

**PANOCHÉ WATER DISTRICT MEETING MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
March 01, 2023, at 9:00 A.M.**

A meeting of the Board of Directors was held 52027 West Althea Ave., Firebaugh, CA 93622. 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

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 meeting to order at 9:04 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.

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 9:07 a.m., President Barcellos called the joint closed session to order.

At approximately 10:04 a.m., President Barcellos adjourned the joint closed session.

JOINT CLOSED SESSION REPORT

General Counsel Williams reported the Boards met jointly with legal counsel in closed session and no reportable action was taken.

CLOSED SESSION

General Counsel Williams announced that the Board would meet 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); a conference with labor negotiators pursuant to Government Code Section 54957.6; and a conference with real property negotiators.

At approximately 10:09 a.m., President Barcellos called the closed session to order.

At approximately 11:13 a.m., President Barcellos adjourned the closed session.

CLOSED SESSION REPORT

General Counsel Williams reported the Board met in closed session with real property negotiators and authorized execution of water purchase agreements with the West Stanislaus Irrigation District and the East Side Canal & Irrigation Company. No other reportable action was taken.

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION AMENDING THE PANOCHÉ WATER DISTRICT'S BY-LAWS TO PROVIDE FOR OFFICERS' COMPENSATION

General Manager Azhderian presented the draft Resolution. He explained that in order to implement the Board's direction to initiate a stipend in lieu of the health insurance benefits the Board previously received, it was necessary for the Board to amend the District's Bylaws and consider naming two additional executive officers, a Tax Assessor and Tax Collector, as provided for by the existing Bylaws. Azhderian noted that with recent adoption of the 2021 Special Benefits Assessment and the prospective implementation of a land-based Operations & Maintenance rate, naming such officers was appropriate at this time. General Counsel Williams reviewed the applicable California Water Code sections and the proposed amendments in detail. After consideration, on a motion by Director Correia, seconded by Director Callis, the Board adopted the Resolution as presented and named Neill Callis the Tax Assessor and Wayne Western the Tax Collector.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ADOPTING A 2023-24 FISCAL-YEAR BUDGET AND OPERATIONS & MAINTENANCE RATES

General Manager Azhderian presented the fourth-draft budget for the 2023-24 fiscal-year. He reviewed the proposed costs and the potential modification of the method to recover necessary Operations & Maintenance costs from a water based only rate to a mixed approach of both water and land-based rates. The Board directed staff to reduce the legal budget to \$250,000, requested review of the projected fuel costs and revision if overstated, and suggested implementing a capital improvement fund in next year's budget. With respect to the proposed mixed rate structure, the Board decided to

split Repair & Maintenance costs equally between water and land based rates. Azhderian said following adoption of the budget and approval of the proposed change in the necessary cost recovery method, the District would send landowners a letter informing them of the 45-day comment period culminating with a public hearing on April 18th, after which the Board would make its final decision. He also said the District would hold a growers' workshop on March 28th to answer questions about the proposed changes and the Proposition 218 majority protest process. After consideration, on a motion by Director Callis, seconded by Director Fausone, the Board adopted the 2023-24 fiscal year budget as modified and approved distribution of the proposed rate modification, as modified.

The vote on the matter was as follows:

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

FUTURE MEETING DATES

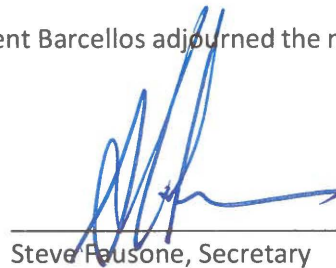
A special meeting of the Board was scheduled for 9:30 a.m. on March 28, 2023. The next regular meeting of the Board was adjourned from 9:30 a.m. on April 11th to 9:30 a.m. on April 18, 2023.

ADJOURNMENT

With no further business on the agenda, President Barcellos adjourned the meeting at 12:00 p.m.



Aaron Barcellos, President



Steve Fausone, Secretary