

**PANOCHÉ WATER DISTRICT MEETING MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 09, 2022, at 9:30 A.M.**

A regular meeting of the Board of Directors was held in accordance with District Resolution 809-22 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
 Beau Correia, Director

Directors Absent: Steve Fausone, Director

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

Others Present: Philip Williams, General Counsel
 Palmer McCoy, Grassland Basin Authority
 Wayne Western, Hammonds Ranch
 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 9:30 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

- A. Water Resources Manager, Juan Cadena reported on water deliveries and maintenance activities. He said July's deliveries totaled 5,612 acre-feet and that daily average deliveries were running

approximately 120 cubic-feet per second. He said the maintenance crew had repaired a leak in the Recirculation system pipeline and replaced the turnout 205 headgate. In the Drainage District, Cadena said crews were cleaning up spoil piles and trash along the San Luis Drain.

- B. General Manager Azhderian reported staff were helping growers monitor their water supply balances and preparing the July delivery billing. He also noted that the Drainage District audit would be completed in August and presented to the Board at their next regular meeting.
- C. Ethics & Compliance Officer, Lorena Chagoya reported on risk management activities for the month of June and July. She informed the Board that there were no worker's compensation claims nor new COVID-19 cases reported. She explained that although there were no activities on the SpeakUp Hotline, there were three incidents reported, which has been resolved. She also reported on the results of a safety inspection in July, which the District scored 97% for the main shop and 95% for the Chemical. She reported the Injury & Illness prevention program is being reviewed and revised and summarized completed safety trainings, including the COVID-19 Prevention Program revised policy, and other employee job specific trainings. Chagoya reported on personnel achievement for employee, Jose Pimentel, who received his Class A driver's permit and the promotion of Josh Marquez as the District's new Contracts Administrator. Chagoya reminded the Board to renew their mandated training on sexual harassment and the AB1234 Ethics trainings and, lastly, she reported that the District received one declaration of candidacy form for PWD and another one for PDD Division 5 for 2022 elections.

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 9:36 a.m., President Bennett called the joint closed session to order.

At approximately 10:00 a.m., President Bennett suspended the Panoche Drainage District meeting.

CLOSED SESSION

General Counsel Williams announced that the Panoche Water District's Board would meet in closed session for a conference with legal counsel to discuss those items listed on the Agenda pursuant to Government Code Section 54956.9, Subdivision (d), Paragraphs (1), (2), or (3).

At approximately 10:00 a.m., President Bennett called the closed session to order.

At approximately 11:15 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.

At approximately 11:15 a.m., President Bennett resumed the joint closed session.

At approximately 11:49 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.

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar items, which included a Resolution extending remote teleconference meetings through September 8th due to the COVID pandemic; draft meeting minutes of the August 10, 2021, regular meeting of the Board and draft meeting minutes of the July 12, 2022, regular meeting of the Board; and the monthly financial statements for the period ending July 31, 2022. Directors Bennett and Stearns affirmed the minutes of the August 10, 2021, meeting. After consideration, on a motion by Director Stearns, seconded by Director Bennett, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPOINTING A DIRECTOR TO FILL THE REMAINING TERM ON THE BOARD FOLLOWING THE RETIREMENT OF DIRECTOR MIKE STEARNS, EFFECTIVE AUGUST 10, 2022

General Manager Azhderian reported that following Mike Stearns’ announcement of his retirement, the District sent all landowners a Notice of Vacancy and informed them that the Board may appoint a new director at today’s meeting. He said the District only received one application for the vacancy from Mr. Wayne Western, who is the general manager of Hammonds Ranches. Azhderian said Mr. Western is eligible to serve as a director of the District as a designated agent of Hammonds Ranches and that the other option would be for the Board to call for a special election. After consideration, on a motion by Director Bennett, seconded by Director Correia, the Board appointed Mr. Wayne Western to serve the balance of Mr. Stearns’ term on the Board.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION AUTHORIZING THE PREPARATION AND SUBMISSION OF A WATERSMART WATER AND ENERGY EFFICIENCY GRANT APPLICATION

General Manager Azhderian reported staff and consultants had worked to update the District’s Contour Canal Modernization Project grant application based, in part, on information learned from a call with Reclamation to review the previous application submitted last year. Reclamation noted the District’s application feel just short of award and identified certain areas where the District could improve the submittal. The project had also been expanded to include a pipeline replacement intended to improve pumping efficiency and reduce energy usage. Azhderian said it will likely be next spring before Reclamation announces awards and that the District will consider its match funds in the next fiscal-year budgeting cycle. After consideration, on a motion by Director Correia, seconded by Director Stearns, the Board adopted the Resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVING A REQUEST FROM CREEKSIDE FARMING COMPANY TO TRANSFER 511 ACRE-FEET TO WESTLANDS WATER DISTRICT

General Manager Azhderian presented the Board the transfer request from Creekside. He explained this request was similar to others previously approved whereby the grower is proposing to use groundwater to support water demands in other districts. Azhderian recommended the Board take the same action it had previously to approve the transfer and inform the grower that beginning next year, groundwater substitution transfers would no longer be allowed. After consideration, on a motion by Director Barcellos, seconded by Director Stearns, the Board approved the transfer request and recommendation.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPROVING A REQUEST FROM HAMMONDS RANCHES TO TRANSFER 30 ACRE-FEET TO SAN LUIS WATER DISTRICT

General Manager Azhderian presented the Board the transfer request from Hammonds. He explained this request did not propose to use groundwater in lieu of surface supply and that Hammonds had fallowed many acres and had sufficient water on its account to support the transfer. After consideration, on a motion by Director Correia, seconded by Director Barcellos, the Board approved the transfer request.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A SERVICE AGREEMENT FOR FINANCIAL AUDITING SERVICES

General Manager Azhderian presented the Board the proposal for financial auditing services provided by Price Paige & Company. He explained the District had sent its Request for Proposals to eleven firms but only received the one response. Azhderian said he had called some of the firms to ask why they had not responded and received a range of responses from the job being too small and concerns about being able to compete price wise to firms simply not looking for more work at this time. After consideration, on a motion by Director Stearns, seconded by Director Correia, the Board authorized execution of the service agreement with Price Paige.

The vote on the matter was as follows:

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

Absent: Fausone

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 Stearns, the Board approved payment of the bills.

The vote on the matter was as follows:

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

FINANCIAL REPORTS

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

REPORTS UNDER DISTRICT POLICIES

No report was given.

GENERAL MANAGER’S REPORT

General Manager Azhderian reported on the matters listed on the Agenda.

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

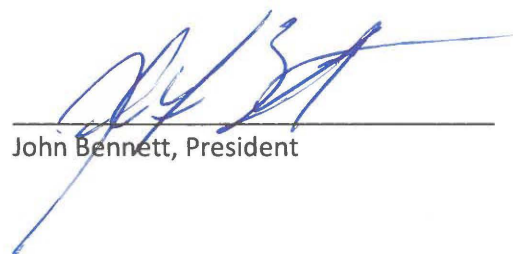
No reports were given.

FUTURE MEETING DATES

The next regular meeting of the Board was scheduled for September 13, 2022, at 9:30 a.m.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 1:16 p.m.



John Bennett, President



Mike Stearns, Secretary