

**PANOCHÉ WATER DISTRICT MEETING MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
November 08, 2022, at 9:30 A.M.**

A 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: John Bennett, President
 Aaron Barcellos, Vice-President
 Steve Fausone, Secretary
 Wayne Western, Director

Directors Absent: Beau Correia, Director

District Staff Present: Ara Azhderian, General Manager

Others Present: Philip Williams, General Counsel
 Josh Giosa, Price Paige & Company
 Larisa Murren, Price Paige & Company

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 9:36 a.m.

REVIEW OF AGENDA

There were no changes to the Agenda.

ROLL CALL

Director Correia was absent. A quorum of the Board and presence of the District's Officers were confirmed.

POTENTIAL CONFLICTS OF INTEREST

No conflicts were reported.

PUBLIC COMMENT

General Manager Azhderian noted that this was going to be President Bennett's last regular meeting following his decision to retire from the Board at the end of his current term. His fellow Board members expressed their appreciation for his years of service and wished John well.

DIVISION REPORTS

No reports were given.

THE BOARD TO REVIEW AND CONSIDER ACCEPTING AS FINAL THE PRICE, PAIGE, & COMPANY DRAFT FINANCIAL AUDIT FOR THE FISCAL-YEAR ENDING FEBRUARY 28, 2022, SUBJECT TO ANY FURTHER BOARD DIRECTION

General Manager Azhderian presented the draft audited financial statement and introduced Principal Auditor Josh Giosa. Giosa reviewed the auditors’ report with the Board, explaining what was done, respective responsibilities during the audit, and the auditors’ opinion, which was clean and unmodified. Giosa said the audit examined the financial statements prepared by management, the District’s internal controls for errors and fraud, interviewed select staff, Directors, and consultants, and found no material internal control issues. Giosa noted the significant improvement the District has made over the past few years to implement new financial systems and controls. Lastly, Giosa reviewed the significant changes in the financial statement and responded to questions from the Board. After consideration, on a motion by Director Fausone, seconded by Director Western, the Board accepted the draft audited financial statements as presented.

The vote on the matter was as follows:

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

CONSENT CALENDAR

General Manager Azhderian presented the Consent Calendar, which included draft minutes from the September 14, 2021, regular meeting, the September 28, 2021, special meeting, the October 12, 2021, regular meeting, the November 02, 2021, special meeting, the November 09, 2021, regular meeting, the November 16, 2021, special meeting, the November 23, 2021, special meeting, the December 14, 2021, regular meeting, and the December 21, 2021, special meeting of the Board; the monthly financial statements for the period ending October 31, 2022; and the Director’s Monthly Credit Card Usage Report. Directors Bennett and Fausone affirmed the minutes for those not in attendance at the various meetings. After consideration, on a motion by Director Fausone, seconded by Director Western, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A FIRST AMENDMENT TO SAN LUIS & DELTA- MENDOTA WATER AUTHORITY LONG TERM NORTH-TO-SOUTH WATER TRANSFER PROGRAM ACTIVITY AGREEMENT

General Manager Azhderian presented the First Amendment. He explained the purpose of the Amendment was to update the cost allocation ratios to account for participation in the Program by the Contra Costa Water District and the East Bay Municipal Utility District and to provide for a “true-up” of the Activity Agreement expenses based upon the amount of water actually delivered to a participant through the program as opposed based upon to contract quantity. After consideration, on a motion by Director Western, seconded by Director Fausone, the Board authorized execution of the Amendment as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING AWARD OF CONTRACT TO MCELVANY, INC., FOR THE CONTOUR CANAL TERMINAL PUMP STATION TRAVELING WATER SCREEN PROJECT, AND MAKING CERTAIN FINDINGS OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

General Manager Azhderian presented a memorandum recommending the award of a contract to McElvany Inc. to install a traveling water screen at Pump Station 6E on the Contour Canal. He explained the District had issued an Invitation for Bids and received two responses, of which McElvany was the lowest cost responsible bidder. General Counsel Williams reported the Project is exempt from CEQA under the “Common Sense” provision in CEQA Guidelines section 15061(b)(3), as there is no possibility that it may have a significant impact on the environment. He noted the Project simply involves upgrading the existing trash screen at Pump Station 6E. Williams said the Project is also categorically exempt from CEQA, pursuant to CEQA Guidelines section 15301, because it involves operations of existing facilities with negligible expansion of use. After consideration, on a motion by Director Fausone, seconded by Director Western, the Board found that the proposed Project was exempt from CEQA and authorized award of the Contract to McElvany Inc.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AMENDING THE PROPERTY RELATED FEES & CHARGES DELINQUENCY POLICY

