

**PANOCHÉ WATER DISTRICT MEETING MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
September 13, 2022, at 9:30 A.M.**

A meeting of the Board of Directors was held pursuant to Assembly Bill 361, which authorized 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
 Beau Correia, Director
 Wayne Western, Director

Directors Absent: None

District Staff Present: Ara Azhderian, General Manager
 Juan Cadena, Water Resources Manager
 Josh Marquez, Contracts Administrator

Others Present: Philip Williams, General Counsel
 Palmer McCoy, Grassland Basin Authority
 Will Gleason, West Hills Farm Services

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 9:33 a.m.

REVIEW OF AGENDA

There were no changes to the Agenda.

ROLL CALL

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

POTENTIAL CONFLICTS OF INTEREST

No conflicts were reported.

PUBLIC COMMENT

There was no public comment.

DIVISION REPORTS

No reports were given.

CLOSED SESSION

General Counsel Williams announced that the Board would confer with legal counsel in closed session on anticipated and existing litigation pursuant to Government Code Section 54956.9, Subdivision (d), Paragraphs (1), (2), or (3), and with Labor Negotiators Pursuant to Section 54957.6.

At approximately 9:35 a.m., President Bennett called the closed session to order.

At approximately 10:48 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.

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 10:49 a.m., President Bennett called the joint closed session to order.

At approximately 11:33 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.

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 IMMINENT 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 February 10, 2022. After consideration, on a motion by Director Correia, seconded by Director Fausone, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar items, which included the Treasurer's Quarterly Investments Report for the period ending June 30, 2022; the monthly financial statements for the period ending August 31, 2022; and the Director's Monthly Credit Card Usage Report. After consideration, on a motion by Director Barcellos, seconded by Director Correia, the Board unanimously accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER NAMING A SECRETARY TO FILL THE REMAINING TERM THROUGH FEBRUARY 28, 2023, FOLLOWING THE RETIREMENT OF DIRECTOR MIKE STEARNS

General Manager Azhderian presented the Board the current roster of District Officers and requested the Board appoint a new Secretary to fill the vacancy left following the retirement of Mike Stearns. After consideration, on a motion by Director Fausone, seconded by Director Barcellos, the Board unanimously elected to appoint Steve Fausone as the new District Secretary.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER FILLING VACANCY ON THE DISTRICT'S AD-HOC PERSONNEL & LEGAL COMMITTEE

General Manager Azhderian presented the Board the current roster of Ad-Hoc Committees and requested the Board appoint a new member on the Personnel & Legal Committee to fill the vacancy left following the retirement of Mike Stearns. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously elected to appoint Beau Correia to the Ad-Hoc P&L Committee.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION DESIGNATING DISTRICT REPRESENTATIVES TO SERVE ON THE CENTRAL DELTA-MENDOTA REGION GROUNDWATER SUSTAINABILITY AGENCY BOARD OF DIRECTORS

General Manager Azhderian presented the Board a draft Resolution recognizing and appreciating former Director Mike Stearns' service to the Central Delta-Mendota Region Groundwater Sustainability Agency and requested the Board name a new Director and Alternate to serve on the Agency's Board. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously adopted the Resolution and named Wayne Western as the Director and Steve Fausone as his Alternate.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION DESIGNATING DISTRICT REPRESENTATIVES TO SERVE ON THE CENTRAL DELTA-MENDOTA REGION MANAGEMENT COMMITTEE

General Manager Azhderian presented the Board a draft Resolution and explained it had been the District’s practice to have its representatives to the Central Delta-Mendota Region Groundwater Sustainability Agency also serve on the Central Delta-Mendota Region Management Committee because of the related nature of the work but noted that different representatives could be named. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board chose to continue with the practice and unanimously adopted the Resolution and named Wayne Western as the Director and Steve Fausone as his Alternate.

The vote on the matter was as follows:

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

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

General Manager Azhderian presented the Board a draft Resolution to update the District’s authorized signatories to its Mechanics Bank accounts by removing former Director Stearns and adding new Director Western. After consideration, on a motion by Director Correia, seconded by Director Fausone, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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

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

General Manager Azhderian presented the Board a draft Resolution recognizing and appreciating former Director Mike Stearns’ service to the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) and requested the Board name a new Director and Alternate to serve on the JPIA’s Board. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously adopted the Resolution and named Beau Correia as the Director and Ethics & Compliance Officer, Lorena Chagoya, as his Alternate.

