

**PANOCHÉ WATER 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 790-21 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
 Fausto Hinojosa, Price Paige & Company
 Larisa Murren, Price Paige & Company
 Lora Carpenter, Fieldman, Rolapp & Associates
 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.

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 16th was the election Mr. Aaron Barcellos, Mr. Mike Stearns, and Mr. Beau Correia to serve as Directors on the Board through November 2024. Azhderian stated both positions would become effective at noon, December 3rd, 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 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

General Manager Azhderian introduced Fausto Hinojosa, Audit Principal with Price Paige & Company, to present the draft audit. Hinojosa explained the District's and the auditor's responsibilities in the preparation of the audit, reviewed the statements of net position, activities, cash flows, and related notes with the Board, and responded to questions. Hinojosa remarked on the significant improvement the District had made in its accounting system and procedures over the past few years, noting no internal control problems now exist, and that the opinion of the audit was clean and without any findings. Hinojosa also noted the District's inclusion of a Management Discussion and Analysis. After discussion, on a motion by Director Stearns, seconded by Director Linneman, the Board accepted as final the FYE2021 Financial Audit, 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 ACCEPTING AS FINAL THE DRAFT 2021 BOND CONTINUING DISCLOSURE ANNUAL REPORT FOR THE FISCAL-YEAR ENDING FEBRUARY 28, 2021, SUBJECT TO ANY FURTHER BOARD DIRECTION

General Manager Azhderian introduced Lora Carpenter, Vice President of Fieldman Rolapp & Associates, to present the draft report. Carpenter explained preparation of the report was an obligation of the District's 2021 Bond issuance and that the purpose of the annual report is to provide certain financial information, operating data, and notice of significant events to assist the Bond underwriter in complying with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended. She said the Report would be published on the Electronic Municipal Market Access website, a service of the Municipal Securities Rulemaking Board, for the benefit of the owners of the Bonds and the underwriter. After discussion, on a motion by Director Linneman, seconded by Director Fausone, the Board accepted as final the Continuing Disclosure Report, 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 Stearns, seconded by Director Linneman, 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

CLOSED SESSION

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

At approximately 9:46 a.m., President Bennett called the closed session to order.

At approximately 10:24 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.

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 10:25 a.m.



John Bennett, President



Mike Stearns, Secretary