

**PANOCHÉ WATER DISTRICT MEETING MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
January 31, 2023, 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: Aaron Barcellos, President
 Beau Correia, Vice-President
 Steve Fausone, Secretary
 Wayne Western, Director
 Neill Callis, Director
- Directors Absent: None
- District Staff Present: Ara Azhderian, General Manager
 Juan Cadena, Water Resources Manager
 Lorena Chagoya, Ethics & Compliance Officer
 Marlene Brazil, Treasurer/Accounting Supervisor
- Others Present: Philip Williams, General Counsel
 Palmer McCoy, Grassland Basin Authority

ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3

Pursuant to the Brown Act, President Barcellos 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 Barcellos called the regular meeting to order at 9:30 a.m.

REVIEW OF AGENDA

General Manager Azhderian announced Agenda Item 8 had been corrected to notice the making of certain findings of exemption under the California Environmental Quality Act.

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.

CLOSED SESSION

General Counsel Williams announced the Panoche Water District Board would meet jointly in closed session for a conference with legal counsel on anticipated and existing litigation pursuant to Government Code Section 54956.9, Subdivision (d), Paragraphs (1), (2), and/or (3), and with the District's Real Property Negotiator to discuss price and terms of a potential irrigation water purchase.

At approximately 9:32 a.m., President Barcellos called the joint closed session to order.

At approximately 10:43 a.m., President Barcellos adjourned the joint closed session.

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 ADOPTING A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE BUREAU OF RECLAMATION FOR SECTION 215 WATER SERVICE AND MAKING CERTAIN FINDINGS OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

General Manager Azhderian reported Reclamation had announced it would be seeking a Temporary Urgency Change Petition from the State Water Resources Control Board to allow for its Westside San Joaquin Valley Central Valley Project contractors to divert temporary flood flows from the San Joaquin River. He explained the District could bring such water in for delivery through both the Firebaugh Canal Water District and Central California Irrigation District direct connections. Azhderian said the amount of water that may be available would likely be very limited due to conveyance and demand constraints and the fact that the water is not storable. However, he noted, a little more is better than none so he requested the Board adopt the Resolution absent a Section 215 Water Service Contract so that when, and if, Reclamation makes such water available, the District is immediately ready to take delivery of it. General Counsel Williams reviewed the CEQA exemptions findings with the Board. After consideration, on a motion by Director Western, seconded by Director Callis, the Board adopted the Resolution as presented.

The vote on the matter was as follows:

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

REVIEW OF PANOCHÉ'S ACTIVITIES

General Manager Azhderian presented the Board an overview of the services the District provides to the Charleston Drainage District, Mercy Springs Water District, Panoche Drainage District, Panoche Financing Authority, Panoche Resource Conservation District, and San Luis & Delta-Mendota Water Authority. After the overview, the Board and staff discussed current staffing levels and responsibilities, employee tasks and skill alignments, and unmet staffing needs. Azhderian also presented information on the District cash reserves and assets, debt and borrowing capacity, grants in application or being administered, and water supply resources. After discussion, the Board requested staff schedule another special meeting date to continue consideration of the District's strategic priorities.

GENERAL MANAGER'S REPORT

General Manager Azhderian updated the Board on water supply forecasts noting that while analysts with Westlands Water District were predicting a potential initial allocation of CVP water between

15 and 35% of contract, representatives of the Department of Interior speaking at the recent Mid-Pacific Water Users Conference were taking a much more cautious tone noting that storage in Shasta and Trinity reservoirs remained low, Jones Pumping Plant would be subject to D-1641 outflow and salinity standards, as well as fisheries regulations, through mid-June, and that while 2022 also got off to a great start, it turned dry thereafter and, if the same happened this year, the wet season would fall well below average. Azhderian noted the chief operator of the CVP stated that, unfortunately, 2023 allocations could still range between 0 and 100%. He noted the key dates upcoming would be February 8th when the Department of Water Resources is expect to update its Bulletin 120 Water Supply Forecast, February 15th when Reclamation is expected to announce its initial Shasta Critical declaration, and February 20th when Reclamation is expected to announce its initial CVP contractors allocations. Azhderian predicted the initial allocation would be in the 5 to 15% range and that the final allocation would not be know until June, once the Shasta Reservoir dependent salmon temperature management plan was known.

FUTURE MEETING DATES

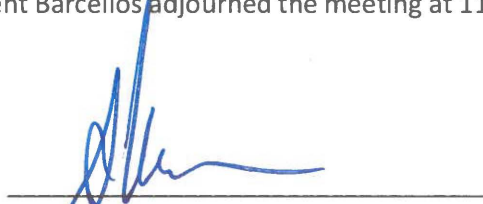
The Board requested staff schedule a special meeting during the first week of March. The next regular meeting of the Board was scheduled for 9:30 a.m. on February 14, 2023.

ADJOURNMENT

With no further business on the agenda, President Barcellos adjourned the meeting at 11:43 a.m.



Aaron Barcellos, President



Steve Fausone, Secretary