under 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 understands that this investigation is focused on potentially false claims relating to these federal grants and may in part be focused on employee compensation invoiced by Panoche Water District for work provided on grant projects, as well as on Panoche Drainage District claims for reimbursement for equipment and inventory. The investigation also appears to include an examination of the revenue generated from the crops developed through the grant programs. The District and the Panoche Water District are seeking a resolution of the Federal Civil Investigation. The grants form part of the basis for resolution, and the District does not anticipate that the government has additional claims under the grant suspension outside of the resolution that are probable of assertion.

As reported in the District's previous audits, the District anticipates no further action on a separate audit by the OIG of the District's performance of obligations under a cooperative agreement for the federally-owned Drainage Treatment Plant.

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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED FEBRUARY 28, 2021****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 – CONTINGENCY**

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. Accordingly, some functions of the District's' operations have been limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated and concluded that there are no subsequent events that have occurred from February 28, 2021 through the date the financials were available to be issued at **September xxx, 2022**, 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated **September xxx, 2022**.

#### **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  
September xxx, 2022

## FINDINGS AND QUESTIONED COSTS

**PANOCHÉ DRAINAGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED FEBRUARY 28, 2021**

**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 <u>  X  </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u>  X  </u> No
Noncompliance material to financial statements noted?	_____ Yes <u>  X  </u> No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III – PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None reported.

Landmark irrigation is requesting to cross under the Russell Drain with a 14" bore in behalf Fadak Orchards, LLC. The crossing will be located at the intersection of Russell Ave. and Nees Ave, 2,560' south of Nees Ave on Russell Ave. The district is recommending 3' of clearance between the bottom of the ditch and the 14" bore.

### EXHIBIT 'A'

#### Checklist for District Review of Request for Utility Easement

Date of request to provide easement: 9/6/2022

Utility Name: Landmark Irrigation

Address: 20220 Golden State Blvd. Madera, Ca. 93637

Contact Name: \_\_\_\_\_

Description of Facility: Pipe crossing under PDD Russell Drain

Locaton of Facility: :T12S R12E SEC33 1/4SE 1/4SE & T12S R12E SEC34 1/4 SW 1/4 NW

Parcel or Parcels to receive utility service:005-150-51 & 005-150-63S

Measure taken to assure that access, construction, maintenance, or use of the utility facilities interfere with operations of the District or the District's ability to use land for District purposes:

