

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

A regular meeting of the Board of Directors was held in accordance with District Resolution 799-22 proclaiming a local emergency due to the COVID-19 pandemic and authorizing the District’s legislative body to hold meetings by web and teleconference, and to make meetings accessible to the public electronically, pursuant to Assembly Bill 361. Those present at the meeting were:

- Directors Present: John Bennett, President
 Aaron Barcellos, Vice-President
 Mike Stearns, Secretary
 Steve Fausone, Director
 Beau Correia, Director

- Directors Absent: None

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

- Others Present: Philip Williams, General Counsel
 Diane Rathmann, Of Counsel
 Palmer McCoy, Grassland Basin Authority
 Chase Hurley, Pacheco Water District
 Audrey Arnao, WestWater Research

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 approximately 9:38 a.m.

REVIEW OF AGENDA

General Manager Azhderian reported the Director’s Monthly Credit Card Usage Report under the Consent Calendar was not included and would be struck from 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, Cadena reported that the District's December deliveries were about 89 acre-feet and that there are no current deliveries. He said crews were removing trash racks and replacing control gates. Cadena also indicated that the crew dewater Station 6E and clean the sump and set the foundation for the new traveling screen. In addition, the meter technician has been over hauling water flow meters. In the Drainage District, he said crews were cleaning drains.
- B. General Manager, Azhderian reported the financial accounting staff had finished the calendar year close-out activities and tax reporting requirements and were working on the 2022-23 fiscal-year budget and that the water accounting staff were reviewing 2022 annual grower forms as they are received and preparing the monthly water usage billing and reconciling monthly deliveries with Reclamation and the Water Authority.
- C. Ethics & Compliance Officer, Chagoya reported to the board on various compliance, HR and risk management activities for the month of January. She reported that there were no liability or worker's compensation claims, however, there were two unrelated COVID-19 positive cases, which have been mitigated and resolved. Chagoya indicated that there were no reported on the SpeakUp hotline, however, there were ten internal reports documented, which have been addressed and resolved, in the exception of one case. Furthermore, Chagoya informed the board that 2022 Employee Notice posters have been posted and she is currently updating various HR related forms and processes to stay in compliance with 2022 laws and regulations. Chagoya also updated the board on completed and future scheduled safety training. Lastly, Chagoya announced that form 700s are due April 1, 2022 and that there will be a 2-hour sexual harassment training for those who would like to attend and/or renew their certificates.

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 9:45 a.m., President Bennett called the joint closed session to order.

At approximately 10:32 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.

CLOSED SESSION

General Counsel Williams announced there was no need for a Water District-only closed session.

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar items, which included draft minutes from the April 13, 2021, regular meeting, and draft minutes from the April 27, 2021, special meeting of the Board; and the monthly financial statements for the period ending January

31, 2022. Directors Bennett and Stearns reviewed and affirmed the 2021 meeting minutes. After consideration, on a motion by Director Stearns, seconded by Director Barcellos, the Board unanimously accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DETERMINING THAT DURING THE GOVERNOR’S 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 this Resolution was identical to previous versions adopted over the past few months pursuant to Assembly Bill 361, except that it further extended the timeframe in which the Board and public may meet virtually to March 10, 2022. After consideration, on a motion by Director Stearns, seconded by Director Correia, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVING A HARDSHIP REQUEST FROM TURLOCK FRUIT TO TRANSFER 12 ACRE-FEET TO WESTLANDS WATER DISTRICT

General Manager Azhderian presented the request and explained Turlock Fruit was generally a net importer of water into the District and that this transfer out was a nominal amount necessary to finish off a pre-irrigation in Westlands. After consideration, on a motion by Director Stearns, seconded by Director Barcellos, the Board unanimously approved the request.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ADOPTING A REVISED COVID-19 PREVENTION PROGRAM

General Manager Azhderian explained Ethics & Compliance Officer Lorena Chagoya had been working with labor counsel to stay abreast of the continually changing COVID-19 requirements and that the proposed revisions reflected the most current governmental mandates. He noted the significant changes pertained to testing and reporting requirements, physical distance and face covering protocols, and return to work criteria. After consideration, on a motion by Director Barcellos, seconded by Director Stearns, the Board unanimously adopted the revisions as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ADOPTING A REVISED EMPLOYEES' HANDBOOK

General Manager Azhderian explained Ethics & Compliance Officer Lorena Chagoya had been working with labor counsel to stay abreast of the continually changing labor law requirements and that the proposed revisions reflected the most current governmental mandates as well as incorporating previous, section specific revisions that had been adopted separately, over time, and updating the District's Compliance Committee information to include Directors Fausone and Correia. Director Correia requested the matter be tabled until the next meet as he had not had time to fully read the document. After discussion, the Board concurred and no further action was taken on the matter.

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 Stearns, seconded by Director Barcellos, the Board unanimously approved payment of the bills.

The vote on the matter was as follows:

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

Director Correia left the meeting.

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING ISSUANCE OF A PUBLIC NOTICE TO HOLD A PUBLIC HEARING ON FEBRUARY 22, 2022, TO CONSIDER EXECUTION OF AN ENERGY SERVICE CONTRACT WITH FOREFRONT POWER, LLC

General Manager Azhderian introduced Brian Taylor with ForeFront Power and Jeremiah Seng with SPURR, a joint powers authority former to aggregate purchasing power and manage procurement processes for eligible public agencies. Azhderian reported the District had been analyzing different approaches to implementing solar to reduce operational costs and had determined that a power purchase agreement approach was most suitable at this time as it afforded the District significant cost savings potential without impacting the District's cash reserves or borrowing capacity, both of which would be needed as other capital projects, such as infrastructure modernization or the Los Vaqueros Reservoir Expansion Project, are realized. He explained the District is looking at developing two, one megawatt sites, one at the District's main equipment yard and the other on land owned by the District and currently used by the Grassland Basin Authority for the San Joaquin River Improvement Project. Azhderian said the next steps prior to finalizing an agreement with ForeFront included holding a public hearing, as required by California Government Code section 4217.12, to consider the anticipated energy cost savings and other benefits the District may receive if the Board decides to enter into the energy service contract and then adopting a resolution to authorize the contract's execution and to make findings as required by the California Environmental Quality Act. Brian Taylor presented the Board the renewable energy feasibility analysis, which estimated the District could save approximately \$9.6M over the proposed 20-year agreement with an estimated Year-1 energy cost savings of 24%. Taylor and Seng responded to questions from the Board about system sizing, wet-year versus dry-year energy usage, and the meters proposed to

be included in the aggregation. After consideration, on a motion by Director Barcellos, seconded by Director Stearns, the Board unanimously authorized issuance of the Public Hearing Notice.

The vote on the matter was as follows:

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

FINANCIAL REPORTS

General Manager Azhderian presented the budget-to-actual report and reported on the 2022-23 fiscal-year budget preparation. The Board reviewed water supply scenarios, a comparison of the current fiscal-year ending 2022 budget and proposed FYE 2023 budget, and land-based rate proposals. The Board discussed equipment and utilities costs, which activities to potentially include in a land-based rate, and the pros and cons of implementing a land-based rate. They requested staff to continue refining the budget cost estimates and prepare rationales for the proposed land-based versus water based cost components.

REPORTS UNDER DISTRICT POLICIES

No report was given.

GENERAL MANAGER'S REPORT

No report was given.

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

No report was given.

FUTURE MEETING DATES

A special meeting of the Board was scheduled for February 22, 2022. The next regular meeting of the Board was scheduled for March 8, 2022.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 12:20 p.m.



John Bennett, President



Mike Stearns, Secretary