General Manager Azhderian presented the draft amendments to the Policy. He explained the Policy as originally adopted allows the District to suspend water service to lands that are delinquent in paying land-based fees and charges and that the purpose of the amendments is to clarify that those fees and charges include the Panoche Drainage District’s Drainage Service Fees. After consideration, on a motion by Director Fausone, seconded by Director Western, the Board approved the Policy amendments as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER NAMING DISTRICT REPRESENTATIVES TO VOTE IN THE ASSOCIATION OF CALIFORNIA WATER AGENCIES GENERAL SESSION MEMBERSHIP MEETING ON PROPOSED AMENDED AND RESTATED BYLAWS

General Manager Azhderian explained the Association of California Water Agencies’ Board of Directors would be considering amendments to its Bylaws and that the District needed to name a representative and alternate to attend the November 30, 2022, General Session membership meeting to

vote on the District's behalf. Azhderian reported that both he and Director Correia were planning to attend the conference. After consideration, on a motion by Director Western, seconded by Director Fausone, the Board named Director Correia as the District's representative and General Manager Azhderian as the alternate.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER CLAIM BY GENERAL MANAGER FOR LOST PROPERTY DAMAGES

General Manager Azhderian recused himself from the meeting. General Counsel Williams presented the claim to the Board. After consideration, on a motion by Director Western, seconded by Director Fausone, the Board payment of the claim as presented.

The vote on the matter was as follows:

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

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

General Manager Azhderian presented the Treasurer's Report. He reported that as of September 30, 2022, the majority of the District's funds were invested in the State of California Local Agency Investment Fund and the remaining funds were deposited in Federal Deposit Insurance Corporation insured accounts at Mechanics Bank. Azhderian said the District's financial portfolio was in compliance with the District's Statement of Investment Policy and that it is expected the District will be able to meet its expenditure requirements for the next six months based on projected revenue from water sales and reimbursements from other agencies. After consideration, on a motion by Director Fausone, seconded by Director Western, the Board accepted the Treasurer's Report as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS

General Manager Azhderian presented the Board with the District's accounts payable. After consideration, on a motion by Director Fausone, seconded by Director Western, the Board approved payment of the bills as presented.

The vote on the matter was as follows:

Ayes:	Bennett, Barcellos, Fausone, Western
Nays:	None
Abstain:	None

Absent: Correia

FINANCIAL REPORTS

General Manager Azhderian presented the Board the Budget-to-Actual report. He noted that overall, actual expenses were tracking closely with the budget projections.

REPORTS UNDER DISTRICT POLICIES

General Manager Azhderian reported on attendance at various Brown Act meetings, including at the San Luis & Delta-Mendota Water Authority, San Joaquin Valley Drainage Authority, and the Grassland Basin Authority.

GENERAL MANAGER'S REPORT

General Manager Azhderian presented the Board on the District's water supply and water quality reports and the November Central Valley Project Operations report prepared by Tom Boardman with Westlands Water District.

PANOCHÉ WATER & DRAINAGE DISTRICTS' JOINT CLOSED SESSION

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

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

At approximately 11:10 a.m., President Bennett adjourned the joint closed session.

JOINT CLOSED SESSION REPORT

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

CLOSED SESSION

General Counsel Williams announced that the Board would meet in closed session for a conference with legal counsel on anticipated litigation pursuant to Government Code Section 54956.9, Subdivision (d), Paragraphs (1), (2), or (3), and a conference with labor negotiators pursuant to Government Code Section 54957.6.

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

At approximately 11:34 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 no reportable action was taken.

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

No reports were given.

FUTURE MEETING DATES

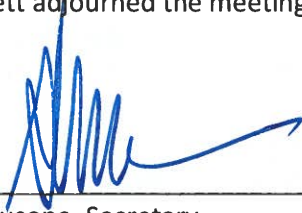
The next regular Board meeting was scheduled for 9:30 a.m. on December 13, 2022.

ADJOURNMENT

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



John Bennett, President



Steve Fausone, Secretary