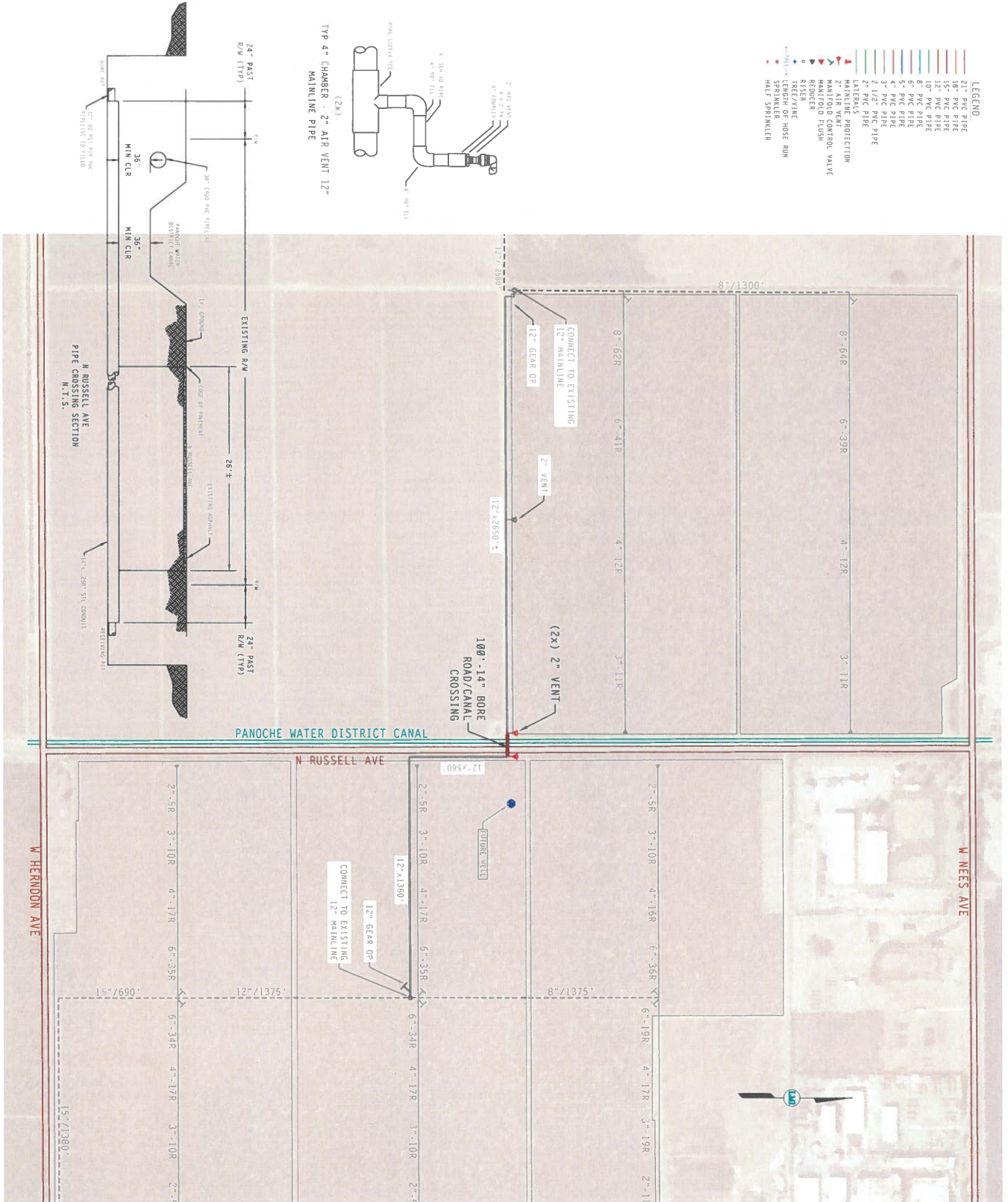
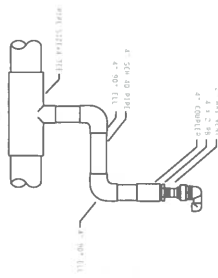
There will be no interference with operations of the District.

Legal council comments incorporated on request and proposal final version of the easement:

Form of Easement

Pipeline Easement

- LEGEND**
- 21" PVC PIPE
  - 18" PVC PIPE
  - 12" PVC PIPE
  - 10" PVC PIPE
  - 8" PVC PIPE
  - 6" PVC PIPE
  - 5" PVC PIPE
  - 4" PVC PIPE
  - 3" PVC PIPE
  - 2" PVC PIPE
  - LATERALS
  - MAINTENANCE PROTECTION
  - MANHOLE CONTROL VALVE
  - MANHOLE FLUSH
  - REDUCER
  - TEE/ELBOW
  - LENGTH OF HOSE RUN
  - SPRINKLER
  - MULTI-SPRINKLER



**NOTE: ADDITIONAL AIR VENTS MAY BE REQUIRED AT HIGH POINTS IN THE SYSTEM. NUMBER AND LOCATION TO BE DETERMINED AT THE DISCRETION OF THE INSTALLER. THE RESPONSIBILITY OF THE INSTALLER TO VERIFY THE CORRECT COMPONENTS.**

