

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

A regular meeting of the Board of Directors was held pursuant to Assembly Bill 361 authorizing the District’s legislative body to hold meetings by web and teleconference, and to make meetings accessible to the public electronically. Those present at the meeting were:

- Directors Present: Steve Fausone, Secretary  
Aaron Barcellos, Director  
Beau Correia, Director  
Wayne Western, Director
  
- Directors Absent: Michael Linneman, Vice-President
  
- District Staff Present: Ara Azhderian, General Manager  
Juan Cadena, Water Resources Manager  
Lorena Chagoya, Ethics & Compliance Officer
  
- Others Present: Philip Williams, General Counsel

**ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3**

Pursuant to the Brown Act, Secretary Fausone 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**

Secretary Fausone called the regular meeting to order at 9:03 a.m.

**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**

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

The vote on the matter was as follows:

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

**REVIEW OF AGENDA**

There were no changes to the Agenda.

**ROLL CALL**

Vice-President Linneman was absent so Secretary Fausone presided over the meeting. A quorum of the Board was present.

**POTENTIAL CONFLICTS OF INTEREST**

No conflicts were reported.

**PUBLIC COMMENT**

There was no public comment.

**CONSENT CALENDAR**

General Manager Azhderian presented the Board with the Consent Calendar items, which included draft minutes from the November 08, 2022, regular meeting of the Board; and the monthly financial statements for the period ending November 30, 2022. After consideration, on a motion by Director Barcellos, seconded by Director Western, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER OFFICER’S APPOINTMENTS FOLLOWING THE RETIREMENT OF DIRECTOR JOHN BENNETT**

General Manager Azhderian presented a memorandum listing the District’s current officers and requested the Board consider appointments to fill the vacancy of President left in the wake of Director Bennett’s retirement. After consideration, on a motion by Director Western, seconded by Director Correia, the Board unanimously elected Aaron Barcellos President, Michael Linneman Vice-President, Steve Fausone Secretary, and Marlene Brazil Treasurer.

The vote on the matter was as follows:

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

*Following his election, President Barcellos presided over the meeting.*

**THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION DESIGNATING AUTHORIZED SIGNATORIES TO THE DISTRICT’S MECHANICS BANK ACCOUNTS**

General Manager Azhderian presented the draft Resolution and explained the purpose was to remove former Director Bennett, continue Director Linneman’s authority following his re-election, and add newly elected Director Western to the District’s Mechanics Bank list of authorized signatories. After consideration, on a motion by Director Fausone, seconded by Director Correia, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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

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

General Manager Azhderian presented the Board with the District’s accounts payable. After consideration, on a motion by Director Fausone, seconded by Director Western, the Board requested staff hold the Streamline payment for review of the proposed annual web stie subscription cost and approved payment of the rest of the bills as presented.

The vote on the matter was as follows:

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

**FINANCIAL REPORTS**

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

**DRAINAGE MANAGEMENT REPORT**

General Manager Azhderian updated the Board on Grassland Bypass Project activities and presented the monthly San Luis Drain water quality monitoring report. Grassland Basin Authority General Manager Palmer McCoy updated the Board on San Joaquin River Improvement Project activities.

**GENERAL MANAGER’S REPORT**

General Manager Azhderian updated the Board on outreach efforts related to the forthcoming drinking water substitution program under the Regional Water Quality Control Board’s Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) nitrate and salinity control programs. He reported on meetings with the Delta-Mendota Subbasin Coordination Committee and Technical Working Group, as well as with staff from the San Luis & Delta-Mendota Water Authority, to begin exploring how the groups may work together to leverage past investments by coordinating and consolidating well data and land ownership information already developed under various, disparate programs. Azhderian said initial feedback is positive and anticipates discussions to continue through the spring.

**DIVISION REPORTS**

- A. Water Resources Manager Juan Cadena reported November water deliveries of only 260 acre-feet and that current deliveries were averaging only 6 cubic-feet per second. He said maintenance staff had cleaned the Althea Drain and set gates at two sites on the San Luis Drain in preparation for anticipate winter storms.
  
- B. General Manager Azhderian reported that staff had finalized the audit of the Water District’s FYE 2022 financial statements and were in the process of completing the annual State Controller’s financial reports. Work was continuing on the FYE 2023 budget he said, and staff were preparing to process the November ag water and M&I billings and the monthly reporting of water usage and payments to the San Luis & Delta-Mendota Water Authority and Reclamation. For the Drainage District, staff had completed year-end closing of books and reconciled the balance sheet accounts in preparation for Price Paige to start the audit of the FYE 2022 financial statements.

- C. Ethics & Compliance Officer Lorena Chagoya reported on risk management activities for the months of September, October, and November. She informed the Board that there were no worker's compensation claims nor reports on the SpeakUp Hotline. However, there was one COVID-19 case at the end of November, which has been addressed and the employee has returned to work. She also reported on a meeting with the ACWA-JPIA safety advisor to review progress on the District's liability, property, worker's compensation and safety programs. Chagoya stated the advisor indicated that based on the two-year analysis, the District is reporting less work-related injuries and claims, which will result in lower dues and rates in the next enrollment cycle in July 2023. She also reported that the District had received recognition at the recent AWCA Conference for our efforts to keep our loss ratio low. Lastly, Chagoya reminded the Board of upcoming, mandated trainings and the Form 700 reporting of Statement of Economic Interests.

*At approximately 9:39 a.m., President Barcellos suspended the Drainage District meeting and called the Water District Board to order.*

**PANOCHÉ WATER & DRAINAGE DISTRICTS' JOINT CLOSED SESSION**

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

*At approximately 9:52 a.m., President Barcellos called the joint closed session to order.*

*At approximately 10:53 a.m., President Barcellos adjourned the joint closed session.*

**JOINT CLOSED SESSION REPORT**

General Counsel Williams reported the Boards met jointly with legal counsel in closed session and 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 January 10, 2022, at 9:30 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Barcellos adjourned the meeting at 10:54 a.m.

  
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Aaron Barcellos, President

  
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Steve Fausone, Secretary