

**PANOCHÉ WATER DISTRICT MEETING MINUTES  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
February 22, 2022, at 9:00 A.M.**

A special meeting of the Board of Directors was held in accordance with District Resolution 800-22 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

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 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**

General Manager Azhderian reported that the hearing originally scheduled for February 22<sup>nd</sup> to hear public comment on whether or not to enter into an energy service contract with ForeFront Power, LLC., had been postponed to March 8<sup>th</sup> to provide additional time to update the proposal to reflect new information discovered during a recent site visit regarding Pacific Gas & Electric’s equipment.

**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 (1), (2), or (3).

*At approximately 9:30 a.m., President Bennett called the joint closed session to order.*

*At approximately 10:45 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.

**PANOCHÉ WATER DISTRICT ONLY CLOSED SESSION**

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

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

General Manager Azhderian reported that as the Central Delta-Mendota Region SGMA Management Committee was a separate, though related, governance body from the Central Delta-Mendota Groundwater Sustainability Agency's Board of Directors, and, as such, the Committee had requested the Panoche Board take formal action to designate representatives. Azhderian recommended that, given the similar nature of issues considered by the two governance bodies and that the Panoche Board had previously designated Messrs. Mike Stearns and Steve Fausone to serve on the Agency's Board, that they also be named to serve on the Committee. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously accepted the recommendation.

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 ACCEPTING THE TREASURER'S QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING DECEMBER 31, 2021**

General Manager Azhderian presented the Board the Treasurer's Report. He reported on the status of the District's idle funds and stated that the District's financial portfolio was in compliance with its Statement of Investment Policy. Lastly, he said it is expected the District will be able to meet its expenditure requirements for the next six months based on projected revenue from water sales, 2021 Bond assessment receipts, and reimbursements for services from other agencies. After consideration, on a motion by Director Stearns, seconded by Director Fausone, the Board unanimously accepted the Treasurer's Report.

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 AMENDING THE 2021-22 FISCAL-YEAR BUDGET**

General Manager Azhderian reported that after consulting with the District’s accountants, he was recommending action to amend the 2021-22 fiscal-year budget be tabled until a later date to allow for other anticipated line-item adjustments to be accounted for during the year-end close out process. After consideration, the item was tabled and no further action was taken on the matter.

**THE BOARD TO REVIEW AND CONSIDER ADOPTING A 2022-23 FISCAL-YEAR BUDGET**

General Manager Azhderian presented the Board with the initial proposed budget for the fiscal-year ending February 28, 2023. He explained that given the uncertainty about water supply and deliveries, the budget would likely need to be reviewed in the early summer after the impacts of the remaining winter, and state and federal regulatory actions affecting Central Valley Project operations and potential transfers, were clearer. Azhderian reviewed the proposed budget with the Board, noting that anticipated reductions in pump and equipment repairs were significant contributors to the 11 percent reduction in operations and maintenance costs, reflecting the substantial work done in these areas in the previous calendar year. After consideration, on a motion by Director Stearns, seconded by Director Fausone, the Board unanimously adopted the proposed 2022-23 fiscal-year budget 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 150 ACRE-FEET TO WESTLANDS WATER DISTRICT**

General Manager Azhderian recommended the Board approve a request from Turlock Fruit to transfer water to Westlands Water District. He noted that Turlock Fruit was a net importer of water into the District and that the District’s O&M rate would be billed on the transfer; therefore, there would be no redirected water supply or financial impacts to any other growers in the District. After consideration, on a motion by Director Stearns, seconded by Director Fausone, the Board unanimously approved the request to transfer.

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 EMPLOYEES’ HANDBOOK**

General Manager Azhderian presented the Board the draft revised Employee Handbook. He explained the revisions were prepared by District staff and counsel to incorporate previous policy changes that were made to specific Handbook sections and to reflect changes in law since the last revision. After consideration, on a motion by Director Fausone, seconded by Director Correia, the Board unanimously adopted the revised Handbook and recommended staff prepare a package to include policies referenced in the Handbook for presentation to employees so that they may have all of the referenced information in one place.

The vote on the matter was as follows:


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

**FUTURE MEETING DATES**

The next regular meeting of the Board was scheduled for March 8, 2022, at 9:00 a.m.

**ADJOURNMENT**

With no further business on the agenda, President Bennett adjourned the meeting at 11:38 a.m.



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John Bennett, President



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Mike Stearns, Secretary