BACK

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MADERA, CA 93637  
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CUSTOMER:	<b>FADAK ORCHARDS</b>	FILE: 2022375.DWG
		DATE: 09/07/22 15:36
		SCALE: 1"=400'
		DESIGN BY: LD
LOCATION:	BORE ROAD CROSSING N RUSSELL AVE & W NEES AVE, CHOWCHILLA, CA	DRAWN BY: JB
		SHEET 1 of 1



# PANOCHÉ DRAINAGE DISTRICT RESOLUTION NO. 819-22

## A RESOLUTION AUTHORIZING A CHANGE IN REPRESENTATION ON THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY BOARD OF DIRECTORS

WHEREAS, Panoche Drainage District (the “District”) is a California drainage district with statutory authority pursuant to California Drainage District Act of 1903 to provide drainage service to lands within the District’s service area in the western portions of Merced and Fresno Counties; and

WHEREAS, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA); and

WHEREAS, Article 7 of the JPIA Agreement requires each member to name one representative from its Board of Directors and one alternate, who may be a Director or District staff, to serve on the JPIA’s Board of Directors; and

WHEREAS, Mr. Mike Stearns served as the Director representative for the District on the JPIA Board until December 2021; and

WHEREAS, the District’s Board wishes to recognize and thank Mr. Stearns’ for his years of commitment and selfless service on the JPIA Board; and

WHEREAS, the District’s Board appoints \_\_\_\_\_ to assume Mr. Stearns’ seat as Director on the JPIA Board; and

WHEREAS, the District’s Board appoints \_\_\_\_\_ to serve as alternate.

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

1. The Board of Directors of the Panoche Drainage District hereby finds and determines the above Recitals are true and correct and are incorporated herein by this reference.

2. The General Manager, or his designee, is authorized to take the actions necessary to implement this Resolution.



PASSED AND ADOPTED this 13<sup>th</sup> day of September 2022, in a duly noticed and open meeting of the Board of Directors by the following vote, to wit:

Ayes:  
Nays:  
Abstain:  
Absent:

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

Attest: \_\_\_\_\_  
Steve Fausone, Secretary

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PANOCHÉ DRAINAGE DISTRICT				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 8/10/2022 TO 9/13/2022				
DATE	CHECK NUMBER	VENDOR	AMOUNT	MEMO
8/23/2022	7038	DARRELL ARENA	\$ 150.00	INSTALL GFI OUTLET AT CHEMICAL SHOP
8/23/2022	7039	BRYANT L. JOLLEY	\$ 9,975.00	JUNE 2022 ACCOUNTING SERVICE
8/23/2022	7040	PACIFIC GAS & ELECTRIC	\$ 976.43	ELECTRICAL POWER
8/23/2022	7041	PRICE PAIGE & COMPANY	\$ 30,000.00	JUNE 2022 & JULY 2022 AUDIT SERVICE
8/23/2022	7042	ACWA/JPIA	\$ 112.50	CYBER LIABILITY INSURANCE 22/23
8/23/2022	7043	WATERMAN INDUSTRIES	\$ 1,841.52	HAND CRANK ASSEMBLY AGATHA GATES - TO BE REIMBURSED
8/11/2022	W00575	SLDM WATER AUTHORITY	\$ 106,181.25	FY23 1ST INSTALL MEMBERSHIP DUES 5TH PYMT
8/11/2022	W00576	PANOCHÉ WATER DISTRICT	\$ 48,640.00	JUNE 2022 LABOR \$ 19,086.41, EQUIPMENT \$ 8,589.60, BANK ANALYSIS \$ 85.24, CHEMICALS \$ 2,074.47, M LINNEMAN INSURANCE \$ 2,350.66, IRRIGATION WATER SAMPLES \$ 1,504.00, LUNCH \$ 40.91, LEGAL CONSULTANT \$ 138.00, ADMIN ALLOCATION \$ 3,272.17 & SLD O & M BYPASS \$ 11,498.54
8/25/2022	W00577	SLDM WATER AUTHORITY	\$ 207,912.25	FY23 2ND INSTALL GBD SPECIFIC \$ 101,731.00 & FY 1ST INSTALL MEMBERSHIP DUES 6TH PYMT \$ 106,181.25
8/10/2022	JE-34	PANOCHÉ WATER DISTRICT	\$ 12,810.00	LOAN INSTALL PAYMENT
		<b>TOTAL</b>	<b>\$ 418,598.95</b>	
PANOCHÉ DRAINAGE DISTRICT/PROP 84				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 8/10/2022 TO 9/13/2022				
DATE	CHECK NUMBER	VENDOR	AMOUNT	MEMO
8/23/2022	10136	DIEPENBROCK ELKIN GLEASON LLP	\$ 1,200.00	JUNE 2022 LEGAL SERVICES
8/23/2022	10137	HOME DEPOT	\$ 41.27	SURVEY STAKES
8/23/2022	10138	SUMMERS ENGINEERING INC.	\$ 58,520.05	ENGINEERING SERVICE
8/26/2022	10139	BOCKMON & WOODY ELECTRIC CO., INC.	\$ 9,900.63	SCADA PROJECT
9/13/2022	10140	FIREBAUGH CANAL WATER DISTRICT	\$ 1,650.87	GEO SCADA UPGRADE
		<b>TOTAL</b>	<b>\$ 71,312.82</b>	