The vote on the matter was as follows:

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

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THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION AUTHORIZING RENEWAL OF A WARREN ACT CONTRACT WITH THE BUREAU OF RECLAMATION FOR THE DELTA-MENDOTA CANAL GROUNDWATER PUMP-IN PROGRAM

General Manager Azhderian presented the Board a draft Resolution authorizing execution of a new Warren Act Contract to extend the Delta-Mendota Canal Groundwater Pump-In Program until 2028 and making findings of exemption under the California Environmental Quality Act. He explained the current Contract is set to expire on February 28, 2023, so he wanted to approach Reclamation soon to negotiate a new contract under substantially similar terms and conditions. Azhderian said that while the current Program is much more limited and costly than the previous, it was still producing much needed water during times of extreme shortages as well as revenue to subsidize the San Joaquin River Improvement Project revenues. General Counsel Williams reviewed the CEQA exemptions with the Board. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION AUTHORIZING RENEWAL OF AN AGREEMENT FOR THE EXCHANGE OF WATER WITH THE BUREAU OF RECLAMATION FOR THE REFUGE WATER SUPPLY PROGRAM

General Manager Azhderian presented the Board a draft Resolution authorizing execution of a new Exchange Agreement to extend the Grassland Water District Refuge Water Supply Program at least one more year. He explained the current Contract is set to expire on February 28, 2023, so he wanted to approach Reclamation soon to negotiate a new contract under substantially similar terms and conditions but hopefully for a longer duration. Azhderian said that while the current Program is much more limited and costly than the previous, it was still producing much needed water during times of extreme shortages as well as revenue to subsidize the San Joaquin River Improvement Project revenues. General Counsel Williams reported the District was proposing the action in reliance of the Grassland Water District’s 2021 Notice of Determination pursuant to CEQA. After consideration, on a motion by Director Correia, seconded by Director Western, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A WATER PURCHASE AND SALE AGREEMENT WITH NORTH YUBA WATER DISTRICT

General Manager Azhderian presented the proposed Agreement and explained he had been working with Westlands Water District to negotiate the potential transfer from North Yuba. He noted there were several conditions precedent for the transfer to actually occur, including negotiation of a Warren Act Contract with Reclamation and completion of an attendant National Environmental Policy Act document; however, Azhderian said, the effort to establish a new source of supply was worthwhile even if it did not result in a transfer in 2022 as the work invested would lay a foundation for future

opportunities. After consideration, on a motion by Director Barcellos, seconded by Director Correia, the Board unanimously authorized execution of the Agreement as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION AUTHORIZING EXECUTION OF A WARREN ACT CONTRACT WITH THE BUREAU OF RECLAMATION FOR THE NORTH YUBA WATER PURCHASE

General Manager Azhderian presented the Board a draft Resolution authorizing execution of a new Warren Act Contract to enable the transfer of water from North Yuba Water District and making findings of exemption under the California Environmental Quality Act. General Counsel Williams reviewed the CEQA exemptions with the Board. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AWARDDING CONTRACT TO PURCHASE A NEW BACKHOE LOADER

General Manager Azhderian explained that in April, the Board had authorized issuance of an Invitation for Bids to purchase a new backhoe for the District. The District had 4 backhoes in moderate to poor condition, he said, and the proposal was to sell surplus equipment and utilize the proceeds to help fund the purchase of a new backhoe. Azhderian stated the lead time for delivery was said to be nine months, so he anticipated no budgetary impact in the current fiscal-year. He reported the IFB was published in the Merced Sun Star, posted on the District’s web site, and sent to Holt of California, Pape, Quinn Company, Sequoia Equipment, and Volvo Construction Equipment. The deadline for submitting bids was September 9, 2022, and the District received two bids, one from Quinn Company for a Caterpillar 450 Backhoe priced at \$274,724.41 and a second from Holt of California for a Caterpillar 450 Backhoe priced at \$253,649.37. Azhderian recommended proceeding with the bid from Holt. After consideration, on a motion by Director Barcellos, seconded by Director Western, the Board unanimously authorized award of the contract to purchase to Holt.

The vote on the matter was as follows:

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

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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 Correia, seconded by Director Fausone, the Board unanimously approved payment of the bills.

The vote on the matter was as follows:

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

FINANCIAL REPORTS

No reports were given.

REPORTS UNDER DISTRICT POLICIES

No reports were given.

GENERAL MANAGER’S REPORT

No report was given.

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

No reports were given.

FUTURE MEETING DATES

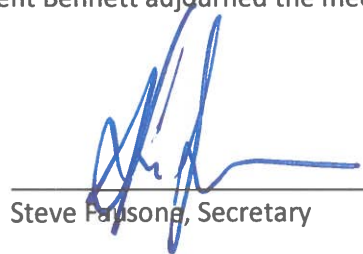
The next regular meeting of the Board was scheduled for October 11, 2022.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 1:23 p.m.



John Bennett, President



Steve Fausone, Secretary