

**PANOCHÉ WATER DISTRICT MEETING MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
September 14, 2021, at 9:00 A.M.**

A regular meeting of the Board of Directors was held in accordance with Governor Newsom's Executive Order N-09-21 issued in response to the COVID-19 Pandemic, which allows local and state legislative bodies 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
 Mike Stearns, Secretary
 Michael Linneman, Director
 Steve Fausone, Director
- Directors Absent: Ross Koda, Director
- District Staff Present: Ara Azhderian, General Manager
 Juan Cadena, Water Resources Manager
 John Paul Otollo, Treasurer & Controller
 Lorena Chagoya, Ethics & Compliance Officer
- Others Present: Philip Williams, General Counsel
 Diane Rathmann, Of 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 9:08 a.m.

REVIEW OF AGENDA

There were no correction or additions to the Agenda.

ROLL CALL

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

POTENTIAL CONFLICTS OF INTEREST

Director Fausone announced he would recuse himself from consideration of Agenda Item 10.

PUBLIC COMMENT

General Manager Azhderian welcomed Director Fausone to his first meeting.

DIVISION REPORTS

- A. Water Resources Manager Juan Cadena reported the Water District's August deliveries were about 4,000 acre-feet and that current deliveries were about 45 to 50 cubic-feet per second. He said crews were repairing a safety railing at turnout 10W and cleaning debris from lateral 11E. In the Drainage District, he said crews were dozing spoils along the 1144 drain and that work had begun on the Grassland Bypass Channel Operable Gates Project. Lastly, Cadena reported staff were assisting the Groundwater Sustainability Agency by collecting water level data.
- B. Controller JP Otollo reported staff were still receiving subscription requests for supplemental water following the District's notice of a second supplemental pool. The water usage billing was being prepared for mailing and accounting staff were focused on the Water District audit, which began at the beginning of the month, he said. For the Drainage District, Otto reported staff continue to monitor cash flow projections closely and preparing for issuance of the second Drainage Service Fee billing.
- C. Ethics & Compliance Officer Lorena Chagoya reported on various risk management and Human Resources activities. She said there had been no property, liability, or worker's compensation insurance claims, nor COVID-19 cases, in the last month. She noted over 50% of the District's employees had reported being vaccinated. Chagoya said there had been no complaints reported on the SpeakUp Hotline but three internal matters were opened and closed. She stated the Safety Champions continue to assist with program implementation and maintenance and reviewed past and future planned training sessions. Lastly, Chagoya reminded the Board about providing the District their certificates of completion for the state mandated sexual harassment and ethics trainings.

At approximately 9:20 a.m., President Bennett suspended the Drainage District meeting and continued the Water District-ONLY meeting.

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar, which included the draft minutes from the February 23, 2021, and the March 23, 2021, special meetings of the Board; the monthly financial statements for the period ending August 31, 2021; and the Director's Monthly Credit Card Usage Report. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Linneman, Fausone
Nays:	None
Abstain:	None
Absent:	Koda

THE BOARD TO REVIEW AND CONSIDER APPOINTMENT OF DISTRICT OFFICERS AND AD-HOC COMMITTEES MEMBERS TO SERVE THE BALANCE OF FISCAL YEAR BEGINNING MARCH 1, 2021, AND ENDING FEBRUARY 28, 2022

General Manager Azhderian explained that following the retirement of Vice-President Suzanne Redfern-West, the District now had vacancies at the Vice-President position and on the Ethics & Compliance Committee. After consideration, on a motion by Director Stearns, seconded by Director

Linneman, the Board elected to appoint Mr. Michael Linneman to serve as Vice-President and Mr. Steve Fausone to serve on the Ethics & Compliance Committee.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Linneman, Fausone
Nays:	None
Abstain:	None
Absent:	Koda

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH FIELDMAN, ROLAPP & ASSOCIATES

General Manager Azhderian explained that with issuance of the 2021 Bond comes the compliance obligations set forth in the District’s Continuing Disclosure. He said the District did not have the expertise necessary to ensure compliance nor would it be cost effective to train and maintain staff to perform the function. Rather, Azhderian recommended the District enter into a Professional Services Agreement with Fieldman Rolapp, the District’s municipal financing advisor, to provide the professional and technical services necessary to comply with Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934, as amended, California Senate Bill 1029, Government Code Section 8855(k), and the Marks-Roos Local Bond Pooling Act of 1985, as amended (Section 6584 et seq.), Government Code Section 6599.1(b), or other similar rules. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board accepted the recommendation and authorize execution of the Agreement as presented.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Linneman, Fausone
Nays:	None
Abstain:	None
Absent:	Koda

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION SUPPORTING THE NOMINATION OF G. PATRICK O’DOWD AS A CANDIDATE FOR VICE-PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

General Manager Azhderian explained it was an election year for the Association of California Water Agencies and that Bill Diedrich, the ACWA Agricultural Committee Chair and Region 6 Director, was requesting the District consider supporting the nomination of Patrick O’Dowd as a candidate for ACWA Vice-President. Azhderian reviewed Dowd’s roles on various ACWA committees and professional experience. After consideration, on a motion by Director Fausone, seconded by Director Linneman, the Board adopted the draft Resolution.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Linneman, Fausone
Nays:	None
Abstain:	None
Absent:	Koda

THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF BILLS

Controller Otollo presented the Board with the District’s accounts payable. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board approved payment of the bills.

The vote on the matter was as follows:

Ayes:	Bennett, Stearns, Linneman
Nays:	None
Abstain:	None
Absent:	Koda, Fausone

CONTROLLER'S REPORT

Controller Otollo reviewed the District's Budget-to-Actual report with the Board. Director Fausone requested time with staff to review and become more familiar with the District's financial reports and formats.

REPORTS UNDER DISTRICT POLICIES

No reports were given.

GENERAL MANAGER'S REPORT

Azhderian updated the Board on water deliveries, supplies, and forecasts, and on District staffing, salaries, and assignments.

At approximately 10:22 a.m., President Bennett suspended the Water District meeting and resumed the Drainage District-ONLY meeting.

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 11:03 a.m., President Bennett called the joint closed session to order.

At approximately 11:39 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 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 11:40 a.m., President Bennett called the closed session to order.

At approximately 12:15 p.m., President Bennett adjourned the closed session.

PANOCHÉ WATER DISTRICT-ONLY CLOSED SESSION REPORT

General Counsel Williams reported the Board met with legal counsel in closed session and took no reportable action.

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

President Bennett requested the Board consider a replacement for him on the San Luis & Delta-Mendota Water Authority Board of Directors as he was looking to retire from that position. The Board discussed naming Mr. Michael Linneman to succeed Mr. Bennett and General Manager Azhderian to act as alternate. The Board requested staff bring a resolution to the next regular meeting for consideration.

FUTURE MEETING DATES

The next regular meeting of the Board was scheduled for October 12, 2021, at 9:00 a.m.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 12:17 p.m.



John Bennett, President



Mike Stearns, Secretary