<b>PANOCHÉ DRAINAGE DISTRICT</b>				
<b>FYE 2023 BUDGET (March 1, 2022 - February 28, 2023) - Adopted April 12, 2022</b>				
<b>March thru August - 50%</b>	<b>Budget</b>	<b>Actual</b>	<b>Remaining</b>	
<b>OPERATING REVENUES</b>				
Drainage Service Fee	\$ 2,773,567	\$ 1,490,542	\$ 1,283,025	54%
Fresno County Property Tax	\$ 240,000	\$ 132,239	\$ 107,761	55%
SLDMWA Reimbursement	\$ 223,000	\$ 47,730	\$ 175,270	21%
Other Revenues	\$ 74,500	\$ 4,217	\$ 70,283	6%
<b>TOTAL REVENUES</b>	<b>\$ 3,311,067</b>	<b>\$ 1,674,728</b>	<b>\$ 1,636,339</b>	<b>51%</b>
<b>OPERATING EXPENSES</b>				
San Joaquin River Improvement Proj	\$ 1,176,930	\$ 588,465	\$ 588,465	50%
Grassland Bypass Project	\$ 1,274,175	\$ 1,274,175	\$ -	100%
San Luis Drain Maintenance	\$ 223,000	\$ 41,688	\$ 181,312	19%
Irrigated Lands Program	\$ 203,462	\$ 203,462	\$ -	100%
Professional Fees	\$ 145,000	\$ 81,900	\$ 63,100	56%
Labor - Field	\$ 105,000	\$ 49,202	\$ 55,798	47%
Mercy Springs WD/SGMA	\$ 28,000	\$ -	\$ 28,000	0%
Labor - Admin	\$ 75,000	\$ 18,962	\$ 56,038	25%
General Overhead	\$ 32,000	\$ 53,634	\$ (21,634)	168%
Interest	\$ 15,000	\$ 5,627	\$ 9,373	38%
Energy	\$ 13,000	\$ 5,883	\$ 7,117	45%
Herbicides	\$ 12,000	\$ 4,668	\$ 7,332	39%
Water Quality Monitoring	\$ 3,500	\$ 1,504	\$ 1,996	43%
Repairs & Maintenance	\$ 5,000	\$ 48,744	\$ (43,744)	975%
<b>TOTAL EXPENSES</b>	<b>\$ 3,311,067</b>	<b>\$ 2,377,914</b>	<b>\$ 933,153</b>	<b>72%</b>
<b>INCOME/(LOSS)</b>		<b>\$ (703,186)</b>		

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